



## ADAPTATION FUND

AFB/PPRC.38/38  
20-21 October 2026

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Adaptation Fund Board  
Project and Programme Review Committee  
Thirty-eighth meeting  
Bonn, Germany, 20-21 October 2026

Agenda Item 6 f)

### **LOCALLY-LED ADAPTATION SINGLE COUNTRY PROPOSAL FOR MONGOLIA**

## Background

1. At its thirtieth meeting, having considered document AFB/B.30/5/Rev.1, the Adaptation Fund Board decided:

*(a) To adopt the medium-term strategy as amended by the Board, as contained in the Annex 1 of the document AFB/B.30/5/Rev.1 (the MTS); and*

*(b) To request the secretariat:*

*(i) To broadly disseminate the MTS and work with key stakeholders to build understanding and support;*

*(ii) To prepare, under the supervision of the MTS task force, a draft implementation plan for operationalizing the MTS, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and political risks, for consideration by the Board at its thirty-first meeting; and*

*(iii) To draft, as part of the implementation plan, the updates/modifications to the operational policies and guidelines of the Adaptation Fund needed to facilitate implementation of the MTS, for consideration by the Board at its thirty-first meeting.*

*(Decision B.30/42)*

2. Pursuant to decision B.30/42, subparagraph b (ii), the secretariat prepared a draft implementation plan for the MTS, including an assessment of assumptions and risks. The secretariat shared a version of the draft with the MTS task force for comments.

3. The draft implementation plan also contains suggestions for specific funding windows that might be opened under the MTS in complement of the Fund's existing funding windows for single-country and regional adaptation projects and readiness support projects. Following the approval of the implementation plan, the secretariat would present specific proposed details for each new funding window at subsequent meetings of the Board for its consideration, in accordance with the timeline contained in the implementation plan.

4. At its thirty-first meeting, the Adaptation Fund Board discussed the draft implementation plan for the MTS, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.31/5/Rev.1. Having considered that document, the Board decided:

*(a) To approve the implementation plan for the medium-term strategy for the Fund for 2018–2022 contained in the Annex I to document AFB/B.31/5/Rev.1 (the plan);*

*(b) To request the secretariat:*

*[...]*

- (iii) *To prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features and submit it to the Board for its consideration in accordance with the tentative timeline contained in Annex I to document AFB/B.31/5/Rev.1, with input from the Board's committees;*
- (iv) *Following consideration of the new types of support mentioned in subparagraph (b)(iii), to propose, as necessary, amendments to the Fund's operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and*

[...]

*(Decision B.31/32)*

5. Having recognized that there was a high level of interest among the Fund's stakeholders on Enhanced Direct Access (EDA), a specific funding window on EDA was included in the MTS implementation plan to complement the Fund's existing funding window for single-country projects.

6. At the second session of its thirty-fifth meeting the Board considered the document AFB/PPRC.26.b/18, Window for Enhanced Direct Access under the MTS and the Board decided:

- (a) To approve the pilot for projects submitted through the window for enhanced direct access (EDA) to promote EDA and further promote locally led adaptation under the Fund;*
- (b) That the pilot window to promote EDA projects/programmes shall be available to national implementing entities (NIEs) only, in the form of a grant up to a maximum of US\$5 million per country;*
- (c) That the window for EDA will not count against what the country could access under the country cap established by the Board for regular concrete projects/programmes;*
- (d) That the execution costs for proposals submitted under the EDA window should be up to a maximum of 12 per cent of the total project/programme budget requested before the implementing entity fees, and should not exceed 1.5 per cent in cases where the Implementing Entity has also taken on the role of Execution Entity for the proposed project/programme activities, and that the implementing entity fee should be up to a maximum of 10 per cent of the total project costs;*
- (e) That NIEs submitting proposals through the EDA window should do so using the existing approved proposal template and guideline materials for regular concrete projects/programmes nonetheless taking note of the project fees in subparagraph (d) and that EDA proposals submitted through the two-step project approval process are eligible for the project formulation grant and project formulation assistance grant as per the approved criteria by the Board for those grants;*
- (f) That the review cycle and approval of projects/programmes submitted through the EDA window shall follow the review and approval process as well as reporting*

*requirements for regular projects/programmes under the Fund notwithstanding adherence to subparagraph where it concerns the review and approval of project fees; and*

*(g) To request the secretariat to present to the PPRC at its twenty-eighth meeting, an analysis of the project review cycle for EDA projects including an update on the implementation status of the EDA window.*

*(Decision B.35.b/10)*

7. The Adaptation Fund Board adopted at its thirty-ninth meeting in October 2022 the medium-term strategy of the Adaptation Fund for the period 2023-2027 (MTS-II). The strategy introduced a special emphasis on promoting locally led adaptation (LLA) in the Fund's work and included a new cross-cutting theme to "Promote locally based and locally led adaptation action including by devolving access and decision-making on adaptation finance to national, subnational, and local levels."

8. Three modalities were proposed through Decision B.40/72 in March 2023:

*(a) Enhancing the existing Enhanced Direct Access window,*

*(b) Establishing a new Global MIE Aggregator programme for channeling grants for LLA to non-accredited entities,*

*(c) Opening the option for EDA-type national programmes for MIEs and RIEs.*

9. The Adaptation Fund Board at its forty-second board meeting in April 2024, considered the paper entitled 'Additional delivery modalities for expanding support to locally led adaptation' and the Board decided:

*Single country locally-led adaptation projects and programmes*

*a. To merge the window for enhanced direct access into an expanded and enhanced window for single-country locally led adaptation (LLA) projects/programmes as contained in paragraphs 37–42 of document AFB/PPRC.33/39;*

*b. That the window for single-country LLA projects/programmes will be available for access by eligible countries through national, regional or multilateral implementing entities, in the form of a grant of up to a maximum of US\$ 5 million per project;*

*c. That the window for single-country LLA programmes will continue to be financed outside the country cap established by the Board for regular concrete projects/programmes;*

*d. That single-country LLA proposals can be submitted through the three-step project approval process and are eligible for a project formulation grant (PFG) for a maximum of US\$ 150,000 as per the approved criteria by the Board for those grants;*

*e. That an additional PFG amount (inclusive of the management fee) can be provided on a case-by-case basis for LLA projects up to a maximum of US\$ 100,000, and that such amount should be dedicated to support activities that enable decision making by local actors over how adaptation actions are defined, prioritized, designed and implemented;*

- f. *That, for a PFG at the pre-concept stage, up to 20 percent of the maximum amount of the PFG set in subparagraphs (d) and (e) above could be granted;*
- g. *To approve the revised proposal template and project review sheet contained in annex 3 and annex 4 to document AFB/PPRC.33/39, respectively;*
- h. *To request the secretariat to develop instructions for preparing requests for proposals and additional guideline materials for projects/programmes under this window;*

[...]

**(Decision B.42/37)**

10. Having considered the recommendation of the Project and Programme Review Committee, the Board decided to include in its work programme for fiscal year 2027 a provision for an amount of US\$ 50 million for single country LLA grants (B.46/52).

11. The following concept note proposal document titled “*Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership*” was submitted for Mongolia by United Nations Human Settlements Programme (UN-Habitat), which is a Multilateral Implementing Entity of the Adaptation Fund.

12. This is the fifth submission of the concept note proposal using the two-step submission process.

13. The current submission was received by the secretariat in time to be considered in the forty-seventh Board meeting. The secretariat carried out five technical reviews of the project proposal, with the Project ID number AF00000509.

14. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with UN-Habitat and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.

15. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25/15, the proposal is submitted with changes between the initial submission and the revised version highlighted or with track changes.



ADAPTATION FUND

**ADAPTATION FUND BOARD SECRETARIAT**  
**TECHNICAL REVIEW OF PROJECT PROPOSAL FOR**  
**"HEALTHY HOMES, RESILIENT COMMUNITIES: ENHANCING HOUSING SAFETY AND**  
**CLIMATE RESILIENCE IN MONGOLIAN GER AREAS THROUGH COMMUNITY LEADERSHIP"**

**Project Title** Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership

**Project ID** AF00000509

**Category** LLA

**Type** Single country project

**Stage** Concept

**Country** Mongolia

**Implementing Entity** UNHAB

**Financing Requested** USD 5,000,000.00

## Reviewer

## Co-reviewer(s)

## IE Contact Person

Cerin Kizhakkethottam, Enkhtsetseg Shagdarsuren, Odicea Angelo Barrios, Roi Chiti, Udval Otgonbayar

## Secretariat's Overall Comment

A project formulation grant (PFG) of USD 150,000 is included. The initial technical review raised several issues, such as unclear climate rationale for the proposed interventions and lack of clear pathways for sustainability and scalability beyond project cycle, limited consideration of relevant baseline initiatives and lack of result framework as discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review. The second technical review acknowledged progress but notes that significant gaps remain, particularly the weak climate adaptation rationale due to the absence of climate data or references, limited explanation of how the proposed climate resilient retrofits differ from business as usual practices, and insufficient detail on institutional arrangements, innovation potential, and other core design elements. The third technical review notes significant improvements but identifies some gaps mainly related to integration of proposed project's local-led governance mechanism with local government systems, insufficient details to justify cost-effectiveness, limited explanation of financing and decision-making mechanisms, and sustainability of proposed measures beyond project cycle. The fourth technical review found that all CRs and CARs have been cleared at the concept stage except for comment related to the PFG form that needs to be addressed. Related to the cost-effectiveness section, the CR is cleared with the note that a unit-cost comparative analysis will be provided at the full proposal stage when assessing the most cost-effective adaptation measures. For the general comment under Question 3, the outputs will need to be accompanied by detailed activities and to be placed under Section II.A at the full proposal stage. The fifth technical review finds that the pending CRs and CARs are cleared.

## Country Eligibility

**Is the country party to the Kyoto Protocol and/or the Paris Agreement?**

Response:

Yes

**Secretariat:** Yes. [5 March 2026]

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

**Response:** Yes

**Secretariat:** Yes. Mongolia is a developing country highly vulnerable to the adverse effects of climate change, including increasing frequency and intensity of flooding, drought, extreme cold heatwaves, and land degradation. [5 March 2026].

## Project Eligibility

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

**Response:** Yes

**Secretariat:** Yes. As per the Endorsement letter dated 9 September 2025. [5 March 2026]

**Response:** Yes

**Secretariat:** We took note that recently (15th June communication) there has been a change in the primary contact for Mongolia (to Ms Onon Yondon), please ensure an updated LOE is submitted with the next submission. Kindly liaise with the government. [15 June 2026].

**Response:** Yes

**Secretariat:** As per the new endorsement letter dated 21 July 2026. However please note that the Proposal document in Part IV refers to the old DA focal point and not the new appointee.

### Does the length of the proposal amount to no more than fifty (50) pages for the Concept note project document, including its annexes?

**Response:** Cleared

**Secretariat:** Yes. [5 March 2026].

### Does the project / programme support concrete adaptation actions to assist the country and/or the local actors in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?

**Response:** Not Cleared

**Secretariat:** Needs clarification. The proposal highlights significant health, housing, and energy challenges faced by households in Mongolia's ger areas and proposes climate-resilient housing upgrades as a key response. However, the adaptation rationale requires further clarification to demonstrate how the proposed activities specifically address climate change risks rather than broader development deficits. While the proposal describes

climate hazards such as flooding, extreme cold, drought, and dust storms, it does not sufficiently demonstrate how these hazards translate into specific housing vulnerabilities and how the proposed interventions directly reduce those risks. In particular, the proposal would benefit from further clarification regarding: - How previous Adaptation Fund support in ger areas, particularly the Flood Resilience in Ulaanbaatar Ger Areas project, has informed the design of this proposal and how the proposed activities build on that baseline; - Evidence linking climate change impacts (e.g., increasing flooding, extreme cold events, or other hazards) to the health risks described; - The key institutional, technical, financial, and social barriers that currently limit climate-resilient housing improvements in ger areas; - How the proposed housing retrofits (e.g., insulation, ventilation, sanitation, and heating improvements) directly address climate hazards such as flooding, extreme temperatures, or drought conditions; - The logical structure of the components, including how activities under each component contribute to the overall adaptation objective.

CR 1: Please explain how the Adaptation Fund project “Flood Resilience in Ulaanbaatar Ger Areas” informs the design of the proposed project. In particular, clarify how the outcomes of that project such as flood risk assessments, community-based and municipal mechanisms, institutional capacity development, and resilient infrastructure investments have been used as a baseline for the proposed activities. Please also clarify how the proposed project complements or builds upon these previous investments and why additional Adaptation Fund resources are justified.

CR2: The proposal highlights health risks in ger areas, particularly those associated with air pollution and coal burning. However, the link between climate change impacts and the health risks described could be further clarified. Please provide additional evidence or references demonstrating how climate-related hazards such as increasing flooding, extreme cold events, drought, or dust storms are contributing to health risks in ger areas. Where possible, include relevant data or projections showing recent trends in climate hazards and their expected impacts on housing conditions and public health.

CR3: The proposal includes housing upgrades such as improved insulation, ventilation, sanitation, and efficient heating systems. However, it is not sufficiently clear how these interventions specifically address climate-related risks rather than broader housing or development challenges. Please clarify how the proposed retrofits directly reduce vulnerability to climate hazards such as flooding, extreme cold, heatwaves, or drought conditions. In addition, please briefly explain whether climate-informed design considerations or relevant national or international technical standards will guide the retrofit measures to ensure that interventions are resilient to projected climate conditions.

CR4: The description of the project components remains largely activity-based and does not clearly explain the logic and structure of the proposed intervention. In particular:

- The components primarily present lists of activities and outputs, with limited narrative explaining their purpose or context;
- The logical linkages between components are not clearly articulated. For example, the relationship between Component 1 (risk assessment and planning) and Component 3 (implementation of housing upgrades) is not fully explained, while certain elements of Component 2 (capacity building) and Component 4 (institutional strengthening and knowledge management) appear to overlap;
- The proposal does not clearly describe what specific adaptation measures will be delivered under each component, by whom, and for whom, making it difficult to assess feasibility, cost-effectiveness, and alignment with Locally Led Adaptation principles;
- The causal pathways between activities, outputs, and outcomes are not clearly presented, and the proposal does not describe key assumptions, risks, or indicative targets (e.g., number of households reached or beneficiaries supported).

Please revise the component descriptions to:

- provide brief contextual narratives explaining the purpose of each component;
- clarify the logical linkages among components and their contribution to the overall adaptation objective;
- specify what interventions will be delivered, by which actors, and for which beneficiaries; and
- provide a clearer explanation of the results chain linking activities to outputs and outcomes.

CAR 1: Please consider including a theory of change providing explicit assumptions and risks underpinning causal pathways. How community learning, governance strengthening, and monitoring groups will lead to adaptive decision-making over time and how feedback loops (community monitoring- municipal planning- policy integration) will sustain resilience beyond the project.

CAR 2: Please identify the key institutional, technical, financial, and social barriers that currently limit climate-resilient housing improvements in ger areas. The proposal should also clarify how each project component is designed to address these barriers and leverage relevant opportunities to support the adoption and scaling of climate-resilient housing practices.

CAR3: Please

revise the component descriptions to provide brief contextual narratives in addition to lists of activities/outputs, clarify the logical linkages among components (including link between 1 and 3 and overlaps between 2 and 4, specify what will be delivered, by whom, and for whom. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** Partially Cleared. The updated proposal shows improvement in structure and sequencing, and the additional narrative helps clarify the intent of the components. However, several issues raised in the earlier review remain insufficiently addressed, particularly regarding the climate rationale, evidence base, and technical justification for climate resilient housing measures. CR1: Cleared (Pages 7, 27, 28, 29). The proposal notes that the AF funded FRUGA project provides an evidence base for identifying high risk ger areas and informs the targeting of household level measures. It also references the Adaptation Fund–supported Ger Community Resilience Project (GCRP) under Section F, which focused on strengthening community resilience to climate change. CR2: Not Cleared. The proposal explains that the interaction between climate hazards and housing conditions is the main cause of vulnerability in ger areas and it states that climate projections indicate increasing rainfall intensity, rising temperatures, and more frequent extreme cold and dust storm events. However, the proposal lacks specific evidence linking climate hazards to health impacts in ger districts. Several critical gaps need addressing: • Ger-Specific Climate Data: The proposal needs localized climate projections and microclimate data for ger settlements specifically, not general Mongolia-wide projections. How do temperature, precipitation, and air quality patterns differ in these informal settlements? • Housing-Climate Vulnerabilities: What specific mechanisms make ger housing vulnerable to climate hazards? Evidence needed on thermal performance, structural responses to extreme weather, and indoor environmental conditions during climate events. • Health Impact Pathways: The proposal must quantify exposure-response relationships between climate hazards and health outcomes in ger populations. What are the threshold conditions that trigger respiratory illness, cold-related morbidity, or water contamination? Given the scarcity of localized climate-health data for ger populations, the proposal may acknowledge the data gap and proceed using best available regional evidence with explicit acknowledgment of limitations. Primary data collection must be prioritized in the full proposal development phase. Alternative Evidence Strategy: • Use regional climate projections from IPCC reports for Central Asia • Reference urban informal settlement health studies from similar climates • Cite general Mongolia health statistics with caveats about population specificity • Include qualitative community reports and stakeholder observations CR3: Not Cleared. The proposal mentions about climate resilient housing upgrades, but it still does not clarify how climate informed design considerations or technical standards will guide the retrofits. Please describe how the proposed insulation, heating, ventilation, sanitation, and drainage upgrades differ from general housing improvements in terms of design specifications, materials, technical requirements, standards, maintenance, costs, etc. to factor climate risks. CR4: Not Cleared. The proposal has made improvements in the sequencing of components and providing more details. However, several issues remain regarding the logic, linkages, and alignment with Adaptation Fund requirements: • The project objective refers to "reducing climate induced loss and damage," whereas the Adaptation Fund's mandate is focused on adaptation to future climate impacts, not loss and damage. The objective should be revised to clearly focus on adaptation. Please revise the project objective to clearly focus on adaptation to future climate impacts, in line with the Adaptation Fund's mandate. • Under Component 4, the proposed activities (2) and (5) are quite generic and doesn't mention any specific activity. For example, alignment with NAP should be for all the interventions and isn't an activity on its own. Please make these activities more specific. • Further, in component 4, while there is a policy integration objective, there are no specific activities proposed to support the development or revision of policies and standards that will enable long-term sustainability and scaling of adaptation outcomes. Please consider making this policy support more explicit activity and identify specific government agencies and concrete outputs for this purpose. Note: Please fix the format of the Components and Financing table to improve clarity and structure: • Clearly separate each project component, with consistent numbering of the associated outputs. • Ensure the outputs under each component are properly formatted and numbered. • Ensure output number are harmonized with the narrative section of the components under Part II.A • Include a total financing amount for each project

component. CAR1: Partially Cleared. A detailed theory of change is provided (Annex 2). However, further clarification is requested under CAR 3. CAR2: Cleared (Page 10). Institutional, technical, and financial barriers that limits climate resilient adaptation are outlined on page 10. CAR3: Not Cleared Narratives explanations of activities are included across components. However, the project proposal should clearly number and sequence the outputs and activities under each component to improve readability and coherence. Currently, the outputs and activities are not numbered or structured within each component. We recommend that the Implementing Entity revisit this section to: 1. Number the outputs and activities sequentially under each component. 2. Provide a clear and logical flow between the activities, outputs, and outcomes within each component. 3. Ensure that the presentation of the components is consistent in terms of level of detail and formatting. To strengthen the overall coherence and logic of the project design, we recommend that the proposal further clarify the linkages and synergies between the four project components. The proposal would benefit from a more explicit articulation of the theory of change, demonstrating how the components build upon each other to holistically address the climate vulnerabilities faced by ger area residents. Specifically, the proposal should: 1. Clearly explain how the participatory risk assessments and community adaptation planning under Component 1 provide the foundation for the subsequent capacity building, direct investments, and institutional integration activities. 2. Describe how the technical and institutional capacity developed under Component 2 directly enables and supports the implementation of the climate-resilient housing improvements in Component 3. 3. Illustrate how the embedding of locally led adaptation approaches into municipal and national systems under Component 4 will ensure the long-term sustainability and replication of the resilience-building actions initiated through the previous components. [6 May 2026].

**Response:** Not Cleared

**Secretariat:** General comment: The outputs clearly listed under each component on pages 12-16 are better placed under Section II.A. At the full proposal stage, the outputs will need to followed by clear activities. CR2: Cleared (pages 6-10). The proposal acknowledges that localized long term climate-health datasets for ger settlements remain limited. It supplements this gap by referencing peer reviewed studies on indoor air pollution, respiratory risks, and carbon monoxide poisoning associated with extreme winter cold, unsafe heating, and inadequate ventilation in Ulaanbaatar households. It also incorporates FRUGA climate projections, which demonstrate increasing rainfall intensity and temperature variability that heighten vulnerability in ger settlements. CR3: Cleared (page 10) Tables 1 and 2 provide useful clarity on how the proposed interventions link to specific climate hazards and adaptation needs. The Secretariat acknowledges that, given the wide variation in informal and self-built housing types in ger areas, ensuring that proposed technologies and structural improvements are appropriately tailored will be an important design consideration as the project develops. We note that the Project Formulation Grant includes a targeted data collection and technical validation activity (Activity 2) designed to assess housing vulnerabilities and refine adaptation measures in selected representative areas. The Secretariat welcomes this and considers it a proportionate and appropriate approach at this stage, given that this is a concept note and the project ceiling is USD 5 million. At the full proposal stage, please provide more detailed descriptions of the proposed interventions, including how the findings of PFG Activity 2 informed the tailoring of structural improvements to different housing types, and how technical standards and quality assurance mechanisms will be applied across the diversity of ger housing conditions. CR4: Partially Cleared (pages 10-19) The project objective has been updated and now focuses on strengthening the adaptive capacity and climate resilience of vulnerable households. Outputs and outcomes across all components are clearly described, and numbering is harmonized, improving the overall structure and coherence of the proposal. The approach to beneficiary reach, community governance, and climate-resilient infrastructure indicators is appropriate at the concept note stage. However, the policy integration dimension described in Component 4, including the integration of community-identified adaptation priorities into municipal planning and the development of technical recommendations for institutional uptake is not reflected in the results framework alignment table. The AF Strategic Results Framework includes Outcome 7 ("Improved policies and regulations that promote and enforce resilience measures") and Output 7.1, which provide a clear and appropriate entry

point for this work, with indicators 7.1.1 and/or 7.1.2 applicable as relevant. Please consider updating the results framework alignment table to reflect Component 4's policy integration activities under AF Outcome 7 and Output 7.1, and identify the specific government departments and agencies the project will engage with under this component. CAR1: Cleared (pages 12-15; Annex 2) The proposal includes a detailed Theory of Change in Annex 2, and the updated narratives now clarifies the sequencing and the logic across components 1-4. The proposal clearly establishes the causal linkages between the components and describes how each component builds on the others to form a coherent pathway. Outputs and activities are properly numbered and sequenced and the logical flow between them is clearly articulated. CAR3: Partially cleared It remains unclear how locally led adaptation approaches will be formally integrated into municipal and national systems, and how such integration will lead to replication and scaling of adaptation solutions beyond the project lifecycle. While the proposal indicates that Community Adaptation Councils will work with khoroo administrations and municipal authorities to integrate community priorities into planning processes, and references alignment with Mongolia's NAP and NDC, it does not describe the modality of formal engagement with these authorities or national government bodies. Please describe the specific mechanisms through which the project will formally engage with municipal and national government institutions for example, whether structured coordination arrangements, technical working groups, or policy dialogue processes are envisaged, and how lessons and approaches from the project will be systematically fed into municipal planning, the NAP process, or other relevant national frameworks to support replication and scaling. [15 June 2026].

**Response:** Cleared

**Secretariat:** The comment related to incorporating outputs under Section II.A, followed by clear activities, will need to be addressed at the full proposal development stage. CR4 and CAR3: Cleared (page 15-16 & result framework). The revision describes support for the accreditation and registration of PGs and CACs within Khoroo administration as well as integration of community adaptation plans into the relevant authorities. It also outlines development of policy recommendations and financing pathways along with organizing policy dialogues to support scaling of the proposed interventions. This has also been incorporated into the results framework. [26 July 2026]

**Does the project/programme enable devolving decision making to the lowest appropriate level? Does it give 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.**

**Response:** Not Cleared

**Secretariat:** Not Cleared. CR5: The proposal indicates application of LLA principles and outlines mechanism such as community assemblies, adaptation councils, direct financing, inclusive participation, capacity building, and participatory monitoring. However, the description remains largely conceptual and does not clearly explain how these mechanisms will operate in practice. - The proposal mentions about Community assemblies and adaptation Councils for decision-making but the roles and decision-making power of these bodies are not clear across components and whether they will have authority to prioritize, approve, and reject adaptation actions and household level upgrades. Current description indicates them as beneficiaries only. - The proposal outlines direct financing via community grants and household-level support. However, it is not clear how communities will exercise control over resources, including approval of overall budget, micro-grants, allocation, reprogramming, and oversight of micro grants beyond consultations. - It is unclear how accountability, transparency, and grievance mechanisms will function from the perspective of local stakeholders. - It is not articulated how Community Adaptation Councils relate to existing local governance structures (e.g., municipal units), and how the project will avoid creating parallel structures given that there are other ongoing projects:

Municipal flood management projects; Municipal sanitation services etc. - There is limited description of how learning from the implementation will allow communities to adjust adaptation actions over time. CAR4: Please revise the proposal to provide a clear and operational description of how LLA principles will be integrated across the project cycle. The revision should define the decision making roles and authority of community assemblies and Community Adaptation Councils; specify how communities including women, youth, persons with disabilities, and other marginalized groups will exercise control over financial resources and decision making; and outline concrete accountability, transparency, and grievance mechanisms. The proposal should also explain how community priorities will shape adaptation actions, how learning and feedback loops will support adaptive management, and how these governance arrangements will align with existing municipal structures to avoid creating parallel systems. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** Not Cleared. The revised proposal describes roles of community assemblies, Community Adaptation Councils (CACs) in prioritization, grant oversight, and coordination with khoroo administrations. However, key gaps from the earlier review remain, and the current description still does not present a fully operational LLA framework that shows how these mechanisms function across the project cycle. In particular: • The revised proposal does not yet specify who will constitute the Community Assemblies and Community Adaptation Councils, how their roles apply across components (currently it appears to be concentrated only in component 3), or how decisions will be validated, documented, and enforced. As mentioned previously, the mechanisms still appear largely participatory rather than decision making. • The revision mentions that CACs will “oversee household micro grants” and maintain financial records, but it does not explain: where the funds will sit, how funds will flow to communities, and who approves allocations, reprogramming, or budget changes. CAR 4: Please revise the proposal to provide an operational description of how LLA principles will be applied across the project cycle. Specifically, please: • Clarify the compositions of Community Assemblies and Community Adaptation Councils (CACs), including how their roles apply across all relevant components and not only Component 3. As raised in earlier review, describe how communities, including women, youth, persons with disabilities, and other vulnerable groups will exercise decision making and financial control, including where community managed funds will be held, how funds will flow to communities, who approves allocations and budget changes, and how disagreements between Assemblies and CACs will be resolved. • Explain how community priorities will shape adaptation actions (rather than just validating predefined interventions) and how learning and feedback loops will support adaptive management throughout implementation. • Describe the relationship with municipal structures, including how CAC decisions will be recognized by khoroo administrations, how duplication with existing municipal programs will be avoided, and whether CACs will have any formal mandate or standing to ensure coherence and avoid parallel systems. CR6: Cleared (Pages 18-20) The revised concept provides a helpful overview of expected economic, social and environmental benefits. Across the proposal including in components and project governance structures, the proposal has described how women, youth and marginalized groups will engage in planning processes. Their involvement in decision making processes is still unclear for which revision is requested in CAR4 above. [6 May 2026].

**Response:** Not Cleared

**Secretariat:** Partially Cleared (page 11, 20). The updated proposal provides a clearer description of the composition of Community Adaptation Councils and Primary Groups, articulating their roles across all components including decision-making, prioritization, and community-managed finance. The target of 50% women's participation in CACs is noted and welcomed. The revision also explains that CACs will work with khoroo administrations and municipal authorities to integrate community priorities into municipal planning processes. However, the mechanism through which CACs will formally coordinate with khoroo administrations and municipalities remains unclear. The proposal also does not address the previous comment regarding how the governance structure will continue to function after the project ends. In addition, while the proposal

references a robust locally-led process for decision-making and fund management, this process is not sufficiently elaborated. CAR4: Please describe the formal coordination mechanism through which CACs and PGs will engage with khoroo administrations and municipalities. Please explain how CACs will operate and remain functional after project closure. Please provide a diagram clearly depicting the decision-making process and fund flow arrangements, illustrating how locally-led decision-making and fund management operate in practice. [15 June 2026].

**Response:** Cleared

**Secretariat:** Cleared (page 20, 38). The project highlights that CACs and PGs will be accredited and registered and served as community based organizations. These organizations are expected to continue functioning beyond the project period, and the community adaptation plans and priorities developed by the CACs will be reviewed and integrated into the Khoroo administration and other relevant planning and budgeting processes. Figure 4 clearly outlines the decision making structure and the adaptation financing flow. [26 July 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? Does the project/programme address structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, Indigenous Peoples and marginalized ethnic groups?**

**Response:** Not Cleared

**Secretariat:** Not Cleared. CR6: The concept has articulated the economic, social and environmental benefits in details but doesn't address some of the fundamental points mentioned in the previous question. - It is not evident what housing upgrades are done to tackle climate hazards of flooding, droughts, heat and cold waves; and how these will provide social, economic and environmental benefits. - The social benefits are quite generic without any specific unique context of the ger areas and its specific social challenges that the project will address during the implementation. Please revise to make it more context specific. [5 March 2026].

**Response:** Cleared

**Secretariat:** CR6: Cleared (Pages 18-20) The revised concept provides a helpful overview of expected economic, social and environmental benefits. Across the proposal including in components and project governance structures, the proposal has described how women, youth and marginalized groups will engage in planning processes. Their involvement in decision making processes is still unclear for which revision is requested in CAR4 above. [6 May 2026].

**Is the project / programme cost effective?**

**Response:** Not Cleared

**Secretariat:** Not Cleared. The project lacks sufficient details to appropriately assess its cost effectiveness. The logical link of the housing upgrades with current and future climate vulnerabilities is not evident in the concept note. There is limited reference to baseline projects and initiatives, and alternate adaptation solutions which is limiting the scope to properly assess the added value and logic of the project. In particular, there is no reference to the previous AF Funded project in gers in Ulaanabaatar which also aims to reduce flood risk. While the community led housing upgrade aligns with LLA principles, the sustainability and scaling up of the interventions beyond the project period is unclear in absence of any policy incentives, standards, and financial mechanisms

established at the local and national government levels to support such upgrades. There is a high risk that the project's benefits will remain only with the households who are part of the pilots. The skilling support for the locals and creation of community adaptation councils are strategic interventions. However, it is not clear if the proposed councils will continue beyond the project and will be embedded in the existing urban governance structure for implementing future locally led initiatives. Also, the proposal doesn't indicate how many households will benefit from pilot housing upgrades and transfer of micro-grants. CR7: Please clarify the project's cost effectiveness by demonstrating the climate rationale for housing upgrades, outlining relevant baselines and comparing alternative adaptation options, and explaining how benefits will scale and sustain beyond pilots through concrete policy, institutional, and financial mechanisms. Also, indicate how many people or households will benefit from this project. The proposal presents several quantitative claims regarding the cost-effectiveness of the proposed approach, including statements that the community-led model is "3–5 times more affordable than centralized retrofitting", "10 times less costly than large-scale infrastructure upgrades," and delivers "greater value per household" compared with conventional approaches. However, the proposal does not provide the sources, assumptions, or methodology underlying these estimates. CR8: Please clarify the basis for these cost-effectiveness claims, including: - the data sources, studies, or benchmarks used to derive the estimated cost ranges presented in Table 3; - the assumptions and methodology used in comparing the project approach with centralized retrofitting or infrastructure alternatives; and - whether these estimates are based on previous projects, pilot interventions, or national data relevant to ger-area housing improvements. - Providing this clarification will help substantiate the cost-effectiveness of the proposed approach. CR9: The proposal emphasizes that the project will deliver cost-effective outcomes through community-led implementation and direct financing mechanisms. However, the analysis does not yet consider the transaction costs and coordination implications associated with the proposed implementation arrangement, in which UN-Habitat serves as the Implementing Entity and two additional multilateral organizations (WHO and UNIDO) are proposed as Executing Entities. Please clarify how the proposed execution arrangement contributes to overall cost-effectiveness [5 March 2026].

**Response:** Not Cleared

**Secretariat:** CR7: Not Cleared. The revised proposal emphasizes on low-cost solutions, community led interventions and strengthening local capacity as key arguments for cost-effectiveness compared to alternate options. However, following aspects of cost-effectiveness still remain unclear based on the comments above: • The rationale for climate adaptation is still not strong without clear linkage of how the proposed solutions will tackle projected increased climate risks. • The climate resilient features of proposed solutions (proposed as low-cost) are not described and therefore their cost effectiveness in addressing increased climate risks is unclear. • While the benefits of incremental household level retrofits are acknowledged, the proposal lacks any innovation and strategic solutions which can support future replication and scaling up adaptation beyond the project. It assumes that the demonstration projects will be a good model for replication and doesn't propose any policy or financing solutions which can ensure this after the project ends. CR8: Not Cleared. Table 3 provides different options for housing upgrades. However, they are not fully comparable with the solutions proposed in this project given that their scope and scale of intervention is quite different. There is also no published reference provided for the cost estimates. A different approach for establishing cost effectiveness is recommended by comparing similar types of projects. Additionally, the cost effectiveness analysis can also focus on key attributes of the projects such as efficiency, targeting, responsiveness (time/speed), durability of solutions, future savings, usefulness of these solutions in complementing larger infrastructure upgrades, etc. CR9: Not Cleared. The revised proposal clarifies that the field implementation will be undertaken by local NGO and, UNIDO and WHO will only provide technical guidance. However, it doesn't yet explain the transaction costs and coordination implications associated with the proposed implementation arrangement with UNIDO and WHO. Please clarify. [6 May 2026].

**Response:** Not Cleared

**Secretariat:** CR7: Partially Cleared (pages 23-24). The integrated approach to household-level climate vulnerabilities, the comparative table on complementarities with municipal investments, and the sustainability measures through vocational training and institutional integration are well received. However, two issues remain outstanding. First, while Table 2 describes the climate-resilient features of proposed solutions, it does not demonstrate their cost-effectiveness relative to alternatives or their effectiveness against projected climate extremes. Please elaborate on this in Table 2 or the cost-effectiveness section. Second, the proposal does not identify concrete policy or financing mechanisms that would enable scaling beyond the project period. Please address this. CR8: Not Cleared. The revised narrative and Table 5 provide a useful comparison of the proposed approach with alternative adaptation options, and the complementarity row is adequate. However, the cost-effectiveness analysis requires strengthening in three respects. First, for comparable solutions such as conventional versus climate-resilient retrofits, please provide unit cost comparisons covering key attributes including durability, efficiency, and long-term savings. Second, please describe the basis for the target of 2,000 households benefiting from retrofits. Third, the cost-effectiveness analysis should be expanded to include neighborhood-level interventions such as drainage improvements and soil stabilization, not only household retrofits. CR9: Not cleared (page 42). The updated proposal explains that technical support provided by UNIDO and WHO will be delivered through the existing inter-agency led by UN-Habitat thereby avoiding parallel structures and minimizing additional coordination transaction costs. However, it doesn't yet explain the transaction costs associated with the proposed implementation arrangement with UNIDO and WHO, and how this arrangement is more cost effective compared to other options. [15 June 2026].

**Response:** Cleared

**Secretariat:** CR7: Cleared. The Secretariat notes the indication to conduct detailed technical analysis during full-concept note stage to optimize climate-resilient retrofit package. The comment is cleared based on this and this detailed analysis and their cost-effectiveness will be reviewed at the full proposal stage. Regarding the second point, the proposal outlines planning and coordination mechanisms which will support mobilizing future financing. This is well noted. CR8: Cleared. The revised proposal, including Table 5, still does not provide unit cost comparisons for comparable conventional versus climate resilient solutions. However, the Secretariat notes the plan during the full proposal development stage to select the most cost-effective adaptation measures based on local climate risks, engineering requirements, and lifecycle performance. Given that specific adaptation solutions will be identified later, the Secretariat clears this comment at the concept stage and requests the IE to provide a unit cost comparative analysis at the full proposal stage. More information on neighborhood scale interventions and the justification for the coverage of 2,000 beneficiary households is now provided which is fine at the concept stage. CR9: Cleared. The IE is updated under program information section. Also, on page 41, the proposal clarifies that expertise from UNIDO, WHO, and other specialists will be drawn on a need basis. [26 July 2026].

**Is the project / programme consistent with national, sub-national or local sustainable development strategies, national, sub-national or local development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?**

**Response:** Not Cleared

**Secretariat:** Not Cleared. The proposal identifies the key national and sub national strategies (NAP, NDC, Green Development Policy etc.). However, the alignment is not articulated in a sufficiently adaptation specific manner. The proposal should demonstrate how the proposed housing retrofitting (ventilation, heating safety, sanitation, and insulation) reduce climate related risks such as flooding, droughts, heat and cold waves and provide specific

references to adaptation priorities, vulnerabilities, and barriers identified in the NAP, NDC, and National Communications, and strengthen the linkages to municipal and district level development plans. CR10: Strengthen the adaptation specific alignment between the proposed interventions and Mongolia's national and sub national strategies. In particular: - Please explain how the proposed retrofitting (insulation, ventilation, sanitation, and heating measures) directly addresses the adaptation priorities identified in the NAP (e.g., disaster resistant infrastructure, community resilience, DRR systems). - Reference specific adaptation gaps or vulnerabilities highlighted in the National Communications, NDC and NAP that the project addresses. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** Partially Cleared (Pages 22-23). The revised proposal identifies relevant adaptation measures from Mongolia's NAP and NDC and provides a detailed table to link the proposed interventions with the adaptation priorities identified in NAP and NDC. However, as per the previous comment, due to lack of i) evidence of future climate projections and their link with the proposed interventions; and ii) technical additionality of proposed measures to be more climate informed and relevant, this comment is only partially cleared. CR10: Not cleared. Please demonstrate more clearly how the proposed adaptation measures directly reduce the specific current and future climate risks and vulnerabilities identified in the NAP, NDC, National Communications, and municipal development plans. [6 May 2026].

**Response:** Cleared

**Secretariat:** Cleared (pages 24-26). The updated proposal strengthens alignment with Mongolia's NAP, NDC, National Communications and municipal strategies by clearly demonstrating how the proposed interventions correspond to the relevant targets and objectives. It also explains how the proposed adaptation measures will reduce current and future vulnerabilities, including through flood resilient sanitation systems, localized drainage improvements, soil stabilization measures, and insulation and heating upgrades designed to reduce vulnerability to flooding, freeze thaw instability, and prolonged extreme cold under projected climate conditions. [15 June 2026].

**Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund? Does the project provide support to local actors and build their capacities to comply with the standards?**

**Response:** Not Cleared

**Secretariat:** Not Cleared: The proposal states that project activities will comply with Mongolia's national technical standards, building codes, environmental assessment requirements, and occupational health and safety regulations. However, the description remains largely general and does not identify the principal technical, regulatory, or institutional frameworks that will guide the proposed interventions. Given that the project proposes housing retrofits and related measures including insulation, ventilation, safe heating, sanitation improvements, and flood-proofing, it would be helpful to clarify the main standards or regulatory frameworks expected to apply to these activities, as well as how compliance will be ensured in practice. Also, it is not clear how the direct transfer of micro-grant will be regulated and how fiduciary compliance will be ensured. While compliance mechanisms are described and collaboration is emphasized, they are not presented in a structured manner for proper assessment. A structured template is needed to demonstrate alignment of specific project interventions with national standards, AF safeguards, and compliance processes. CR11: Please provide the principal national and/or municipal technical standards, codes, regulations, or competent authorities that are expected to govern the proposed interventions and briefly explain how these will inform the design and supervision of project activities. At concept note stage, please provide a structure template linking project

components with relevant national and local standards, relevant AF ESP principles, oversight authority and compliance mechanism. [15 June 2026].

**Response:** Not Cleared

**Secretariat:** Partially Cleared (pages 24-26) The revised proposal describes mechanisms for complying with national technical standards and the Adaptation Fund Environmental and Social Policy (ESP), and the inclusion of a table outlining relevant standards and compliance mechanisms across project interventions is a positive improvement. The proposal also notes that UN Habitat, as the Implementing Entity, will ensure compliance with Adaptation Fund fiduciary and safeguard requirements. However, questions raised regarding transfer of micro grants (and also adaptation grants referenced in Table 2) remain unaddressed. The proposal still does not explain how fiduciary compliance will be ensured for direct transfers, including the authorization process, key controls to prevent misuse, audit arrangements, and how compliance will be monitored at household and community levels. CR11: Please describe the mechanism through which fiduciary compliance will be ensured for direct transfers of microgrants, including the authorization process, key controls to prevent misuse, audit arrangements, and monitoring at household and community levels. [6 May 2026].

**Response:** Cleared

**Secretariat:** CR11:Cleared (page 11, 26- 28) The proposal describes the fiduciary, procurement, disbursement, verification and accounting procedures that will govern the community management adaptation financing under UN-Habitat's people's process approach. These include phased disbursement, technical verification prior to release of funds, procurement documentation, financial reporting, community monitoring, grievance redress mechanisms, and periodic audits. The roles of Primary Groups (PGs), Community Adaptation Councils (CACs), municipal authorities, and the Lead Executing Entity in ensuring fiduciary compliance are clearly articulated. [15 June 2026].

**Is there duplication of project / programme with other funding sources? Does the project enhance collaboration across sectors and enhance efficiencies and good practice?**

**Response:** Not Cleared

**Secretariat:** Not Cleared. The proposal identifies areas of overlap between proposed project interventions with ongoing interventions such as stove distribution schemes, WASH programs, drainage work. The proposal intends to differentiate its offerings from ongoing interventions but it doesn't mention names of the programs, potential duplication, complementarities and how lessons learned are incorporated into project design. CR12: Please expand the analysis of existing initiatives by identifying the specific ongoing or planned projects and programmes in Mongolia/Ger district that may overlap and should include government and donor initiatives related to proposed interventions (energy efficiency and retrofitting, WASH and sanitation, flood management and drainage, air pollution reduction and clean heating, community governance etc.). Please update the table 4 to reflect: - name of the project, donor, and implementing agencies - areas of potential overlap with the proposed project - how duplication will be avoided - complementarities, synergies, and lessons learned, including how the proposed project builds on the AF-funded Ger Community Resilience Project CAR5: Please revise the section including complementarities and coordination matrix table to incorporate the details outlined above. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** Not Cleared. The revised proposal presents a clear and helpful table outlining relevant government and donor initiatives and an initial assessment of potential overlap and complementarities. However, the

proposal will benefit from the following additional clarifications and considerations. In addition, the table does not clearly articulate what is technically new or additional compared to existing initiatives and also doesn't present climate risk rationale (climate hazard and projected risk), the specific gaps left by previous projects, or how lessons learned have been incorporated into the design of the proposed integrated healthy homes package. CR12: Please describe the following: • Where the solutions are same and expanded in a different neighborhood, please clarify if the same solution will be replicated or innovative technologies and solutions will be implemented considering unique climate adaptation needs. • If some solutions are already being demonstrated through other initiatives, has the project considered neighborhood scale interventions to complement household retrofits which can provide more integrated resilience to climate risks. For example, creating or restoring urban green spaces, creating water storage or harvesting solutions, etc. which can provide complementary flood resilience benefits to the households. This will also strengthen the adaptation rationale. CAR5: Please update the table and project component 3 accordingly to reflect these details. [6 May 2026].

**Response:** Not Cleared

**Secretariat:** Partially Cleared (pages 28-31). The Secretariat welcomes the integrated approach combining housing retrofits, adaptation governance, workforce development, and community-managed financing, and notes the addition of neighborhood-scale measures such as drainage, soil stabilization, and climate-sensitive greening. However, these neighborhood-level interventions are not consistently described across the proposal, and some measures remain generic, for example, "environmental resilience measures", without sufficient elaboration. Please ensure these interventions are uniformly referenced across all relevant sections and described with sufficient specificity. CR12: Not cleared. Please include the incremental neighborhood scale adaptation measures and community resilience activities more consistently in the project and describe them from the perspective of additional technical or innovative elements and their relevance to projected climate risks. CAR5: Cleared (pages 30-32). The table 8 has been updated and the relevant details have been appropriately incorporated. [15 June 2026].

**Response:** Not Cleared

**IE:** The CN now consistently incorporates incremental neighborhood-scale adaptation measures, including climate-informed drainage and surface-water management, soil stabilization and erosion control, and climate-sensitive greening, and links them to projected climate risks. Knowledge products, case studies, technical guidance and policy recommendations will capture and support replication and institutionalization of these approaches. Pages: p.14; pp.20–21; pp.30–32; p.33; p.39.

**Response:** Cleared

**Secretariat:** CR12: Cleared (Pages 14-15, 30-33). The proposal now includes incremental neighborhood-scale adaptation measures, including climate-informed drainage and surface-water management, soil stabilization and erosion control, and climate-sensitive greening, linked to projected climate risks. Knowledge products, technical guidance and policy recommendations will capture and support replication and institutionalization of these approaches.

**Does the project / programme have a learning and knowledge management component to capture and feedback lessons, in particular managing traditional and/or indigenous knowledge, where relevant? Does it contribute to building and institutionalizing local capabilities?**

**Response:** Not Cleared

**Secretariat:** Not Cleared. The project proposes a sound knowledge management strategy anchored on clear community engagement at all levels. CR13: The proposal will benefit from more specificity on how the proposed knowledge management activities will be institutionalized. For example, it is not clear where the digital knowledge dashboard will be hosted and who will manage it. How will the knowledge products and best practices from the pilots will contribute to national and city level knowledge systems and if the trainings and workshops will be done in isolation or with engagement of national and local governments for wider replication and cross learning. CR14: Please also elaborate how knowledge from previous interventions will be used to ensure efficient use of AF resources in this project. There have been flood management and energy efficient housing projects implemented in the gers in the past and the project may benefit from their knowledge and lessons. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** CR13: Partially Cleared (pages 29-30) The revised section outlines an effective mechanism to institutionalize knowledge management activities through the creation of a digital knowledge platform hosted on existing national urban development and climate adaptation systems. This is a strategic approach to capturing and sharing project learnings. However, further clarification would be helpful regarding how the platform will be maintained beyond the project period, whether it will serve as a broader repository for related materials, and who/which institution will take responsibility for its development, management, and long term upkeep. The proposal also notes that community consultations and participatory risk assessments will be used to gather insights. Further clarification on whether these consultations will include beneficiaries from previous relevant projects would be helpful, as their experience can offer valuable perspectives on what worked well and where challenges were encountered. Additional detail on how these insights will be incorporated into the project's knowledge management processes would strengthen this section further. [6 May 2026].

**Response:** Cleared

**Secretariat:** CR13: Cleared (pages 32-33). The updated proposal provides clear and comprehensive learning and knowledge management component. It clarifies the establishment of digital knowledge platform and specifies that the long-term hosting and management responsibilities will progressively transition to relevant corporations and national institutions during the implementation phase. Additionally, it also confirms that participatory consultations will incorporate lessons from previous adaptation-funded supported projects. [15 June 2026].

**Has a consultative process taken place, and has it involved and encouraged all key stakeholders, and vulnerable groups, to meaningfully participate in and lead adaptation decisions? Did the consultative process consider and address gender-based, economic and other inequalities in compliance with the Environmental and Social Policy and Gender Policy of the Fund?**

**Response:** Not Cleared

**Secretariat:** Not Cleared. The proposal references two national level consultations- the Solutions for Health technical meeting (Dec 2023) and the National Urban Forum session (Dec 2024). While these events brought together a wide range of ministries, UN agencies, -and sectoral stakeholders, the consultations appear to focus primarily on health, housing, and urban development from a general development perspective. The narrative does not explain how these dialogues are linked to specific climate hazards experienced during the consultation period, such as severe urban floods, summer droughts, or the extreme winter dzud. Moreover, these consultations are dated in 2023 and 2024. It is unclear if these consultations were organized or held with this project concept in mind and whether any consultations were done last year which directly contributed to the development of the project concept note. The community consultations are relevant. However, it is unclear if the

43 individuals participated represented the targeted communities of this project. Please clarify if local community group leaders and other associations consulted? Also, while the consultations identified water quality issues and flood risks among the other key challenges faced by communities, the proposed interventions do not seem to address these risks. CR15: Please clarify what dedicated preliminary consultations were held specifically to inform the design of this project and which stakeholders participated. Explain how inputs from these consultations (or from prior engagement under the existing program) informed the design of this project concept. Please describe if climate context was sufficiently discussed with evidence and voice from vulnerable communities. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** Not Cleared (Pages 31-35) CR15: The section explains that the consultations held in 2023 and 2024 informed the design of this project. In addition to consultations with residents of ger areas, the proposal now incorporates findings from the housing condition survey of 197 households. Overall, the description of consultations with national and sub national stakeholders, as well as community level engagement, is clearly presented. A table has also been included summarizing consultation activities, stakeholders involved, issues raised and how the feedback shaped the development of project interventions. The proposal notes that consultations and the housing survey were conducted in climate vulnerable ger settlements and districts of Ulaanbaatar. However, as raised in the previous review, it remains unclear whether the communities consulted and surveyed are the same communities that will be targeted during implementation. Please specify that the community consultations and the housing survey were conducted in the targeted areas where the project will be implemented. Please include the summary of consultations (initial consultation report) as an Annex. Include the specific dates, issues discussed, outcomes and types of stakeholders consulted. Explain also what will be done at the fully developed proposal stage. [6 May 2026].

**Response:** Cleared

**Secretariat:** CR15: Cleared (pages 33-36). The updated proposal provides a detailed explanation of consultative process, including national-level policy dialogue, inter-ministerial technical discussions, focus-group discussions, and a household's surveys. The proposal also clarifies that the preliminary consultations were conducted in potential target vulnerable Ger communities within approximately four proposed target khoroos and that the final target locations will be confirmed during the full proposal development stage. [15 June 2026].

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

**Response:** Not Cleared

**Secretariat:** Not Cleared. As indicated in the cost-effectiveness section, how the AF resources will deliver climate change adaptation objectives is not fully evident. The causal link of air pollution (caused by coal use) with housing upgrades to reduce health risks and improved community resilience lacks the adaptation rationale especially in describing how climate hazards like flooding and droughts will be addressed. While the proposed solutions can be solely supported by AF, there is limited description of distinguishing these interventions from business-as-usual developmental upgrades which could potentially be financed by other public and private financing sources. The focus on skilling locals, strengthening local capacity and creating opportunities for local institutions to manage and implement local solutions is strategic and justifies full cost basis of AF. CR16: Please strengthen adaptation justification for the infrastructure upgrades and consider diversifying the interventions to address climate change specific risks and adaptive capacity related barriers in ger areas based on the past interventions. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** Not Cleared. Aligned with the previous comments regarding climate rationale, the adaptation reasoning is still not robust in absence of specific information/references on future climate projections and lack of specificity on how the proposed solutions respond to climate adaptation needs through improved design, materials, standards, plans, etc. CR16: Not Cleared. Please strengthen the technical additionality of proposed housing upgrades and consider further diversifying adaptation solutions at neighborhood scale to complement household level interventions for more systemic and long term resilience [6 May 2026].

**Response:** Cleared

**Secretariat:** CR16 Cleared (page 14, 21, 37). In the view of clarification that detailed technical analysis will be conducted during full-concept note stage to optimize climate-resilient retrofit package, the first comment is cleared. The secretariat notes the addition and clear articulation of diversified neighborhood adaptation solutions which effectively complements proposed the housing level interventions. [26 July 2026].

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

**Response:** Not Cleared

**Secretariat:** Not Cleared. The proposal doesn't present a result framework, so its alignment with AF's results framework can be assessed. CAR6: Please include a complete results framework table in Part III A under Implementation Arrangements that: - presents project outcomes and outputs for all programme components - specifies indicators and targets - demonstrates clear alignment with the Adaptation Fund's Strategic Results Framework Guidance: Results Framework Alignment Table (Amended in November 2025) [5 March 2026].

**Response:** Cleared

**Secretariat:** Cleared (Pages 43-24) The proposal includes Table 9, which presents the alignment of the project's results framework with the Adaptation Fund Strategic Results Framework. The table demonstrates how the project's objectives are mapped to AF outcomes, outputs, and indicators. [6 May 2026].

### Has the sustainability of the project/programme outcomes been taken into account when designing the project? Does the project/programme support long-term development of local governance processes, and improve the capacity of local institutions to ensure that communities can effectively implement adaptation actions over the long term?

**Response:** Not Cleared

**Secretariat:** Not Cleared. CR17: Sustainability of the project has been described in the proposal under section J. However, it will benefit from the further articulation of the following: - How will the financial sustainability be ensured through micro grants provided to the pilot households? The project doesn't propose any specific mechanisms or instruments to raise or mobilize funding for maintenance and scaling up of pilot solutions. - The institutional integration and embedding with national and municipal frameworks have been stated. However, it is unclear how specifically it will be done. Please indicate some concrete ways that the project will support this. - The CACs are strategic to ensure community-led planning and development. Please clarify the scope of CACs and community adaptation funds. Will it be developed only for the pilots or more broadly in the ger areas and will it sustain beyond the project and how? - Economic sustainability from skilling and creating new market opportunities for sustainable and resilient infrastructure is well presented. At the full proposal stage

sustainability can be further strengthened by indicating how the trained workforce will be integrated into local systems through mechanisms that link trained and non trained groups to employment and markets. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** CR17: Not Cleared. The proposal has expanded the sections on policy/institutional and financial sustainability, which is a positive step. The description of working with the Municipality of Ulaanbaatar and relevant national authorities, as well as the intention to integrate lessons from pilot interventions, provides a useful starting point. However, the explanation still does not fully clarify how strategic involvement and buy-in from national and local governments will be secured to embed adaptation approaches into policies, regulations, standards, or municipal schemes. The current text focuses more on sharing lessons rather than outlining concrete mechanisms for institutional integration. On financial sustainability, the revised content reiterates the benefits of energy savings, cost-effective retrofitting, and the role of Community Adaptation Councils in managing small-scale resilience measures. These are important elements, but the response does not yet address the earlier request for specific mechanisms or instruments that would enable funding for maintenance and scaling of pilot solutions after the project ends. It also remains unclear how Community Adaptation Funds will be sustained beyond the AF grant - whether through linkages to government programs, municipal budgets, or other financing pathways. Please clarify the concrete mechanisms for government involvement/buy-in and embedding project approaches into municipal and national systems. In addition, specify how financial sustainability will be ensured, including how Community Adaptation Funds and pilot solutions will be maintained or financed beyond the project period. [6 May 2026].

**Response:** Not Cleared

**Secretariat:** CR17: Partially Cleared (37-38). The description of collaboration with ministries, municipal authorities, and technical partners, and the plans to integrate locally led adaptation approaches into municipal planning, ger area upgrading frameworks, and future resilience initiatives are well received. However, the proposal does not yet clarify how sustainability will be ensured beyond the project period for three specific elements: long-term financing pathways for Community Adaptation Funds; the continuity and mandate of community governance structures (PGs and CACs); and maintenance and financing arrangements for pilot solutions including sanitation systems, drainage, greening, and soil stabilization measures. Please address each of these. [15 June 2026].

**Response:** Cleared

**Secretariat:** Cleared (page 37). The project has formalized CACs and PGs by facilitating their accreditation and registration. It also outlines the integration of community adaptation plans into local planning and budgeting processes, which supports sustainability beyond the project period. Regarding maintenance, the proposal clarifies that neighborhood scale measures will be incorporated into community adaptation plans and coordinated with local authorities, while household level maintenance will be undertaken by beneficiary households. On financing, the proposal describes the establishment of a Community Adaptation Fund and indicates that it will continue beyond the project cycle through the coordination structures established under this project. [26 July 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:** Not Cleared

**Secretariat:** Not Cleared. The proposal provides an initial overview of potential environmental and social risks across ESP principles. Based on initial screening, the project is classified as category B and the proposal indicates that this categorization will be validated through an ESIA and ESMP during the full proposal stage. While the proposal identifies risks, it does not classify each risk by severity (low, medium, high), as required under AF guidance. Also, some of the risk descriptions remains generic and lacks context specific evidence and clear linkage to project activities. For example, under Gender Equity and Women's Empowerment, the proposal states "Any negative impact of the project may disproportionately affect women. Also, some of the project activities may exclude women. Female-headed households may lack information, documentation, or mobility to access services." Please make it more specific to this project scope. Although gender considerations appear in several principles, the proposal does not yet include an initial gender assessment with - qualitative and quantitative data, gender roles and division of labor, differentiated vulnerabilities, barriers to participation and opportunities for empowerment required under AF Gender Policy. CR18: Please clarify the level of risks (Low, medium, high) for identified social and environmental risks in table 6. CAR7: Please clarify whether initial gender assessment has been conducted. This is a requirement for concept not endorsement. Please share the initial gender assessment report including qualitative and quantitative data on gender roles, vulnerabilities and differentiated impacts. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** Partially Cleared. (Pages 38-40; Annex 1). The updated table now classifies the level of environmental and social risks for ESP principles, addressing the earlier gap in risks identification. The proposal has also incorporated details from the initial gender assessment, which are included in Annex 1. However please clarify of the project includes USPs. It is noted that exact location and nature of interventions are not entirely known at this time. In this case, please apply the AF's USP approach. Guidance Document for Project/Programme with Unidentified Sub-Projects. The following recommendation are requested for the Gender Assessment and Gender Action Plan at the full proposal stage: 1. Quantitative data on gender differences: • The assessment relies heavily on qualitative data from community consultations and interviews. It would be helpful to include more quantitative data, such as statistics on the proportion of female-headed households, gender gaps in decision-making, or gender-disaggregated data on exposure to climate risks. • This quantitative data can help substantiate the gender-differentiated vulnerabilities described in the assessment. 2. Analysis of intersectionality: • The assessment identifies vulnerabilities faced by female-headed households and households with elderly members or persons with disabilities. However, it could further explore the intersection of gender with other social factors, such as income, ethnicity, or disability status. • An intersectional analysis would provide a more nuanced understanding of how multiple layers of marginalization affect certain groups of women and men. 3. Explicit linkages to project components: • The assessment outlines several opportunities for women's empowerment, such as participation in decision-making structures and targeted adaptation grants. However, it could be strengthened by more explicitly linking these opportunities to the specific project components and activities. • This would help demonstrate how the project design directly addresses the gender gaps and barriers identified in the assessment. 4. Monitoring and evaluation framework: • While the assessment mentions the development of a Gender Action Plan, it could be beneficial to provide more details on the proposed monitoring and evaluation framework. • This could include gender-responsive indicators, sex-disaggregated data collection, and mechanisms to ensure accountability for gender equality outcomes. [6 May 2026].

**Response:** Cleared

**Secretariat:** CAR7: Cleared (39-41). The project confirms that it will apply the Adaptation Fund's approach for projects with Unidentified Sub-Projects (USPs) given that exact scope and locations of adaptation investment will be finalized during full proposal development stage. The proposal also acknowledges that Gender Assessment and Gender Action Plan will be strengthened at the full proposal stage through additional collection of sex-disaggregated and quantitative data, as well as intersectional analysis of vulnerabilities affecting women, persons

with disabilities, elderly residents, and low-income households. It further indicates that gender-responsive actions will be integrated into project components and activities and that gender-responsive monitoring indicators and accountability mechanisms will be developed in line with the Adaptation Fund Gender Policy. [15 June 2026].

## Resource Availability

### Is the requested project / programme funding within the size for LLA single country grants?

**Response:** Cleared

**Secretariat:** Yes. [5 March 2026].

**Response:** Cleared

**Secretariat:** It is noted that a PFG has not been requested. Confirm this understanding. [6 May 2026].

**Response:** Cleared

**Secretariat:** Cleared. The requested PFG amount of USD 150,000 is within the allowable ceiling for LLA single-country grants under the Adaptation Fund. The proposal explains that the PFG resources will support preparation of a technically robust and policy-compliant full proposal through: • Technical Strengthening and Refinement of Project Design and Results Framework; • Targeted supplementary data collection and localized vulnerability validation; • LLA-focused stakeholder consultations and co-design workshops in selected ger areas; and • Full proposal drafting, consolidation, internal review, and submission preparation. [15 June 2026].

**Response:** Not Cleared

**Secretariat:** New CAR 9: An update to the PFG form is needed. The form mentions the following EEs for the PFG "Development Solutions Local NGO, Healthy Cities Local NGO, Local communities World Health Organization (WHO), United Nations Industrial Development Programme (UNIDO)". Only legal entities can act as EEs as the information goes into the PFG Legal Agreement. As such check the legal names of NGOs and remove "local communities".

**Response:** Not Cleared

**IE:** The PFG form has been updated to align with the revised CN. The list of Executing Entities has been revised to include Development Solutions NGO only, and "Local communities" and the previously listed organizations have been removed. Location: PFG Form, Page 1.

**Response:** Cleared

**Secretariat:** New CAR9: The PFG form is now updated to include only Development Solutions NGO as the EE.

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

**Response:** Cleared

**Secretariat:** Yes. The IE fee is at 8.5%. [5 March 2026].

**Response:** Cleared

**Secretariat:** CAR8: Cleared. The executing entities have been updated under the cover page title, and this clarification is noted. The proposal also explains, on page 41 under the section on technical partners, that technical expertise from UNIDO, WHO, and other specialists will be drawn on a need basis, which addresses the second point. [26 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:** Not Cleared

**Secretariat:** Yes. The EE cost is at 9.5% but clarifications are needed. The proposal presents itself as community-led and aligned with LLA, yet the execution architecture relies on two additional multilateral entities, WHO and UNIDO, as Executing Entities, rather than primarily national or local institutions. This creates a weak case for: • strengthening national delivery systems • long-term institutional capacity in Mongolia • devolved implementation consistent with LLA principles At present, the proposal does not explain: • why these functions cannot be performed by national ministries, municipal bodies, vocational institutes, national NGOs, or local technical institutions • why two separate MIEs are required at execution level • how this arrangement represents the most cost-effective and capacity-enhancing option • how it avoids creating dependency on UN-led delivery rather than building Mongolian system CAR8: The proposal indicates that two multilateral entities, WHO and UNIDO, will act as Executing Entities, while communities are expected to implement activities at local level through grants and material support. However, the proposal does not provide sufficient justification for why execution is assigned to two MIEs rather than to national or sub-national institutions, particularly in the context of a project presented as locally led and intended to strengthen local and national capacity. Please include a justification that clarifies: • the specific execution roles to be performed by WHO and UNIDO; • why these roles cannot be carried out by relevant national or local institutions; • how this arrangement will strengthen country ownership and national implementation capacity over the long term; and • how the use of two MIEs at execution level represents the most appropriate and cost-effective arrangement for this project. [5 March 2026].

**Response:** Not Cleared

**Secretariat:** CAR8: Partially Cleared (Pages 41-43). The proposal provides justification for involving UNIDO and WHO by emphasizing the limited national capacity to undertake specialized technical tasks related to climate resilient construction standards, indoor air quality, and climate sensitive health risks. It also outlines how these multilateral partners will contribute to strengthening national and sub national capacity through training, technical guidelines, and collaboration with vocational institutions and municipal authorities. However as previously raised, the proposal still needs to clarify how the project will manage the additional coordination burden created by having multiple multilateral partners at the execution level and how the involvement of WHO and UNIDO will affect overall cost effectiveness, particularly in relation to their administrative and operational overheads. Please clarify the coordination and cost implications of engaging these two additional multilateral entities. [6 May 2026].

**Response:** Not Cleared

**Secretariat:** CAR8: Not Cleared (page 42). The proposal clarifies UNIDO and WHO will provide targeted technical support within their respective areas of expertise i.e., climate-resilient construction practices, indoor air quality, climate-sensitive health risks, and technical training, delivered through existing inter-agency coordination

mechanisms led by UN-Habitat and the Lead Executing Entity, rather than through separate implementation structures. However, two issues require resolution. First, the cover page lists WHO, UNIDO, Healthy Cities NGO, and Development Solutions NGO all as Executing Entities, which is inconsistent with their description as technical partners in the body of the proposal. Under the AF's operational policies, the distinction between Executing Entities and technical delivery partners has direct implications for the legal agreement and budget accountability. If WHO and UNIDO are Executing Entities, their roles and budget provisions must be explicitly detailed in the full proposal and reflected in the NDA's no-objection letter. If they are functioning as technical delivery partners without direct budget accountability, they should not be listed as Executing Entities on the cover page or elsewhere. Terminology must be consistent throughout. Second, regardless of how these entities are classified, the cost implications of engaging two additional multilateral entities are not yet clear and must be elaborated in the proposal.. [15 June 2026].

**Response:** Cleared

**Secretariat:** CAR8: Cleared. The executing entities have been updated under the cover page title, and this clarification is noted. The proposal also explains, on page 41 under the section on technical partners, that technical expertise from UNIDO, WHO, and other specialists will be drawn on a need basis, which addresses the second point.

## Eligibility of IE

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

**Response:** Not Cleared

**Secretariat:** No, the IE is under Reaccreditation. Accreditation Expiration Date is 01 October 2025 for IE (UN-Habitat). [5 March 2026].

**Response:** Not Cleared

**Secretariat:** The IE's status has been updated to "Accredited" as per a decision at AFB46. Further information on the Board's decision will be forthcoming. [6 May 2026].

**Response:** Cleared

**Secretariat:** At its forty-sixth meeting, through Decision B.46/9, the Adaptation Fund Board decided to grant an 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. [15 June 2026].



ADAPTATION FUND

**REQUEST FOR PROJECT/PROGRAMME FUNDING  
FROM THE ADAPTATION FUND**

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to the email: [submissions@adaptation-fund.org](mailto:submissions@adaptation-fund.org)



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## LOCALLY-LED ADAPTATION PROJECT/PROGRAMME PROPOSAL FOR SINGLE COUNTRY

### PART I: PROJECT/PROGRAMME INFORMATION

**Title of Project/Programme:** Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership

**Country:** Mongolia

**Thematic Focal Area:** Climate Resilience Building

**Type of Implementing Entity:** Multilateral Implementing Entity

**Implementing Entity:** United Nations Human Settlement Programme (UN-Habitat)

**Executing Entities:** Development Solutions NGO  
Local communities

**Amount of Financing Requested:** 5,000,000 (in U.S Dollars Equivalent)

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

*NOTE: The LOE should be signed by the Designated Authority (DA). The signatory DA must be on file with the Adaptation Fund. To find the DA currently on file check this page: <https://www.adaptation-fund.org/apply-funding/designated-authorities>*

**Stage of Submission:**

- ☒ This proposal has been submitted before including at a different stage (pre-concept, **concept**, fully- developed proposal)
- ☐ This is the first submission ever of the proposal at any stage

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

**Please note that fully-developed proposal documents should not exceed 100 pages for the main document, and 100 pages for the annexes.**

## 1.1 Project / Programme Background and Context

*Provide brief information on the problem the proposed project/programme is aiming to solve. Outline the economic social, development and environmental context in which the project would operate.*

Mongolia is one of the fastest-warming countries in Asia. Since the mid-twentieth century, national average temperatures have increased by more than 2°C, more than twice the global average. Climate projections indicate continued warming, increasing temperature variability, intensified short-duration precipitation events, prolonged drought conditions, and more frequent dust storms associated with land degradation and desertification.

In Mongolia's cities, particularly Ulaanbaatar, rapid and often unplanned urbanization is increasing exposure to climate hazards. More than 60 percent of the urban population resides in ger areas composed of traditional gers and self-built houses frequently located on floodplains, unstable slopes, and areas affected by permafrost degradation (Figure 1).

In ger areas, climate hazards interact with inadequate housing conditions, limited infrastructure, and environmentally vulnerable settlement patterns. Heavy rainfall increasingly floods homes and damages sanitation systems, contaminating pit latrines and shallow groundwater sources. Thawing permafrost destabilizes foundations and accelerates soil erosion, undermining housing and local infrastructure. Poor insulation, unsafe heating systems, and inadequate ventilation increase exposure to extreme winter cold, indoor air pollution, and carbon monoxide risks during prolonged cold periods and winter inversion events.

These vulnerabilities contribute to recurring household loss and damage, including sanitation failures, respiratory illness, flood impacts, and rising household energy costs. Despite ongoing investments in urban climate adaptation, infrastructure improvement, and environmental health initiatives, a major adaptation gap remains at household level, where vulnerable housing conditions continue to expose residents to intensifying climate stress. A recent World Bank assessment further noted that many ger-area homes remain energy inefficient, structurally vulnerable, and poorly connected to basic infrastructure, while affordable housing finance remains largely inaccessible to low-income ger households.

Figure 2 illustrates flood exposure in selected ger areas identified under the Adaptation Fund-supported Flood Resilience in Ulaanbaatar Ger Areas (FRUGA) project implemented between 2019 and 2023, while Figure 3 presents examples of climate hazards and structural vulnerabilities affecting ger settlements, including flooding, permafrost-related ice flooding, dust pollution, and household air pollution associated with solid-fuel heating.

Previous Adaptation Fund-supported projects implemented by UN-Habitat in Ulaanbaatar strengthened flood resilience through protective infrastructure, drainage and household sanitation improvements, and institutional capacity building. These projects demonstrated the importance of combining structural risk reduction with community-based planning, decentralized implementation, and local adaptation governance. Lessons learned from these initiatives informed the proposed project's focus on locally led adaptation, community-managed financing, climate risk-informed planning, and neighborhood-scale resilience measures in ger settlements.

### Climate Risk Pathways and Health Vulnerability in Ger Areas

Ger settlements face interconnected climate and environmental health risks associated with flooding, extreme winter cold, air pollution, and inadequate housing and sanitation infrastructure. Poorly insulated homes and inefficient heating systems expose households to extreme winter cold while increasing dependence on prolonged solid-fuel combustion. Climate-driven temperature inversions and dust storms further worsen indoor and outdoor air pollution, particularly in valley-based ger areas with limited ventilation.

Although localized long-term climate-health datasets for ger settlements remain limited, available evidence from Mongolia's National Adaptation Plan (NAP), FRUGA climate projections, municipal flood observations, public health data, and community consultations indicates that ger settlements experience heightened exposure to climate hazards due to their physical location, infrastructure deficits, and housing conditions. Mongolia's NAP identifies increasing frequency and severity of floods, droughts, dzuds, and other climate extremes that are expected to intensify environmental health risks, sanitation failures, and infrastructure damage in vulnerable urban settlements.

Figure 1. Typical self-built housing in Ulaanbaatar's ger areas



Figure 2. Exposure of Ger Areas to Flood Risk Zones in Ulaanbaatar



Climate projections and flood risk assessments developed under the FRUGA project indicate that increasing precipitation intensity and temperature variability are expected to further increase flooding, sanitation failures, indoor pollution exposure, and structural stress on vulnerable housing systems in ger areas. Downscaled climate modelling under the RCP8.5 scenario projects that maximum daily rainfall in Ulaanbaatar could increase by 26% by 2030, 41% by 2050, and 53% by 2080, while flood-prone ger area exposure could expand by 12.5% by 2030, 20.8% by 2050, and 28.7% by 2080, particularly affecting vulnerable settlements in Songinokhairkhan, Sukhbaatar, and Bayanzurkh districts.

These hazards interact with inadequate housing and sanitation systems, increasing exposure to indoor air pollution, sanitation-related illness, structural damage, and environmental health risks.

Community consultations identified indoor air pollution, sanitation failures during flooding, and unsafe heating conditions as major climate-related concerns affecting ger households, particularly women, children, elderly residents, and persons with chronic illnesses.

These findings highlight the importance of climate-resilient housing improvements, ventilation, heating safety, drainage, and sanitation measures as critical household-level adaptation priorities in ger settlements.

*Table 1. Climate–Housing–Health Vulnerability Pathways in Ger Settlements*

| Climate Hazard                                     | Housing Vulnerability                                  | Exposure Pathway                                             | Health Risk                                                    |
|----------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------|
| Extreme winter cold                                | Poor insulation and unsafe heating                     | Increased indoor fuel combustion and low indoor temperatures | Respiratory illness and carbon monoxide exposure <sup>1</sup>  |
| Intense rainfall and flooding                      | Flood-prone sanitation systems and weak drainage       | Contamination of pit latrines and shallow groundwater        | Waterborne disease and sanitation-related illness <sup>2</sup> |
| Dust storms and inversion events                   | Inadequate ventilation and poor indoor air circulation | Increased indoor pollutant concentration                     | Respiratory and cardiovascular stress                          |
| Freeze-thaw variability and permafrost degradation | Weak foundations and unstable soil                     | Structural damage and sanitation system failure              | Increased environmental health and safety risks                |

Approximately one third of Mongolia's population lives below the national poverty line, with high concentrations in ger areas. Limited financial resources constrain household ability to invest in insulation, safe heating systems, sanitation improvements, and flood protection measures. Women, elderly residents, children, and persons with disabilities are particularly vulnerable to health risks associated with poor housing conditions and climate extremes.

An initial gender assessment conducted during project preparation, including a survey of 197 households and community consultations, found that female-headed households face additional barriers to housing improvements due to financial constraints and limited access to technical information. Women identified sanitation safety, indoor air quality, and heating safety as priority concerns for climate resilience.

At the macroeconomic level, climate-related impacts also generate substantial economic losses. A 2019 UNDP study estimated annual welfare losses of USD 486 million and productivity losses of USD 58 million due to air pollution, equivalent to 5.6 percent of Mongolia's GDP.

Mongolia's National Adaptation Plan (NAP) and Nationally Determined Contribution (NDC) identify urban resilience and climate risk reduction as national priorities. However, adaptation efforts have largely focused on large-scale infrastructure investments such as flood control works and drainage improvements. A critical adaptation gap remains at the household level, particularly in ger areas where structural housing vulnerabilities continue to expose residents to climate stress even where protective infrastructure exists.

Despite increasing awareness of climate risks, several barriers continue to limit adoption and scaling of climate-resilient housing improvements in ger settlements:

- Institutional barriers arise from fragmented responsibilities across housing, energy, health, and urban planning sectors.
- Technical barriers include limited access to climate-resilient construction techniques and technical standards suited to Mongolia's extreme climate conditions.
- Financial barriers prevent many households from investing in housing retrofits due to limited access to affordable financing.

<sup>1</sup> <https://pmc.ncbi.nlm.nih.gov/articles/PMC10300773>

<sup>2</sup> <https://www.sciencedirect.com/science/article/abs/pii/S0197397514001295>

- Social barriers include limited awareness of climate adaptation options and insufficient community participation in housing improvement decisions.

*Figure 3. Climate hazards and structural vulnerabilities affecting ger settlements*



a) Ice flooding affecting homes in Ulaanbaatar's ger areas associated with permafrost thaw



b) Flooded ger settlements following heavy rainfall in Ulaanbaatar



c) Flood-affected household plot in ger areas



d) Air pollution from raw coal combustion for household heating in ger areas



e) Dust pollution in ger areas

UN-Habitat, in consultation with national partners, proposes to address the above barriers through integrated community-based adaptation interventions supporting participatory planning, climate-resilient housing improvements, community-managed adaptation financing and implementation, and strengthened institutional capacity for urban climate resilience. The project interventions will focus on locally led climate adaptation planning and implementation designed to reduce household and community vulnerability to current and projected climate hazards through climate-resilient housing retrofits and neighborhood adaptation improvements. Local communities will be organized through Primary Groups (PGs) and Community Adaptation Councils (CACs) applying UN-Habitat's People's Process approach to guide and implement local adaptation interventions.

Table 2 presents a comparison of conventional and climate-informed retrofit measures, highlighting their climate-resilient design features and expected adaptation benefits under projected climate conditions. Table 3 further illustrates the relationship between climate hazards, structural vulnerabilities, adaptation measures, and the resulting resilience benefits.

*Table 2. Comparative Climate-Informed Retrofit Measures and Adaptation Benefits*

| <b>Retrofit Measure</b>                           | <b>Conventional Approach</b>   | <b>Climate-Resilient Feature</b>                                                                                                             | <b>Expected Adaptation Benefit</b>                                                                                      |
|---------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Insulation improvements                           | Standard insulation            | Higher thermal performance designed for prolonged sub-zero temperatures and increasing temperature variability                               | Reduced heat loss, lower household energy demand, and improved resilience during more frequent extreme cold events      |
| Ventilation upgrades                              | Conventional ventilation       | Controlled airflow systems designed to maintain indoor air quality while minimizing winter heat loss during inversion events and dust storms | Reduced indoor air pollution exposure and improved household resilience during prolonged cold and dust events           |
| Safe heating systems                              | Conventional household heating | Low-emission, safety-focused heating systems designed for enclosed winter conditions                                                         | Reduced carbon monoxide exposure, improved energy efficiency, and greater resilience during increasingly severe winters |
| Flood-resilient sanitation systems                | Standard pit latrine           | Raised, sealed, or flood-protected sanitation systems designed for projected increases in flooding                                           | Reduced contamination, sanitation failures, and recovery costs during flood events                                      |
| Localized drainage                                | Conventional drainage          | Drainage designed using projected rainfall intensity and runoff patterns                                                                     | Reduced localized flooding and improved stormwater management under future climate conditions                           |
| Soil stabilization and climate-sensitive greening | Conventional landscaping       | Climate-sensitive erosion control and vegetation measures designed for freeze-thaw cycles and heavier rainfall                               | Reduced soil erosion, improved slope stability, and enhanced resilience to future climate impacts                       |

### **Project Objective**

The objective of the project is to strengthen the adaptive capacity and climate resilience of vulnerable households and communities in Mongolia's ger areas to extreme cold, flooding, permafrost degradation, and climate-sensitive health risks through locally led adaptation planning, climate-resilient housing improvements, and community-based resilience measures.

The project is expected to support approximately four climate-vulnerable khoroos in Ulaanbaatar, with final target locations to be confirmed during the full proposal stage in consultation with municipal and national partners based on climate vulnerability, community readiness, and adaptation needs.

## **1.2 Project Components and Financing**

Building on the climate risks and structural vulnerabilities described in Section 1.1, the proposed project adopts a locally led climate adaptation approach to reduce household-level climate vulnerability in Mongolia's ger areas. Rather than relying solely on large-scale infrastructure investments, the project addresses structural drivers of vulnerability within homes and communities that amplify climate impacts.

The project is structured so that participatory climate risk assessments and community adaptation planning under Component 1 establish the community governance structures, adaptation priorities, and beneficiary selection mechanisms required for implementation; Component 2 strengthens the technical and institutional capacity needed for climate-resilient housing adaptation; Component 3 delivers direct household and community-level climate adaptation investments through community-managed implementation mechanisms; and Component 4 strengthens long-term sustainability, institutional learning, and scaling of locally led adaptation approaches within municipal and national systems.

The project will be implemented by UN-Habitat in collaboration with local NGOs, community adaptation structures, municipal authorities, technical institutions, and relevant national ministries.

The project's Theory of Change is based on the premise that locally led climate adaptation becomes more sustainable when communities, local institutions, and municipal authorities jointly identify climate risks, organize community adaptation structures, strengthen local adaptation capacity, implement locally prioritized adaptation investments, and integrate successful practices into municipal planning and governance systems.

### **Locally Led Adaptation Governance and Community Decision-Making**

The project will apply UN-Habitat's "People's Process" approach to operationalize locally led adaptation activities in participating ger settlements. Communities will be organized into Primary Groups (PGs) consisting of approximately 20 households each, including representation of vulnerable and female-headed households. Each PG will elect its leader and deputy leader through participatory processes.

Leaders and deputy leaders from the PGs will collectively form Community Adaptation Councils (CACs) at khoroo level to coordinate adaptation planning, implementation oversight, community financing, participatory monitoring, and coordination with municipal authorities and implementing partners.

Participatory climate vulnerability assessments, community climate risk mapping, and community adaptation planning under Component 1 will be conducted through the community governance structures. Community priorities identified through participatory planning processes will guide beneficiary selection, sequencing, and prioritization of household and community adaptation investments under the project.

PGs will identify and submit proposed beneficiary households based on agreed vulnerability criteria, while CACs will review, validate, and approve beneficiary selection and adaptation priorities through participatory and transparent processes. Inclusive participation of women, youth, elderly residents, persons with disabilities, and vulnerable households will be promoted throughout community governance and planning processes.

The project will apply community-managed adaptation financing mechanisms under UN-Habitat's People's Process approach used in community-based upgrading, disaster mitigation and resilience programmes in Mongolia and other countries. Community-managed adaptation implementation arrangements will be coordinated through CACs in accordance with UN-Habitat fiduciary requirements and project financial management procedures.

Project financing arrangements will apply phased disbursement, procurement verification, financial reporting, technical supervision, and fiduciary oversight procedures in accordance with UN-Habitat financial management requirements.

CACs will coordinate implementation of approved adaptation activities, including community contracting, workforce mobilization, procurement oversight, financial record keeping, community monitoring, and periodic progress reporting. Accountability and transparency mechanisms will include publicly disclosed beneficiary selection criteria, participatory monitoring systems, community financial reporting, grievance procedures, and periodic review meetings involving CACs, municipal authorities, khoroo administrations, and implementing partners.

Community governance structures will operate in coordination with khoroo administrations, municipal authorities, and relevant local institutions to strengthen institutional alignment and integration of locally led adaptation priorities into municipal planning and adaptation processes.

The proposed governance approach builds on UN-Habitat's People's Process model that has been successfully applied in ger-area communities through previous projects, including the Adaptation Fund-supported Flood Resilience in Ulaanbaatar Ger Areas (FRUGA) project and the ongoing Ger Community Resilience Project (GCRP). While the mechanism has not yet been adopted across all khoros of Ulaanbaatar, it has been demonstrated and operationalized in participating project areas and has

proven effective in strengthening community participation, local accountability, and coordination with local government institutions.

Under this approach, Primary Groups (PGs) and Community Adaptation Councils (CACs) established by communities are accredited and registered as community-based organizations (CBOs) within participating khoroo administrations. The Khoroo Governor reviews and validates annual community action plans and may integrate relevant priorities into khoroo development plans and budget proposals. Through existing administrative procedures, priority actions can also be submitted to district and municipal authorities for consideration within sector programmes and annual investment planning processes.

This mechanism provides a practical and tested pathway for linking community adaptation priorities with local government planning systems while avoiding the creation of parallel project structures. Because CACs remain registered community organizations beyond the project period, they can continue to engage with khoroo administrations and mobilize support for implementation of locally identified adaptation priorities after project closure.

Previous Adaptation Fund-supported projects implemented by UN-Habitat in Mongolia demonstrated that the People's Process approach can strengthen local technical capacity, accountability, community ownership, and long-term sustainability of climate adaptation investments while supporting inclusive participation and locally led decision-making.

#### **Component 1. Participatory Climate Risk Assessment and Community Adaptation Planning**

This component establishes the analytical, organizational, and participatory foundation for locally led adaptation by identifying climate risks, organizing community adaptation structures, and defining locally prioritized adaptation actions in target ger settlements.

**Output 1.1.** Participatory climate vulnerability assessments, community climate risk mapping, and household vulnerability profiling completed in target ger settlements. Planned activities are:

- 1.1.1 Conduct community mobilization, awareness raising, and participatory climate vulnerability and risk mapping activities;
- 1.1.2 Identify climate-sensitive housing, sanitation, drainage, environmental, and community resilience risks affecting ger settlements;
- 1.1.3 Prepare household vulnerability profiles and identify highly vulnerable households through participatory assessments;
- 1.1.4 Facilitate participatory validation of climate risks, vulnerabilities, and community adaptation priorities.

**Output 1.2.** Primary Groups (PGs) and Community Adaptation Councils (CACs) established and operational in target ger settlements. Activities:

- 1.2.1 Facilitate formation and strengthening of PGs and community leadership structures;
- 1.2.2 Establish CACs comprising representatives of participating PGs and support their accreditation and registration as community-based organizations within participating khoroo administrations.
- 1.2.3 Provide orientation and capacity support on participatory governance, adaptation planning, transparency, and monitoring;
- 1.2.4 Establish community coordination, communication, and grievance feedback mechanisms.

**Output 1.3.** Community Adaptation Plans and community-based beneficiary selection processes completed. Activities:

- 1.3.1 Facilitate preparation of Community Adaptation Plans and prioritization of resilience investments through participatory planning processes, including submission of plans for review and validation by participating khoroo administrations;

- 1.3.2 Develop community-based beneficiary selection criteria and adaptation prioritization procedures;
- 1.3.3 Support PGs to identify and submit proposed beneficiary households and adaptation priorities to CACs;
- 1.3.4 Facilitate CAC review, validation, and approval of beneficiary households and community adaptation priorities.

**Expected Outcome:** Communities and local authorities jointly identify climate risks, establish community adaptation governance systems, and prioritize locally appropriate adaptation measures for vulnerable households.

## **Component 2. Climate-Resilient Construction Skills Development and Institutional Capacity Strengthening**

This component strengthens the technical and institutional capacity required to implement and sustain climate-resilient housing adaptation measures in ger settlements.

**Output 2.1.** Skills needs assessments and workforce development plans completed for climate-resilient housing adaptation measures. Activities:

- 2.1.1 Assess technical workforce and institutional capacity needs based on community adaptation plans and proposed retrofit measures;
- 2.1.2 Identify required climate-resilient retrofit, construction, sanitation, drainage, ventilation, and energy-efficiency skills and workforce needs;
- 2.1.3 Support PGs and CACs to identify and select vocational training candidates with attention to women and youth participation;
- 2.1.4 Prepare phased workforce development and training implementation plans linked to project rollout.

**Output 2.2.** Partnerships established with vocational training institutions and technical organizations for climate-resilient construction skills development. Activities:

- 2.2.1 Identify and engage vocational institutions, technical centers, certification bodies, and relevant technical partners;
- 2.2.2 Develop training partnerships, cooperation arrangements, and climate-resilient retrofit training modules linked to project implementation needs;
- 2.2.3 Facilitate technical collaboration and coordination with municipal and national technical agencies

**Output 2.3.** Community-based climate-resilient construction workforce trained and certified. Activities:

- 2.3.1 Conduct phased vocational and practical training programmes on climate-resilient retrofit and adaptation practices for selected community members;
- 2.3.2 Facilitate on-site learning, workforce certification, and mobilization of trained implementation teams through partner vocational institutions;
- 2.3.3 Conduct multiple rounds of workforce preparation during project implementation based on evolving adaptation and retrofit needs.

**Expected Outcome:** Communities, local workers, and institutions have the technical skills, organizational capacity, and workforce systems required to implement, maintain, and replicate climate-resilient housing adaptation measures.

## **Component 3. Climate-Resilient Housing Adaptation Investments**

This component translates community adaptation priorities and climate risk assessments into direct household and neighborhood-scale adaptation investments designed to reduce vulnerability to flooding, extreme cold, indoor air pollution, sanitation failure, and environmental health risks in ger settlements. Neighborhood-scale adaptation measures, including climate-informed drainage improvements, soil stabilization and erosion control measures, climate-sensitive greening, and surface water management

interventions, are designed to address projected increases in rainfall intensity, localized flooding, stormwater runoff, freeze-thaw instability, soil erosion, and land degradation identified through climate risk assessments. Unlike conventional neighborhood upgrading, which typically focuses on general infrastructure improvements, these measures are designed and prioritized based on projected climate risks identified through climate risk assessments. By integrating climate risk information with household adaptation investments, the project provides additional adaptation benefits and strengthens community-wide resilience to future climate impacts.

**Output 3.1.** Household adaptation assessments, technical screening, and retrofit planning completed for approved beneficiary households. Activities:

- 3.1.1 Conduct household climate vulnerability, housing condition, and environmental risk assessments in selected target households;
- 3.1.2 Assess sanitation, drainage, ventilation, heating, structural, and climate-related adaptation needs and risks;
- 3.1.3 Prepare household-specific retrofit designs, adaptation improvement plans, and climate screening reviews for proposed interventions;
- 3.1.4 Prepare cost estimates, bills of quantities, and adaptation financing packages for approved interventions.

**Output 3.2.** Community-managed adaptation financing and implementation arrangements established for approved adaptation investments. Activities:

- 3.2.1 Facilitate participatory review, prioritization, and approval of household and neighborhood adaptation investments;
- 3.2.2 Organize community contracting, procurement arrangements, and mobilization of trained local workers and implementation teams;
- 3.2.3 Facilitate household participation, community engagement, participatory oversight, and monitoring throughout adaptation implementation;
- 3.2.4 Establish financial accountability, technical review, and compliance monitoring mechanisms for adaptation financing and implementation.

**Output 3.3.** Climate-resilient housing retrofits and neighborhood adaptation measures implemented and monitored in target ger settlements. Activities:

- 3.3.1 Facilitate community implementation of climate-resilient housing retrofits and neighborhood adaptation improvements, including sanitation upgrades, drainage improvements, ventilation and heating improvements, soil stabilization and erosion control measures, climate-sensitive greening, and other neighborhood-scale resilience measures.
- 3.3.2 Conduct technical supervision, climate screening verification, quality assurance, compliance monitoring, and participatory community monitoring throughout implementation;
- 3.3.3 Conduct final inspections, beneficiary verification, completion reporting, and handover of completed adaptation investments.

**Expected Outcome:** Household and community vulnerability to projected climate hazards including flooding, extreme cold, indoor air pollution, sanitation failure, and environmental health risks is reduced.

#### **Component 4. Institutional Strengthening, Knowledge Management, and Scaling of Locally Led Climate Adaptation**

This component strengthens the long-term sustainability, institutional learning, and replication potential of locally led climate adaptation approaches by integrating lessons, technical guidance, and community adaptation practices into municipal and national systems.

**Output 4.1.** Knowledge, lessons learned, and locally led adaptation practices documented and disseminated. Activities:

- 4.1.1 Document community adaptation processes, implementation experiences, lessons learned, and practical adaptation case studies from project interventions;
- 4.1.2 Prepare technical guidance materials, adaptation toolkits, knowledge products, and communication materials on climate-resilient housing adaptation and People's Process approaches;
- 4.1.3 Develop community demonstration, peer learning, and experience-sharing activities among communities, local authorities, vocational institutions, and partner organizations;
- 4.1.4 Establish or strengthen adaptation knowledge-sharing and learning platforms supporting dissemination, institutional learning, and scaling of locally led adaptation approaches.

**Output 4.2.** Municipal and local institutional capacity strengthened for locally led climate adaptation and climate-resilient ger area upgrading. Activities:

- 4.2.1 Conduct training and awareness activities for municipal authorities, khoroo administrations, community institutions, and local stakeholders on climate adaptation, participatory planning, People's Process methodologies, and community-based resilience approaches;
- 4.2.2 Support local government and community awareness raising on climate risks, disaster preparedness, climate-sensitive urban vulnerabilities, and locally led adaptation planning;
- 4.2.3 Facilitate coordination, technical dialogue, and integration of community-defined adaptation priorities into municipal planning and local implementation processes;
- 4.2.4 Support institutional learning, adaptive management, and municipal-community collaboration for scaling and sustainability of locally led adaptation approaches
- 4.2.5 Support accreditation and registration of Community Adaptation Councils (CACs) and Primary Groups (PGs) within participating khoroo administrations and facilitate integration of Community Adaptation Plans into khoroo, district, and municipal planning and budgeting processes.
- 4.2.6 Build on the NAP localization mechanism being developed under the Ger Community Resilience Project (GCRP) to facilitate integration of community adaptation priorities, lessons learned, and technical recommendations into city, district, and khoroo adaptation planning processes and reporting on implementation of Mongolia's National Adaptation Plan (NAP).

**Output 4.3.** Technical recommendations and scaling approaches for climate-resilient ger area adaptation developed and promoted. Activities:

- 4.3.1 Develop technical recommendations, adaptation guidance materials, and implementation lessons based on project experience and locally led adaptation practices;
- 4.3.2 Facilitate policy dialogue, stakeholder consultations, and institutional learning on scaling and replication of climate-resilient housing adaptation approaches;
- 4.3.3 Support discussions on financing approaches, incentives, institutional coordination, and integration of locally led adaptation practices into municipal and national systems;
- 4.3.4 Facilitate exchange, peer learning, and dissemination of relevant national and international adaptation experiences, including recommendations for future urban resilience and upgrading initiatives.
- 4.3.5 Develop policy recommendations and financing pathways for scaling climate-resilient housing adaptation through municipal investment programmes, ger area upgrading initiatives, community-based financing mechanisms, and future climate finance opportunities.

**Expected Outcome:** Locally led climate adaptation approaches and climate-resilient housing practices are institutionalized, replicated, and integrated into municipal and national adaptation planning systems.

The proposed interventions under the project components respond directly to climate hazards affecting ger settlements. Table 3 summarizes how project interventions address climate vulnerabilities and contribute to the Adaptation Fund Strategic Results Framework.

*Table 3. Climate Risks, Adaptation Measures, and Resilience Benefits*

| <b>Climate Risk/<br/>Adaptation<br/>Challenge</b>            | <b>Structural<br/>Vulnerability<br/>in Ger Areas</b>                          | <b>Project Adaptation<br/>Measures</b>                                                                                                                                                                                                                             | <b>Expected<br/>Resilience<br/>Benefit</b>                                                              | <b>Alignment with AF<br/>Results Framework</b>                                                         |
|--------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Extreme winter cold (temperatures below –30°C)               | Poorly insulated homes leading to heat loss and unsafe heating practices      | Climate-resilient insulation retrofits, safe heating systems, ventilation improvements, and household adaptation planning                                                                                                                                          | Reduced exposure to extreme cold, lower household energy demand, improved indoor air quality and safety | AF Outcome 4: Increased adaptive capacity within development sector services and infrastructure assets |
| Intense rainfall and urban flooding                          | Flood-prone housing plots and sanitation systems vulnerable to contamination  | Flood-resilient sanitation improvements, climate-informed drainage systems, soil stabilization and erosion control measures, and climate-sensitive greening designed to manage projected increases in stormwater runoff, localized flooding, and land degradation. | Reduced flood damage to homes and sanitation systems, improved public health protection                 | AF Outcome 4: Climate-resilient infrastructure strengthened                                            |
| Air pollution and winter temperature inversions              | Indoor pollution from inefficient heating and poor ventilation                | Safe heating technologies, ventilation retrofits, and community awareness on indoor environmental health risks                                                                                                                                                     | Reduced exposure to carbon monoxide and indoor air pollution, improved respiratory health               | AF Outcome 4: Infrastructure adapted to climate variability                                            |
| Dust storms and poor indoor air circulation                  | Poor housing ventilation and limited climate awareness                        | Community awareness campaigns, improved ventilation systems, and participatory climate adaptation planning                                                                                                                                                         | Reduced exposure to airborne pollutants and improved climate risk preparedness                          | AF Outcome 3: Strengthened awareness and ownership of adaptation processes                             |
| Limited local adaptation capacity                            | Lack of technical skills and community planning mechanisms                    | Community adaptation planning, vocational workforce development, participatory implementation systems, and community-based monitoring mechanisms                                                                                                                   | Strengthened local capacity to implement, maintain, and replicate climate adaptation solutions          | AF Outcome 2: Strengthened institutional capacity                                                      |
| Weak institutional integration of local adaptation knowledge | Limited incorporation of community adaptation practices into planning systems | Documentation of locally led adaptation practices, municipal coordination, adaptation learning platforms, and scaling recommendations                                                                                                                              | Institutionalized climate-resilient housing practices and scaling of successful interventions           | AF Outcome 2: Strengthened institutional capacity                                                      |

## Project Financing

The project will be financed through Adaptation Fund resources complemented by institutional and in-kind contributions from implementing and executing entities. The largest share of funding is allocated to Component 3, which delivers direct household and neighborhood-level climate adaptation investments through community-managed implementation mechanisms. Component 1 establishes the participatory planning and community governance foundation for locally led adaptation; Component 2 strengthens technical workforce and institutional capacity for climate-resilient housing adaptation; and Component 4 supports institutional learning, scaling, and integration of locally led adaptation approaches into municipal and national systems.

| Project Components                                                                                                      | Expected Concrete Outputs                                                                                                                                                                                                                                                                                                                                                                                                                        | Expected Outcomes                                                                                                                                                                                                    | Amount (US\$) |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>Component 1.</b><br>Participatory Climate Risk Assessment and Community Adaptation Planning                          | <b>Output 1.1.</b> Participatory climate vulnerability assessments, community climate risk mapping, and household vulnerability profiling completed in target ger settlements.<br><b>Output 1.2.</b> Primary Groups (PGs) and Community Adaptation Councils (CACs) established and operational in target ger settlements.<br><b>Output 1.3.</b> Community Adaptation Plans and community-based beneficiary selection processes completed.        | Communities and local authorities jointly identify climate risks, establish community adaptation governance systems, and prioritize locally appropriate adaptation measures for vulnerable households.               | 600,000.00    |
| <b>Component 2.</b><br>Climate-Resilient Construction Skills Development and Institutional Capacity Strengthening       | <b>Output 2.1.</b> Skills needs assessments and workforce development plans completed for climate-resilient housing adaptation measures.<br><b>Output 2.2.</b> Partnerships established with vocational training institutions and technical organizations for climate-resilient construction skills development.<br><b>Output 2.3.</b> Community-based climate-resilient construction workforce trained and certified.                           | Communities, local workers, and institutions have the technical skills, organizational capacity, and workforce systems required to implement, maintain, and replicate climate-resilient housing adaptation measures. | 600,000.00    |
| <b>Component 3.</b><br>Climate-Resilient Housing Adaptation Investments                                                 | <b>Output 3.1.</b> Household adaptation assessments, technical screening, and retrofit planning completed for approved beneficiary households.<br><b>Output 3.2.</b> Community-managed adaptation financing and implementation arrangements established for approved adaptation investments.<br><b>Output 3.3.</b> Climate-resilient housing retrofits and neighborhood adaptation measures implemented and monitored in target ger settlements. | Household and community vulnerability to projected climate hazards including flooding, extreme cold, indoor air pollution, sanitation failure, and environmental health risks is reduced.                            | 2,500,000.00  |
| <b>Component 4.</b><br>Institutional Strengthening, Knowledge Management, and Scaling of Locally Led Climate Adaptation | <b>Output 4.1.</b> Knowledge, lessons learned, and locally led adaptation practices documented and disseminated.<br><b>Output 4.2.</b> Municipal and local institutional capacity strengthened for locally led climate adaptation and climate-resilient ger area upgrading.<br><b>Output 4.3.</b> Technical recommendations and scaling approaches for climate-resilient ger area adaptation developed and promoted.                             | Locally led climate adaptation approaches and climate-resilient housing practices are institutionalized, replicated, and integrated into municipal and national adaptation planning systems.                         | 470,514.00    |

|                                                                                              |              |
|----------------------------------------------------------------------------------------------|--------------|
| <b>Total Component Cost</b>                                                                  | 4,170,514.00 |
| 6. Project/Programme Execution cost                                                          | 437,781.00   |
| 7. Total Project/Programme Cost                                                              | 4,608,295.00 |
| 8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable) | 391,705.00   |
| <b>Amount of Financing Requested</b>                                                         | 5,000,000.00 |

### Cost-Effectiveness

The project's cost-effectiveness is based on targeted, community-managed, and climate-informed adaptation measures that reduce household vulnerability to multiple climate risks simultaneously while strengthening local implementation capacity and long-term sustainability. Climate-resilient housing retrofits, sanitation improvements, localized drainage measures, and neighborhood resilience interventions reduce household exposure to extreme cold, flooding, indoor pollution, and environmental health risks using locally appropriate materials, community labor, and scalable implementation approaches.

The project also strengthens long-term sustainability and replication through establishment of community adaptation governance systems, vocational workforce development, participatory implementation mechanisms, and integration of locally led adaptation approaches into municipal and national systems. By combining physical adaptation investments with community planning, workforce training, institutional learning, and community-managed adaptation financing mechanisms, the project strengthens local adaptive capacity while helping reduce future climate-related losses and recovery costs.

### Estimated Direct Beneficiaries

The project is expected to directly benefit approximately 2,000 vulnerable households, representing 8,000–9,000 residents in climate-exposed ger settlements. The project will also strengthen local adaptation governance and technical capacity through establishment of approximately 60 Primary Groups, 4 Community Adaptation Councils, and training of approximately 100 local workers in climate-resilient construction and retrofit practices.

### Projected Calendar:

*Indicate the dates of the following milestones for the proposed project/programme*

| <b>Milestones</b>                         | <b>Expected Dates</b>        |
|-------------------------------------------|------------------------------|
| Start of Project/Programme Implementation | 1 <sup>st</sup> Quarter 2027 |
| Mid-term Review (if planned)              | 1 <sup>st</sup> Quarter 2029 |
| Project/Programme Closing                 | 1 <sup>st</sup> Quarter 2031 |
| Terminal Evaluation                       | 1 <sup>st</sup> Quarter 2031 |

## 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.

The proposed project aims to reduce climate vulnerability in Mongolia's ger areas through locally led adaptation planning, climate-resilient housing improvements, and strengthened local capacity for household and community resilience.

Ger settlements face increasing climate risks because climate hazards interact with weak housing systems, inadequate sanitation infrastructure, and environmentally vulnerable settlement conditions. The project responds through four complementary components linking climate risk assessment, community adaptation planning, technical workforce development, targeted adaptation investments, and institutional integration.

### **Component 1. Participatory Climate Risk Assessment and Community Adaptation Planning**

This component establishes the community governance and participatory planning foundation for locally led climate adaptation in target ger settlements. Communities will be organized into Primary Groups (PGs) and Community Adaptation Councils (CACs) applying UN-Habitat's People's Process approach. Participatory climate vulnerability assessments, community mapping, and household vulnerability profiling will identify exposure to flooding, extreme cold, permafrost instability, indoor air pollution, and climate-sensitive health risks, as well as structural vulnerabilities such as inadequate insulation, unsafe heating, poor ventilation, and flood-prone sanitation systems.

Participatory planning processes will support preparation of Community Adaptation Plans, prioritization of locally appropriate adaptation measures, and community-based beneficiary selection processes involving women, youth, elderly residents, and persons with disabilities. Outputs include climate vulnerability maps, community adaptation plans, household vulnerability profiles, community governance systems, and locally adapted guidance for climate-resilient housing and sanitation improvements.

### **Component 2. Climate-Resilient Construction Skills Development and Institutional Capacity Strengthening**

This component strengthens the technical workforce and institutional capacity required to implement and sustain climate-resilient housing adaptation measures in ger settlements. Based on needs identified through community adaptation planning, the project will support workforce development planning, vocational partnerships, and phased technical training programmes linked to implementation needs.

Training will be provided to local construction workers, youth, and community members on insulation retrofits, safe heating installation, ventilation improvements, flood-resilient sanitation systems, drainage improvement, and climate-resilient construction practices. The project will partner with vocational institutions and technical organizations to support certification pathways, practical learning systems, and development of climate-resilient construction guidance and toolkits. Participatory community monitoring mechanisms through Primary Groups and Community Adaptation Councils will also be strengthened to support long-term adaptation implementation and maintenance.

### **Component 3. Climate-Resilient Housing Adaptation Investments**

This component translates climate risk assessments and community adaptation priorities into direct investments that reduce household and community vulnerability. Adaptation investments will be prioritized through Community Adaptation Plans and implemented through community-managed financing and community contracting approaches coordinated by Community Adaptation Councils.

The project will support climate-resilient housing retrofits and neighborhood adaptation improvements in selected climate-vulnerable ger settlements, including insulation retrofits, safe and energy-efficient heating systems, ventilation improvements, flood-resilient sanitation systems, localized drainage measures, soil stabilization and erosion control measures, climate-sensitive greening, surface water management measures, and other neighborhood-scale adaptation interventions. Community-managed

adaptation financing mechanisms will support implementation of priority household and neighborhood-level adaptation measures identified through participatory climate risk assessments and community adaptation planning processes. The financing approach is designed to enable vulnerable households to implement climate-resilient retrofits that would otherwise remain unaffordable due to financial constraints.

Climate risk screening, technical supervision, participatory monitoring, and community oversight will ensure that interventions directly address climate risks and avoid maladaptation.

#### **Component 4. Institutional Strengthening, Knowledge Management, and Scaling of Locally Led Climate Adaptation**

This component strengthens long-term sustainability, institutional learning, and replication of locally led climate adaptation approaches within municipal and national systems. The project will support integration of community-defined adaptation priorities into municipal planning processes, align interventions with Mongolia's NAP and NDC, document lessons learned, develop technical guidance and adaptation knowledge products, and facilitate knowledge exchange and learning for scaling and replication.

The project will also support municipal and local government awareness raising and capacity strengthening on climate adaptation planning, People's Process methodologies, disaster preparedness, climate-sensitive urban vulnerabilities, and community-based resilience approaches. By strengthening decentralized adaptation planning and promoting integration of resilient retrofit practices into housing and urban development systems, the project will support longer-term replication and scaling beyond the project lifecycle.

##### **Devolving Decision-Making and Direct Community Access to Finance**

The project operationalizes locally led adaptation by ensuring that community institutions play a central role in defining priorities, allocating resources, and monitoring implementation. Community Adaptation Councils (CACs), formed from elected leaders and deputy leaders of the Primary Groups, will review climate risk findings, prioritize adaptation measures, validate community-based beneficiary selection processes, and review adaptation financing allocations, with at least 50 percent participation of women.

CACs will coordinate local implementation, community-managed adaptation financing mechanisms, participatory monitoring, and housing retrofit activities in collaboration with local NGOs, technical institutions, and project partners. Clear beneficiary selection procedures, public disclosure of allocations, participatory monitoring systems, and community grievance redress mechanisms will support accountability and transparency. CACs will also work with khoroo administrations and municipal authorities to help integrate community priorities into municipal planning processes and strengthen institutional coordination.

Community-managed adaptation financing mechanisms will operate through dedicated project accounts and phased disbursement procedures in accordance with UN-Habitat fiduciary requirements, project financial management procedures, technical supervision systems, and procurement verification requirements. Community Adaptation Councils will maintain project financial records and implementation documentation in accordance with project procedures.

- B.** Describe how the project / programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project / programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund. **In particular, specify how the project/programme is addressing structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, Indigenous Peoples and marginalized ethnic groups.**

The proposed project will generate economic, social, and environmental benefits by reducing household exposure to climate hazards and improving living conditions in vulnerable ger settlements.

The project combines climate-resilient housing improvements, sanitation upgrades, technical workforce development, community adaptation planning, and locally led adaptation governance to generate multiple resilience and development co-benefits for vulnerable communities.

### **Economic Benefits**

The project will reduce the economic burden of climate hazards on vulnerable households by lowering energy expenditures and reducing damage associated with extreme weather events. Improved insulation and safe, energy-efficient heating systems will reduce fuel consumption and heating costs while improving indoor thermal comfort.

Flood-resilient sanitation systems, localized drainage improvements, and soil stabilization measures will reduce recurring repair costs associated with flood-damaged infrastructure and environmental degradation. In addition, training programmes delivered through vocational institutions will equip local workers and youth with skills in insulation retrofitting, heating installation, ventilation improvements, and climate-resilient construction, creating new livelihood opportunities in climate-resilient construction and community adaptation implementation.

### **Social Benefits**

The project will improve health, safety, and well-being by addressing housing conditions that amplify climate-related health risks. Insulation improvements and safer heating systems will reduce exposure to extreme cold and carbon monoxide poisoning. Improved ventilation will reduce indoor air pollution during periods of poor air quality, while flood-resilient sanitation systems and drainage improvements will reduce contamination risks during heavy rainfall events.

Participatory planning, community adaptation governance, and community contracting approaches will strengthen social cohesion, local ownership, and participation of residents in climate adaptation decisions affecting their communities.

### **Environmental Benefits**

The project will promote energy efficiency and reduce pollution through improved thermal performance and cleaner heating practices that lower household fuel consumption and emissions associated with coal combustion. Flood-resilient sanitation, drainage improvements, and soil stabilization and erosion control measures will reduce contamination of soil and groundwater in rapidly expanding peri-urban areas. Climate-sensitive greening, improved surface water management, and other neighborhood-scale adaptation measures will help reduce flooding, land degradation, and environmental risks while supporting more sustainable and climate-resilient development in ger settlements.

### **Gender Equality and Inclusion of Vulnerable Groups**

The project prioritizes support for low-income households, female-headed households, elderly residents, children, persons with disabilities, and marginalized community members who face disproportionate exposure to climate risks and limited access to housing improvement resources. Improved heating safety, ventilation, sanitation, and household adaptation support will help reduce climate-sensitive health and safety risks affecting vulnerable households. The project will apply inclusive consultation and beneficiary selection processes to ensure participation of marginalized and underserved community members within target ger settlements.

Women, youth, elderly residents, and persons with disabilities will participate in Primary Groups, Community Adaptation Councils, participatory planning processes, and community monitoring systems that guide local adaptation priorities and oversee project implementation. Community Adaptation Councils, formed from elected leaders and deputy leaders of Primary Groups, will coordinate local adaptation planning, community-managed adaptation financing mechanisms, and implementation oversight. Household adaptation financing will prioritize vulnerable households with high exposure to

climate hazards, while capacity-building activities will support participation of women and youth in climate-resilient construction training and community monitoring activities.

The project promotes gender equality through inclusive community governance, gender-responsive adaptation planning, and targeted support for women and female-headed households. Design considerations related to heating safety, sanitation, and indoor air quality will be integrated into retrofit interventions and community adaptation processes.

#### **Compliance with Adaptation Fund Environmental and Social Policy and Gender Policy**

The project will comply with the Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy throughout the project cycle. Environmental and social screening will be conducted during full proposal preparation, and an Environmental and Social Management Plan (ESMP) will guide risk mitigation, monitoring, and safeguard compliance. As interventions primarily involve small-scale housing retrofits, localized neighborhood resilience improvements, and community-level adaptation measures, environmental and social risks are expected to be limited, site-specific, and manageable.

Mitigation measures will include compliance with national technical and environmental standards, climate risk screening of investments, transparent beneficiary selection procedures, participatory consultations, technical supervision systems, and grievance redress mechanisms. An initial gender assessment will inform gender-responsive implementation, monitoring, and inclusion measures. Table 4 summarizes targeted benefits for vulnerable groups in ger communities.

*Table 4. Targeted Climate Adaptation Benefits for Vulnerable Groups*

| <b>Vulnerable Group</b>   | <b>Climate Risks and Structural Vulnerabilities</b>                                                                                                                                                | <b>Project Interventions Benefiting the Group</b>                                                                                                                                     | <b>Expected Benefits</b>                                                                                                                                                                   |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Women                     | Disproportionate exposure to indoor air pollution from unsafe heating systems; caregiving responsibilities during climate-related disruptions; limited participation in adaptation decision-making | Safe heating systems, ventilation improvements, participation in Primary Groups and Community Adaptation Councils, targeted adaptation support, and vocational training opportunities | Reduced exposure to indoor pollution and climate-sensitive health risks; improved household safety; strengthened participation in local adaptation governance and livelihood opportunities |
| Children                  | High vulnerability to respiratory illness from indoor pollution and cold indoor temperatures; exposure to unsafe sanitation during flooding events                                                 | Insulation retrofits, improved ventilation, safer heating systems, flood-resilient sanitation improvements                                                                            | Improved indoor air quality and thermal comfort; reduced exposure to climate-sensitive illness and environmental contamination                                                             |
| Elderly persons           | High sensitivity to extreme cold, poor indoor air quality, and climate-related health risks; limited ability to maintain housing systems                                                           | Housing insulation improvements, safe heating technologies, targeted adaptation support, community assistance mechanisms                                                              | Improved thermal comfort and safety; reduced health risks during extreme weather conditions                                                                                                |
| Persons with disabilities | Limited mobility and reduced ability to respond to climate hazards, flooding, or housing damage                                                                                                    | Priority access to household adaptation support, community-based assistance mechanisms, safer housing conditions                                                                      | Reduced exposure to climate hazards; improved safety, accessibility, and resilience of living conditions                                                                                   |
| Low-income households     | Limited financial capacity to invest in climate-resilient housing improvements despite high climate exposure                                                                                       | Community-managed adaptation financing mechanisms supporting insulation, sanitation,                                                                                                  | Reduced financial burden associated with energy costs, housing damage, and climate-related disruptions                                                                                     |

|                                                                  |                                                                                  |                                                                                                                                    |                                                                                                                                                      |
|------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                  |                                                                                  | ventilation, drainage, and heating improvements                                                                                    |                                                                                                                                                      |
| Youth and local workers                                          | Limited employment opportunities and technical skills in ger settlements         | Vocational training, certification pathways, and participation in climate-resilient construction and retrofit implementation       | Increased technical skills, livelihood opportunities, and local workforce capacity for climate adaptation implementation                             |
| Marginalized community members and informal settlement residents | Limited participation in urban planning and adaptation decision-making processes | Participation in Primary Groups, Community Adaptation Councils, participatory planning processes, and community monitoring systems | Increased representation in adaptation planning, improved access to adaptation resources, and strengthened community ownership of resilience actions |

**C. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme., focusing on the implementation and execution arrangements, in particular the mechanism which will provide more direct access to finance.**

The project's cost-effectiveness is based on targeted, locally led, and community-managed adaptation measures that reduce household vulnerability to multiple climate risks simultaneously. Rather than relying solely on large-scale infrastructure investments, the project combines climate-resilient housing improvements, sanitation adaptation, neighborhood-scale adaptation measures, local capacity development, community adaptation planning, and institutional strengthening to improve resilience to climate hazards in ger settlements.

The project further enhances cost-effectiveness through community-managed implementation and financing arrangements based on UN-Habitat's People's Process approach. Through PGs and CACs, communities participate directly in prioritization, implementation oversight, and monitoring of adaptation investments. Community-managed financing enables Adaptation Fund resources to reach community-prioritized adaptation investments more directly while maintaining fiduciary oversight, transparency, accountability, and community ownership. This approach reduces transaction costs associated with centralized implementation, improves targeting of investments, and increases the likelihood that adaptation measures will be maintained and replicated beyond the project period.

The project also enhances cost-effectiveness by drawing on the technical expertise, training systems, guidance materials, and institutional networks of national and international technical institutions rather than establishing separate technical advisory structures. This avoids the costs of maintaining dedicated specialist teams, parallel systems, and duplicated technical functions while providing access to specialized expertise in climate-resilient housing, environmental health, energy efficiency, and community adaptation at lower cost than developing equivalent in-house capacity or contracting separate advisory services.

During full project preparation, detailed engineering assessments, household adaptation plans, engineering designs, and bills of quantities will be prepared to optimize climate-resilient retrofit packages for different housing typologies and neighborhood conditions. These assessments will support selection of the most cost-effective adaptation measures based on local climate risks, engineering requirements, and lifecycle performance.

Adaptation measures include climate-informed housing retrofits, sanitation improvements, drainage systems, soil stabilization and erosion control measures, climate-sensitive greening, and other neighborhood-scale interventions designed to address projected climate risks. By reducing exposure to flooding, extreme cold, sanitation failures, land degradation, and associated health risks, these measures are expected to reduce future repair, maintenance, emergency response, and recovery costs while increasing the durability and long-term performance of household and neighborhood adaptation investments.

The target of 2,000 beneficiary households reflects the available financing envelope, the estimated cost of integrated household adaptation packages, and the objective of demonstrating scalable locally led adaptation across four climate-vulnerable khoros representing different environmental, topographical, and socio-economic conditions. Approximately 10,000 households are expected to participate in awareness raising, planning, and community mobilization activities, while around 500 households per khoroo will receive direct support for climate-resilient housing and sanitation improvements. Implementation across four khoros is intended to maximize learning, institutional strengthening, and replication potential under different environmental and socio-economic conditions. Final beneficiary numbers, investment allocations, and household adaptation packages will be confirmed during full project preparation based on detailed engineering assessments, household vulnerability profiling, and cost optimization.

The project builds on lessons from previous Adaptation Fund-supported initiatives and municipal resilience programmes in Ulaanbaatar. It complements existing infrastructure-focused adaptation investments by addressing household and neighborhood-level climate vulnerabilities while strengthening local implementation capacity, vocational skills, adaptation learning, and integration of community-defined priorities into local planning processes. PGs and CACs will further support long-term sustainability through participatory planning, implementation coordination, monitoring, and engagement with khoroo administrations.

Cost-effectiveness is assessed not only in terms of initial investment costs, but also through the long-term adaptation value of integrated interventions that reduce future climate-related losses, maintenance requirements, emergency response and recovery costs, while improving energy efficiency, public health, and household resilience. Compared with conventional approaches, the proposed climate-informed retrofit measures and neighborhood-scale interventions are specifically designed to address projected climate risks, providing greater durability and the potential to reduce lifecycle costs through lower maintenance, repair, and recovery requirements.

Table 5. Comparative Adaptation Value of the Proposed Approach

| Adaptation Approach                         | Key Limitation                                                                                                                           | Added Value of Proposed Project                                                                                                                                      |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Large-scale flood protection infrastructure | Primarily addresses external flood risks and may not reduce household-level thermal, sanitation, or indoor environmental vulnerabilities | Complements municipal infrastructure investments through targeted household and community-level adaptation measures addressing multiple climate risks simultaneously |
| Conventional housing upgrading programmes   | Often focus on general housing quality without climate-risk screening or adaptation prioritization                                       | Applies climate-informed retrofit measures linked to projected flooding, cold-weather, sanitation, and indoor pollution risks                                        |
| Standalone awareness or training programmes | Limited direct reduction of physical climate vulnerability                                                                               | Combines physical adaptation investments with community governance, technical training, and institutional integration                                                |
| Short-term emergency response interventions | Reactive and temporary in nature                                                                                                         | Supports long-term resilience through preventive adaptation planning, local capacity development, and institutional learning                                         |
| Centralized implementation approaches       | Limited community ownership and adaptation learning                                                                                      | Applies community-managed financing and participatory implementation through the People's Process approach                                                           |

D. Describe how the project / programme is consistent with national, **sub-national and local** sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national, **sub-national or local development plans**, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

The proposed project aligns closely with Mongolia's national climate change and sustainable development policy framework, including the National Adaptation Plan (NAP 2024–2030), Nationally Determined Contribution (NDC 3.0), Vision 2050 Long-Term Development Policy, and the Green Development Policy, as well as relevant municipal development strategies. By focusing on climate-resilient housing retrofits, flood-resilient sanitation systems, and community-based adaptation mechanisms in ger settlements, the project translates national adaptation priorities into practical adaptation actions at household and community levels.

Despite strong national policy commitments on climate adaptation, disaster risk reduction, environmental health, and resilient urban development, significant implementation gaps remain in peri-urban ger settlements. The project addresses these gaps through climate-resilient housing improvements, sanitation adaptation measures, participatory planning, and community-managed adaptation approaches.

The proposed interventions directly support adaptation priorities identified in Mongolia's NAP, NDC, National Communications, and municipal resilience strategies through climate-informed retrofit measures, sanitation improvements, community adaptation planning, and community-managed adaptation financing mechanisms designed for projected future climate conditions in ger settlements.

#### **Alignment with the National Adaptation Plan (NAP 2024–2030)**

Mongolia's NAP aims to strengthen resilience to climate change across environmental, social, and economic sectors. The proposed project contributes to these objectives by reducing climate vulnerability in ger settlements and strengthening community-level adaptive capacity through resilient housing improvements, environmental health measures, and participatory governance mechanisms.

The project contributes in particular to NAP priorities related to adaptation governance and capacity building, climate-induced disaster risk reduction, and climate-sensitive health protection. By integrating community-led adaptation planning into local governance processes, the project also strengthens institutional coordination and operationalization of adaptation policies at local level.

#### **Alignment with Mongolia's Nationally Determined Contribution (NDC 3.0)**

Mongolia's NDC 3.0 highlights the need to strengthen climate resilience in urban settlements, infrastructure, and public health systems. The proposed project supports these priorities by improving housing resilience, sanitation systems, and indoor environmental health conditions in ger settlements. The project further contributes to NDC priorities related to climate-resilient urban infrastructure, protection of vulnerable populations from climate-sensitive health risks, and strengthening resilience of urban settlements to extreme weather conditions. While mitigation outcomes such as reduced household fuel consumption may occur through improved insulation and heating systems, these benefits remain secondary to the project's adaptation objectives.

#### **Alignment with Vision 2050 and the Green Development Policy**

Vision 2050 and the Green Development Policy emphasize sustainable urban development, environmental protection, improved public health, and reduced social inequality. The project contributes to these objectives by strengthening climate-resilient housing systems, improving sanitation infrastructure, and promoting sustainable construction practices in ger settlements. Energy-efficient insulation and improved heating technologies will also reduce household fuel consumption and support cleaner urban environments.

#### **Alignment with Municipal and Ger Area Development Strategies**

At the municipal level, the project aligns with urban development and ger area upgrading strategies that prioritize sanitation improvement, air pollution reduction, flood risk management, and climate-resilient infrastructure. By integrating community adaptation planning with local governance structures, the project ensures that locally identified adaptation priorities inform municipal planning and budgeting

processes. This approach strengthens coordination between national climate strategies and local implementation.

Overall, the project operationalizes Mongolia's climate adaptation priorities through concrete resilience measures in climate-vulnerable ger settlements. Table 6 summarizes the alignment between project interventions and priority targets identified in Mongolia's National Adaptation Plan.

*Table 6. Alignment of Project Interventions with Mongolia's National Adaptation Plan (NAP)*

| NAP Target                                                                                  | NAP Objective                                                                                                            | Project Interventions                                                                                                                                                                                                                                                              | Expected Adaptation Outcomes                                                                                                                                       |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cross-Cutting Target 1. Strengthening the Policy and Institutional Framework for Adaptation | Strengthen policy frameworks and institutional coordination for climate adaptation across sectors                        | Integration of climate risk screening, climate-informed retrofit standards, and community adaptation planning into housing and sanitation improvements; establishment of CACs linked with municipal and district planning structures                                               | Improved coordination between national, municipal, and community institutions and strengthened implementation of adaptation policies at the local level            |
| Cross-Cutting Target 2. Enhancing Knowledge and Capacity Building                           | Improve knowledge, technical capacity, and climate information systems for adaptation                                    | Training programmes on climate-resilient construction techniques; development of climate-screened technical toolkits for housing retrofits; community awareness programmes, vocational workforce development, and climate-resilient construction training                          | Increased technical capacity among local workers, communities, and authorities to design, implement, and maintain climate-resilient housing and sanitation systems |
| Target 8. Reducing Climate-Induced Disaster Risks                                           | Reduce vulnerability to climate-related disasters through improved infrastructure resilience and risk reduction measures | Flood-resilient sanitation systems; localized drainage improvements; soil stabilization measures; insulation retrofits and safer heating systems designed to reduce vulnerability to flooding, freeze-thaw instability, and prolonged extreme cold under future climate conditions | Reduced household exposure and vulnerability to flooding, extreme winter cold, and climate-related infrastructure damage in ger settlements                        |
| Target 14. Strengthening Climate-Resilient Health Systems                                   | Strengthen resilience of health systems and reduce climate-related health risks                                          | Installation of improved ventilation systems; safe heating technologies; sanitation improvements reducing contamination risks and indoor pollution exposure                                                                                                                        | Reduced respiratory illness, lower exposure to indoor air pollution and carbon monoxide poisoning, and improved environmental health conditions                    |
| Target 15. Establishing Social Protection and Risk Reduction Systems                        | Strengthen social protection mechanisms and reduce vulnerability among high-risk populations                             | community-managed adaptation financing mechanisms prioritizing vulnerable households; participatory governance mechanisms including PGs and CACs                                                                                                                                   | Increased adaptive capacity of low-income households and reduced climate vulnerability among marginalized groups                                                   |

- E. Describe how the project / programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund. Also describe, as needed, how the project/programme will provide support to local actors and build their capacities to comply with the standards.

The proposed project will comply with Mongolia's national technical standards, regulatory requirements, and environmental and social safeguards governing housing construction, sanitation infrastructure, occupational safety, and environmental protection. The project will also comply with the **Adaptation**

**Fund Environmental and Social Policy (ESP)** to ensure that adaptation interventions reduce climate vulnerability while minimizing environmental and social risks.

#### **Compliance with National Technical and Regulatory Standards**

Project interventions will comply with applicable national standards related to housing construction, sanitation infrastructure, environmental protection, and occupational safety. Key frameworks include:

- Mongolian Building Code (BNbD) governing structural safety, insulation standards, and ventilation requirements
- National standards regulating safe installation and operation of household heating systems
- Sanitation and wastewater management standards for pit latrine construction and groundwater protection
- Environmental Impact Assessment (EIA) Law of Mongolia regulating environmental risk assessment for construction activities
- Occupational health and safety regulations for construction and retrofitting works.

Relevant oversight will be provided by the Ministry of Urban Development, Construction and Housing, Ministry of Environment and Climate Change, Ministry of Health, and municipal authorities.

#### **Adaptation Fund Environmental and Social Policy Compliance**

The project will apply the Adaptation Fund ESP to identify and manage safeguard risks throughout implementation. Environmental and social screening will be conducted during full proposal preparation, and an Environmental and Social Management Plan (ESMP) will guide mitigation measures and safeguard monitoring.

Potential environmental and social risks are expected to be moderate and manageable given the small-scale and community-based nature of the proposed interventions. Safeguard measures will include:

- compliance with national environmental and safety standards
- minimizing environmental disturbance during construction
- transparent and inclusive beneficiary selection procedures
- protection of community health and safety during construction activities
- establishment of a community grievance redress mechanism.

#### **Capacity Building for Compliance**

The project will strengthen compliance with national standards through targeted capacity-building activities, including training local workers and community members in climate-resilient construction practices, development of technical manuals aligned with national standards, and field-level technical supervision of housing retrofit activities. Community Adaptation Councils and Primary Groups will support participatory monitoring of compliance with technical, fiduciary, environmental, and social safeguard requirements.

#### **Institutional Oversight**

UN-Habitat, as Implementing Entity, will ensure compliance with Adaptation Fund fiduciary standards and safeguard policies. Technical support from UNIDO and WHO will strengthen application of climate-resilient construction and health safety standards, while national executing entities and municipal authorities will oversee field-level implementation and compliance with national regulations.

Detailed fiduciary management, disbursement, monitoring, audit, and accountability arrangements for community-managed adaptation financing mechanisms are described in the section on “Locally Led Adaptation Governance and Community Decision-Making.” These arrangements include phased disbursement, technical verification, financial reporting, community monitoring, grievance mechanisms, and fiduciary oversight by UN-Habitat and the Lead Executing Entity in accordance with UN-Habitat People’s Process fiduciary standards. Table 7 summarizes the relationship between project

interventions, national technical standards, Adaptation Fund safeguard principles, and institutional oversight mechanisms.

*Table 7. Compliance with National Standards and Adaptation Fund Safeguards*

| <b>Project Intervention</b>                                  | <b>Relevant National Standard / Regulation</b>                                                                                                                                                    | <b>Oversight Authority</b>                                                                  | <b>AF ESP Principle</b>                                                     | <b>Compliance and Monitoring Mechanism</b>                                                                                                      |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Climate-resilient insulation retrofits                       | BNbD 25-01-20: Thermal Performance of Building Envelope; MNS ISO 6946:2011 – Building Components and Building Elements – Thermal Resistance and Thermal Transmittance; Law on Construction (2016) | Ministry of Urban Development, Construction and Housing; Municipal Construction Authorities | Pollution Prevention and Resource Efficiency; Public Health                 | Climate-resilient retrofit design guidelines, certified insulation materials, contractor training, and municipal technical supervision          |
| Safe and energy-efficient heating systems                    | Law on Energy (2001, amended); MNS 5041:2001 – Heating Boilers for Buildings – Technical Requirements; MNS 4585:2016 – Improved Solid Fuel Stoves – General Technical Requirements                | Ministry of Energy; Energy Regulatory Commission; Ministry of Health                        | Public Health; Climate Change; Pollution Prevention and Resource Efficiency | Installation standards, certified heating technologies, household training on safe heating practices, and safety inspections                    |
| Ventilation improvements                                     | BNbD 31-02-03: Heating, Ventilation and Air Conditioning (HVAC); MNS standards on indoor air quality                                                                                              | Ministry of Construction and Urban Development                                              | Public Health                                                               | Design requirements for ventilation, quality control during construction, and indoor air quality monitoring                                     |
| Flood-resilient sanitation systems                           | Law on Water (2012); MNS 6561:2015 – Wastewater Discharged into Sewerage Systems – General Requirements; MNS 5924:2015 – Sanitary Protection Zones for Water Sources                              | Ministry of Environment and Climate Change; Municipal Water Supply and Sewerage Authorities | Pollution Prevention and Resource Efficiency; Public Health                 | Engineering design standards, wastewater treatment requirements, and inspection during installation and operation                               |
| Localized drainage improvements and soil stabilization       | Law on Environmental Impact Assessment (2012); MNS 6055:2009 – Stormwater Drainage Systems – Design Standards; Law on Land (2002)                                                                 | Ministry of Environment and Climate Change; Municipal Infrastructure Departments            | Land and Soil Conservation; Protection of Natural Habitats                  | Environmental screening, drainage design standards, soil stabilization measures, and Environmental and Social Management Plan (ESMP) monitoring |
| Training and certification of climate-resilient construction | Law on Vocational Education and Training (2016); National Occupational Standards for Construction Workers; Law on Occupational Safety and Health (2008)                                           | Ministry of Labour and Social Protection; TVET institutions; Labour inspection authorities  | Core Labour Rights; Access and Equity                                       | Accredited training programs, certification of workers, occupational safety training, and supervision of construction practices                 |
| Community-managed adaptation financing mechanisms            | Public Finance Law (2011); Law on Glass Accounts (2014); State Audit Law (2020)                                                                                                                   | UN-Habitat; Lead Executing Entity; Ministry of Finance; National Audit                      | Access and Equity; Marginalized and Vulnerable Groups;                      | Simplified fiduciary management procedures; project accounts administered through CAC under                                                     |

|  |  |                                                          |                                                  |                                                                                                                                                                                                                                                                                                                                                                                        |
|--|--|----------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | Office;<br>Community<br>Adaptation<br>Councils<br>(CACs) | Gender<br>Equality and<br>Women's<br>Empowerment | project fiduciary<br>procedures; beneficiary<br>registration systems;<br>phased disbursement<br>linked to implementation<br>progress and technical<br>verification prior to<br>disbursement;<br>procurement<br>documentation; periodic<br>financial reporting; field<br>verification visits;<br>community monitoring;<br>grievance redress<br>mechanisms; periodic<br>financial audits |
|--|--|----------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- F. Describe if there is duplication of project / programme with other funding sources, if any. **Describe how the project/programme will ensure coordination of different initiatives, sub-projects and small grants towards a common goal, enhances collaboration across sectors and outlines how activities avoid duplication and enhance efficiencies and good practice.**

The proposed project complements ongoing initiatives related to urban development, climate adaptation, air pollution reduction, sanitation improvement, and flood risk management in Mongolia's ger areas. Rather than duplicating existing programmes, it addresses a critical adaptation gap by focusing on household-level climate resilience and housing vulnerabilities that are not fully addressed through infrastructure-focused interventions.

Government and donor-supported programmes have contributed to improvements in flood protection, sanitation services, air pollution reduction, and community infrastructure in ger settlements. However, important adaptation gaps remain at household and neighborhood level, particularly in relation to resilient housing conditions, environmental health risks, and localized climate vulnerability. The proposed project complements existing initiatives through integrated housing retrofits, sanitation adaptation, participatory planning, and community-managed adaptation financing.

The project builds directly on lessons from the Adaptation Fund-supported Flood Resilience in Ulaanbaatar Ger Areas (FRUGA) project and Ger Community Resilience Project (GCRP) implemented by UN-Habitat. These initiatives demonstrated the importance of combining community participation, localized resilience measures, decentralized adaptation governance, and climate risk-informed planning to strengthen resilience in ger settlements. They also highlighted that large-scale infrastructure and flood protection measures alone cannot fully reduce climate vulnerability where housing systems remain structurally weak and environmental health risks persist.

The proposed project therefore extends previous adaptation efforts by strengthening household and neighborhood-level resilience through integrated healthy homes interventions, locally led adaptation governance systems, workforce development, and community-managed adaptation measures designed for projected future climate conditions.

The project will coordinate closely with national ministries, municipal authorities, development partners, vocational institutions, and community organizations involved in urban development, sanitation improvement, air pollution reduction, disaster risk reduction, and climate adaptation activities in ger settlements.

Existing government and donor-supported programmes primarily focus on sector-specific interventions such as cleaner heating technologies, drainage infrastructure, sanitation expansion, or urban redevelopment. The proposed project complements these initiatives through an integrated adaptation approach combining climate-resilient housing improvements, environmental health with incremental

neighborhood-scale adaptation measures, participatory planning including climate-informed drainage and surface-water management, soil stabilization and erosion control, and climate-sensitive greening. These measures address localized climate risks that remain insufficiently covered by large-scale infrastructure programmes, particularly projected increases in intense rainfall, stormwater runoff, localized flooding, freeze-thaw instability, soil erosion, and land degradation. Their location and design will be determined through community-managed climate-risk assessments and Community Adaptation Plans, providing additional adaptation financing, community contracting and benefits beyond conventional neighborhood-scale resilience activities upgrading.

### Complementarity with Existing Initiatives

Table 8 summarizes complementarity between the proposed project and relevant ongoing or recently completed initiatives in Mongolia's ger areas.

Table 8. Complementarity and Coordination with Relevant Initiatives

| Project/ Initiative                                      | Donor           | Implementing Agencies                                | Areas of Potential Overlap with Proposed Project                                                                   | How Duplication Will Be Avoided                                                                                                                                                            | Remaining Adaptation Gaps, Additionality, and Lessons Learned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------|-----------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Flood Resilience in Ulaanbaatar Ger Areas (FRUGA)</b> | Adaptation Fund | UN-Habitat; World Vision International Mongolia INGO | Flood risk reduction, drainage infrastructure, community-based flood resilience                                    | The proposed project complements FRUGA by focusing on household-level climate resilience, healthy housing measures, and environmental health risks beyond flood infrastructure investments | FRUGA demonstrated the importance of combining community participation, localized infrastructure improvements, and climate risk planning. The proposed project expands this approach through integrated housing retrofits, localized drainage improvements, builds on these lessons but adds an incremental neighborhood-scale adaptation layer focused on climate-informed drainage and surface-water management, soil stabilization and erosion control, and climate-sensitive greening. These measures, ventilation improvements, sanitation resilience, and will be designed using projected rainfall, runoff, flooding, freeze-thaw and erosion risks identified through community-managed adaptation financing addressing climate-risk assessments, thereby extending FRUGA's flood-risk reduction approach to localized and future climate conditions risks within existing ger neighborhoods. |
| <b>Ger Community Resilience Project (GCRP)</b>           | Adaptation Fund | UN-Habitat; Development Solutions NGO                | Community-based adaptation, climate-resilient housing improvements, small-scale infrastructure upgrades, community | The proposed project expands geographically and technically beyond the GCRP pilot sites and focuses on integrated healthy homes interventions                                              | Builds directly on GCRP lessons on participatory planning, community adaptation governance mechanisms, climate risk assessments, and community-managed adaptation financing. The proposed project expands the adaptation approach by integrating healthy housing, ventilation, flood-resilient sanitation, and climate-informed retrofit measures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|                                                    |                        |                                                                         |                                                                                  |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------|------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                    |                        |                                                                         | governance mechanisms                                                            | including ventilation, sanitation, and flood-resilient infrastructure                                                                                                                          | <u>addressing future cold-weather, flooding, and environmental health risks in ger settlements; further strengthens the neighborhood dimension of GCRP by introducing climate-informed drainage, surface-water management, soil stabilization and erosion control, and climate-sensitive greening as incremental adaptation measures. These interventions will complement household-level retrofits by reducing the surrounding environmental and physical conditions that amplify household exposure to flooding, runoff, erosion and ground instability.</u> |
| <b>Ulaanbaatar Clean Air Project (UBCAP)</b>       | World Bank             | Ministry of Environment and Climate Change; Municipality of Ulaanbaatar | Clean heating technologies, reduction of household coal consumption              | The project will not distribute heating appliances already supported by UBCAP but will focus on housing insulation, ventilation, and health-oriented retrofits that improve heating efficiency | Existing interventions primarily focus on cleaner heating technologies and coal reduction rather than integrated climate adaptation. The proposed project complements these efforts through climate-informed insulation, ventilation, sanitation resilience, and household adaptation measures reducing exposure to projected extreme cold and indoor environmental health risks.                                                                                                                                                                              |
| <b>Switch Off Air Pollution (SOAP) Project</b>     | European Union         | People in Need; GERES; local NGOs                                       | Energy efficiency retrofits, awareness campaigns on clean heating and energy use | Activities will target different neighborhoods and housing typologies, with coordination through municipal air quality programs                                                                | Lessons from SOAP on low-cost insulation techniques and community behavior change campaigns will inform project training materials and retrofit guidelines. The proposed project further integrates climate-risk screening, flood resilience, healthy housing measures, and community adaptation financing mechanisms not addressed under standalone energy efficiency programmes.                                                                                                                                                                             |
| <b>Ulaanbaatar Air Quality Improvement Program</b> | Asian Development Bank | Government of Mongolia; Municipality of Ulaanbaatar                     | Air pollution reduction policies, heating system improvements                    | The proposed project focuses on household-level climate resilience and health, rather than large-scale policy or infrastructure reforms                                                        | Existing interventions primarily address air pollution reduction and policy reform. The proposed project complements these initiatives by addressing household-level climate vulnerabilities including extreme winter exposure, indoor environmental health risks, and climate-sensitive housing conditions in ger settlements.                                                                                                                                                                                                                                |
| <b>Ger Area Redevelopment Program</b>              | Government of Mongolia | Municipality of Ulaanbaatar                                             | Infrastructure improvements in ger districts, housing redevelopment              | The project focuses on in-situ climate adaptation improvements                                                                                                                                 | Large-scale redevelopment programmes do not adequately address incremental climate adaptation needs of households remaining in existing ger                                                                                                                                                                                                                                                                                                                                                                                                                    |

|                                                               |                                                     |                                                                           |                                              |                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               |                                                     |                                                                           |                                              | rather than full redevelopment, avoiding overlap with urban redevelopment zones                                                     | settlements. The project provides climate-resilient retrofit and environmental health solutions for vulnerable households remaining in existing ger settlements through incremental adaptation measures and neighborhood-scale resilience interventions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>New Central Wastewater Treatment Plant Project</b>         | Government of Mongolia with international financing | Ministry of Construction and Urban Development; municipal water utilities | Sanitation and wastewater management         | The proposed project focuses on household-level sanitation and decentralized solutions in ger areas not connected to sewer networks | Centralized wastewater investments do not address climate-sensitive sanitation vulnerabilities in unserved ger areas. The project complements these investments through decentralized, flood-resilient sanitation and drainage measures adapted to projected climate risks and informal settlement conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Municipal Flood Management and Urban Drainage Programs</b> | Municipality of Ulaanbaatar; development partners   | City infrastructure departments                                           | Drainage infrastructure and flood mitigation | The project focuses on localized drainage improvements in ger settlements, where formal drainage systems are limited                | Existing municipal programmes primarily focus on large-scale drainage infrastructure. The proposed project addresses <u>localized adaptation gaps including neighborhood-scale drainage improvements, soil stabilization, and complementary community resilience measures in underserved ger settlements</u> <u>the remaining localized adaptation gap in underserved ger neighborhoods through community-prioritized, climate-informed drainage and surface-water management, complemented by soil stabilization, erosion control and climate-sensitive greening.</u> These measures will be <u>designed at neighborhood scale using projected rainfall intensity, runoff patterns, flood pathways, freeze-thaw conditions and erosion risks, and implemented through community-managed mechanisms.</u> |

### Coordination Mechanisms

Coordination with other initiatives will be supported through regular consultation and information-sharing with national ministries, municipal authorities, development partners, and implementing agencies involved in urban resilience, sanitation, housing, public health, and climate adaptation programmes. ~~PGs and CACs will also coordinate local adaptation investments with khoroos administrations to ensure alignment with local development priorities and avoid duplication of~~ PGs and CACs will coordinate the identification, prioritization and implementation of neighborhood-scale adaptation measures with khoroos administrations and municipal authorities. Community Adaptation Plans will identify localized flood pathways, drainage gaps, erosion and soil-stability risks, areas requiring climate-sensitive greening, and opportunities for improved surface-water management. This will help ensure that community-level investments complement municipal infrastructure and do not duplicate planned drainage, flood protection or redevelopment investments.

Knowledge-sharing activities, technical coordination workshops, municipal-community knowledge platforms, and institutional coordination mechanisms established under Component 4 will further support cross-sector collaboration, dissemination of good practices, and replication of successful adaptation approaches.

By building on lessons from previous Adaptation Fund projects and coordinating with existing programmes, the project will strengthen efficiency, promote good practices, and support integrated climate resilience approaches in Mongolia's ger settlements.

- G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned **and how this contributes to building and institutionalizing local capabilities. Provide details on managing traditional and/or indigenous knowledge, where relevant.**

The project includes a learning and knowledge management component designed to capture implementation experience, strengthen institutional learning, and support long-term replication and scaling of climate-resilient housing adaptation approaches in Mongolia's ger settlements. The project will capture lessons from participatory adaptation planning, climate-resilient housing retrofits, community-managed adaptation implementation, and neighborhood-scale resilience interventions. Lessons learned will inform municipal planning processes, vocational training systems, future urban resilience programmes, and national climate adaptation initiatives.

Key knowledge products will include:

- ~~technical~~**Technical** guidance for climate-resilient housing ~~retrofits and incremental neighborhood-scale adaptation~~, including insulation improvements, ventilation ~~systems, and~~ safe heating systems, flood-resilient sanitation, ~~and localized climate-informed drainage measures and surface-water management, soil stabilization and erosion control, climate-sensitive greening, and community-based maintenance approaches, with design considerations informed by projected rainfall, runoff, flooding, freeze-thaw instability, and land degradation;~~
- ~~case~~**Case** studies documenting community-led adaptation planning, decentralized governance ~~approaches, and, community participation in adaptation-managed implementation; and, and neighborhood-scale adaptation measures;~~
- ~~policy~~**Policy** briefs and technical recommendations supporting ~~the~~ integration of climate-resilient housing ~~and neighborhood-scale adaptation~~ approaches into municipal and national ~~planning and~~ systems.

The project will establish a digital knowledge platform compiling technical guidance, climate vulnerability assessment tools, training materials, case studies, and adaptation learning resources related to resilient housing and locally led adaptation in ger settlements. The platform will be developed in collaboration with municipal authorities, technical institutions, and relevant national agencies involved in urban resilience and climate adaptation. Responsibility for long-term hosting and institutional management of the platform will progressively transition to relevant municipal and national institutions during implementation to support sustainability beyond the project period.

Knowledge-sharing workshops, municipal-community learning events, and technical coordination activities will facilitate exchange of experiences among communities, municipal authorities, vocational institutions, national agencies, and development partners. Participatory consultations and adaptation planning processes will also incorporate lessons learned from previous flood resilience, housing retrofit, and ger area upgrading initiatives, including Adaptation Fund-supported projects such as FRUGA and GCRP.

Technical guidance materials and training modules developed under the project will support vocational education and workforce development on climate-resilient construction and housing retrofits, contributing to long-term institutional capacity for locally led urban climate adaptation in Mongolia.

- H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in

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compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund. **Provide details on how the consultative process considered and addressed gender-based, economic and other inequalities and encouraged vulnerable and marginalized individuals to meaningfully participate in and lead adaptation decisions.**

The proposed project was developed through consultations with national institutions, municipal authorities, development partners, civil society organizations, technical experts, and residents of vulnerable ger settlements in Ulaanbaatar and other urban centers. The consultation process informed identification of locally appropriate adaptation priorities and project design measures.

The consultation process combined national policy dialogue, inter-ministerial technical discussions, community consultations, focus group discussions, and a housing condition survey conducted in ger settlements. These activities generated evidence on housing conditions, environmental health concerns, sanitation challenges, and locally identified adaptation priorities that informed project design.

Preliminary consultations and housing condition surveys were conducted in three districts of Ulaanbaatar, as well as selected provincial and sub-provincial centers, to assess climate-related housing and environmental health vulnerabilities affecting informal settlements.

The project is expected to focus on approximately four target khoroo in climate-vulnerable ger areas. Exact target locations and site-specific interventions will be finalized during full proposal development through additional participatory consultations and climate vulnerability assessments in selected communities. The broader geographic scope of consultations also helped assess the replicability of healthy homes adaptation approaches in other urban and peri-urban settlements.

The consultation process was conducted in accordance with the Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy, ensuring inclusive participation of women, vulnerable households, persons with disabilities, elderly residents, and marginalized community members.

#### **National and Institutional Consultations**

The need to address climate-related housing vulnerability in ger settlements was initially highlighted during the “Solutions for Health” inter-ministerial technical meeting held in December 2023, involving representatives from national ministries, municipal authorities, UN agencies, development partners, and research institutions. Participants emphasized growing interactions between climate hazards, environmental health risks, and structurally vulnerable housing systems in ger settlements, including flooding, extreme winter exposure, worsening air pollution, and increasing dust-related risks.

Stakeholders highlighted that these risks are compounded by weak housing conditions, inadequate sanitation infrastructure, and limited household adaptation capacity in ger areas. Participants encouraged development of integrated climate-resilient housing and environmental health interventions in vulnerable settlements.

The need for integrated adaptation responses was further reaffirmed during discussions at the National Urban Forum of Mongolia in December 2024, which brought together policymakers, municipal planners, development partners, and urban development stakeholders. Discussions highlighted increasing climate vulnerability in ger settlements and the need for locally led adaptation approaches integrating resilient housing, environmental health measures, and community-based adaptation planning.

Stakeholders consulted during project preparation included representatives from:

- Ministry of Environment and Climate Change;
- Ministry of Urban Development, Construction and Housing;
- Municipality of Ulaanbaatar and district authorities;
- National Emergency Management Agency;
- National public health and environmental institutions;
- UN agencies including UN-Habitat and WHO;
- Development partners supporting urban resilience and climate adaptation;

- Civil society organizations working on housing, health, and community development; and
- Community leaders and residents from climate-vulnerable ger settlements.

These consultations confirmed strong institutional recognition of the need to strengthen climate resilience in ger housing systems and informed preparation of the project concept.

### **Community-Level Consultations and Housing Survey**

Preliminary community consultations were conducted in potential target climate-vulnerable ger settlements within approximately four proposed target khorooos in Ulaanbaatar experiencing recurrent flooding, winter cold exposure, air pollution, and sanitation challenges. Final target khorooos and site-specific interventions will be confirmed during the full proposal stage in consultation with national and municipal partners. Community meetings and focus group discussions held in June 2025 involved approximately 43 participants, including women representatives, female-headed households, community leaders, local NGOs, community volunteers, and residents of environmentally vulnerable areas.

Participants identified priority concerns related to flooding, sanitation safety, unsafe heating practices, indoor air quality, and environmental health conditions in ger settlements. Residents emphasized that climate risks are closely linked to housing quality, sanitation systems, and energy conditions, highlighting the need for affordable housing improvements, safer heating systems, improved ventilation, and climate-resilient sanitation measures.

To strengthen the evidence base for project preparation, UN-Habitat conducted a housing condition survey in July 2025 covering 197 households across three districts of Ulaanbaatar and selected provincial and sub-provincial centers. The survey included female-headed households and persons with disabilities and assessed housing conditions, environmental health risks, climate exposure, and adaptation priorities.

Key findings included widespread exposure to poor indoor environmental conditions, winter heat loss, inadequate sanitation, and strong demand for affordable resilient housing improvements and technical support. The survey confirmed strong linkages between climate risks, housing conditions, and environmental health vulnerabilities in ger settlements.

### **Gender-Sensitive and Inclusive Consultation Process**

The consultation process incorporated gender-sensitive and inclusive approaches consistent with the Adaptation Fund Gender Policy and Environmental and Social Policy. Specific measures included:

- inclusive outreach through multiple communication channels to engage women, elderly residents, persons with disabilities, and marginalized households;
- culturally appropriate consultation settings enabling participants to openly discuss climate risks, housing conditions, sanitation concerns, and environmental health challenges;
- consultation venues and discussion formats adapted as needed to support participation of elderly residents and persons with disabilities;
- active encouragement of women's participation in consultations and focus group discussions, recognizing women's roles in household energy management, sanitation maintenance, household caregiving responsibilities, and family health; and
- targeted attention to barriers faced by vulnerable households, including financial constraints, limited technical knowledge, and limited access to adaptation financing.
- targeted facilitation to encourage participation of women and vulnerable households in adaptation decision-making

Women participating in consultations identified indoor air pollution, sanitation safety, heating safety, and household thermal comfort as major adaptation priorities. Feedback from consultations informed project measures aimed at reducing gender-based and economic inequalities, including targeted community-managed adaptation financing mechanisms, safer heating systems, improved sanitation facilities,

community financing mechanisms, and opportunities for women and youth to participate in climate-resilient construction training programmes.

### Integration of Stakeholder Inputs into Project Design

Consultation findings directly informed prioritization of resilient housing retrofits, ventilation improvements, safe heating technologies, flood-resilient sanitation systems, localized drainage measures, community-managed adaptation financing mechanisms, community financing mechanisms, neighborhood-scale resilience activities, and participatory governance arrangements included in the project design. Stakeholders also identified barriers to adaptation including limited financial resources, shortages of skilled labor, uncertainty regarding redevelopment, and limited access to technical guidance and affordable financing. Table 9 summarizes the main consultation activities and their contribution to project development. Annex 3 provides a summary of initial stakeholder consultations.

*Table 9. Summary of Stakeholder Consultations*

| Consultation Activity                                      | Stakeholders Involved                                                                | Key Issues Raised                                                                                                                                         | Integration into Project Design                                                                                                                                          |
|------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Solutions for Health" Inter-ministerial technical meeting | National ministries, municipality, UN agencies, health experts, development partners | <ul style="list-style-type: none"> <li>Climate vulnerability of ger housing systems</li> <li>Housing conditions and environmental health risks</li> </ul> | <ul style="list-style-type: none"> <li>Development of climate-resilient housing interventions</li> <li>Inclusion of insulation, ventilation, and safe heating</li> </ul> |
| National Urban Forum                                       | Policymakers, planners, development partners                                         | Need for locally led climate adaptation, resilient housing systems, and integrated environmental health responses                                         | Validation of the need for climate-resilient housing interventions                                                                                                       |
| Community consultations                                    | Community leaders, NGOs, residents, women's groups                                   | Flooding, unsafe sanitation, indoor air pollution, winter cold exposure, and limited affordable adaptation options                                        | Flood-resilient sanitation and housing upgrades                                                                                                                          |
| Housing condition survey                                   | 197 households including vulnerable groups                                           | Structural vulnerabilities and climate exposure                                                                                                           | Evidence base for project interventions                                                                                                                                  |
| Technical consultations                                    | NDA, MoECC, MUDCH, WHO and UNIDO                                                     | Technical guidance on climate-resilient retrofits, adaptation governance, safeguards, and implementation arrangements                                     | Concept note development and technical review                                                                                                                            |

### Continued Stakeholder Engagement During Implementation

Stakeholder engagement will continue throughout project implementation to ensure adaptation measures remain responsive to evolving climate risks and community priorities. PGs and CACs will provide participatory forums where residents can review project progress, identify adaptation priorities, and provide feedback on implementation. CACs will support coordination of community-managed adaptation financing mechanisms, participatory monitoring, and implementation oversight. A community grievance redress mechanism will also be established to support transparency and accountability.

Additional participatory consultations, climate vulnerability assessments, and community validation processes will be conducted during full proposal development together with national partners including Municipality of Ulaanbaatar, Ministry of Urban Development, Construction and Housing, Ministry of Environment and Climate Change, Ministry of Health, and other partners to finalize target khoroos, site-specific interventions, safeguards measures, and implementation arrangements. These consultations will further refine locally identified climate risks, safeguard measures, implementation arrangements, gender-responsive approaches, and community adaptation priorities.

### Contribution to Locally Led Adaptation

The consultation process reflects the project's commitment to locally led adaptation by ensuring meaningful participation of communities in identifying climate risks, defining adaptation priorities, and guiding implementation arrangements. Through PGs, CACs, participatory planning processes, community contracting, and community-managed adaptation financing mechanisms, the project will strengthen local ownership, accountability, and long-term sustainability of climate resilience actions in Mongolia's ger settlements.

**I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.**

The proposed project aims to strengthen the resilience of vulnerable households and communities in Mongolia's ger settlements through climate-resilient housing improvements, sanitation adaptation measures, neighborhood-scale resilience interventions, and locally led adaptation approaches.

Climate projections, flood risk assessments developed under the FRUGA project, and findings from Mongolia's National Adaptation Plan indicate increasing risks related to flooding, extreme winter conditions, and climate-sensitive environmental health impacts in ger settlements.

Adaptation Fund financing is therefore requested to cover the additional costs required to climate-proof housing systems and community infrastructure beyond business-as-usual housing and urban development activities. While housing upgrades are sometimes supported through urban development programmes, such interventions generally focus on improving housing quality rather than addressing projected climate risks. Standard housing programmes do not normally incorporate climate risk screening, climate-informed retrofit specifications, flood-resilient sanitation design, enhanced thermal resilience measures, localized drainage systems, or soil stabilization measures designed to address flooding, erosion, freeze-thaw instability, and climate-sensitive ground degradation.

The proposed project introduces targeted adaptation measures designed to respond to projected climate risks affecting ger settlements. These measures include:

- climate-informed insulation retrofits and enhanced thermal performance improvements reducing vulnerability to prolonged winter extremes and freeze-thaw deterioration;
- safe and energy-efficient heating systems combined with ventilation improvements to reduce indoor pollution exposure and carbon monoxide risks during prolonged cold periods and winter inversion events;
- flood-resilient sanitation systems and localized drainage and runoff management measures reducing contamination and flood risks during intense rainfall events; and
- soil stabilization and climate-sensitive greening measures addressing erosion, runoff accumulation, and ground instability.

The project also addresses barriers limiting adoption of resilient housing practices in ger settlements, including insufficient technical knowledge, lack of affordable financing, low awareness of climate-sensitive environmental health risks, and weak institutional capacity to support decentralized resilience initiatives. Adaptation Fund resources will therefore support local skills development, participatory planning, community financing mechanisms, technical guidance systems, and decentralized implementation approaches that strengthen long-term adaptive capacity.

By addressing multiple climate vulnerabilities simultaneously through integrated housing retrofits and neighborhood-scale resilience measures, the project generates adaptation co-benefits while helping reduce future costs associated with flood damage, unsafe heating, sanitation failures, environmental contamination, and climate-sensitive health impacts. Community-managed financing, local skills development, participatory planning, and decentralized implementation approaches will further support sustainable resilience in Mongolia's ger settlements.

**J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project / programme. In particular, describe how the project/programme supports long-**

term development of local governance processes, and improves the capacity of local institutions (including through simpler access modalities), and how it can ensure that communities can effectively implement adaptation actions, facilitate and manage adaptation initiatives over the long term without being dependent on project-based donor funding.

The project is designed to strengthen long-term climate resilience in Mongolia's ger settlements through community ownership, workforce development, institutional integration, locally led adaptation governance, and scalable climate-resilient housing approaches. Sustainability considerations have been integrated throughout the project design to support continuation, replication, institutional uptake, and locally managed adaptation action beyond the project period.

The project will strengthen long-term technical and institutional capacity through vocational workforce development, technical partnerships, community learning systems, and practical implementation experience. Local workers, vocational institutions, municipal staff, community members, and community governance structures will receive training and technical support on climate-resilient housing retrofits, flood-resilient sanitation, localized drainage measures, participatory planning, and adaptation monitoring. Training materials, technical guidance, and implementation experience developed under the project will support continued application and replication of resilient housing practices beyond the project period.

Institutional sustainability will be strengthened through collaboration with the Municipality of Ulaanbaatar, khoroo administrations, relevant ministries, vocational institutions, and technical agencies. The project will support integration of community adaptation priorities, resilient retrofit approaches, and locally led adaptation practices into municipal planning processes, ger area upgrading frameworks, adaptation planning, and future resilience initiatives.

The sustainability of project-supported adaptation investments will be strengthened through integration of Community Adaptation Plans into local planning and budgeting processes. Plans developed through PGs and CACs will be reviewed by participating khoroo administrations and may inform khoroo development plans, district sector plans, municipal investment programmes, and future climate adaptation initiatives. While Community Adaptation Funds are established as project implementation mechanisms, the planning, prioritization, and coordination structures created through the project will continue to provide pathways for mobilizing resources from local development funds, municipal investment programmes, government resilience initiatives, and future climate adaptation financing mechanisms.

PGs and CACs will be accredited and registered as community-based organizations within participating khoroo administrations, enabling them to continue coordinating adaptation activities and engaging with local authorities beyond the project period. Household-level investments will be maintained by beneficiary households supported through training and technical guidance, while community-scale measures, including drainage improvements, climate-sensitive greening, sanitation systems, and soil stabilization measures, will be incorporated into community action plans and coordinated with local authorities through existing planning, maintenance, and asset management mechanisms.

Knowledge management, technical guidance, municipal-community learning platforms, and institutional coordination mechanisms developed under the project will support longer-term mainstreaming and scaling of resilient housing adaptation approaches. The project builds on lessons from the Adaptation Fund-supported FRUGA and GCRP projects, which demonstrated the effectiveness of community-based planning, community-managed implementation, and People's Process approaches in strengthening local ownership, institutional coordination, and sustainability of climate adaptation investments.

By strengthening local workforce capacity, institutional coordination, participatory governance systems, adaptation learning processes, and locally led implementation systems, the project aims to support long-term continuation, replication, and scaling of climate-resilient housing adaptation approaches in Mongolia's ger settlements beyond the project period.

**K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project / programme.**

An initial environmental and social screening was conducted during preparation of this concept note in accordance with the Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy. Based on the preliminary assessment, the project has been provisionally classified as Category B, indicating that potential environmental and social risks are expected to be site-specific, limited in scale, reversible, and manageable through appropriate mitigation measures.

Project activities primarily involve small-scale climate-resilient housing retrofits, sanitation improvements, neighborhood-scale resilience measures, community-managed adaptation implementation, and localized drainage and environmental resilience improvements within existing ger settlement plots. Potential risks identified at concept stage include maladaptation risks, occupational health and safety concerns, equitable beneficiary selection, and localized construction-related environmental impacts.

These risks will be further assessed through a comprehensive Environmental and Social Impact Assessment (ESIA) during preparation of the full funding proposal. Based on the ESIA findings, an Environmental and Social Management Plan (ESMP) will be developed to define mitigation measures, monitoring procedures, institutional responsibilities, and budget allocations to ensure compliance with Adaptation Fund safeguard requirements.

As exact target locations and the final scope of household and community-level adaptation investments will be confirmed during full proposal development and implementation planning, the project will apply the Adaptation Fund's approach for projects with Unidentified Sub-Projects (USPs). Environmental and social screening procedures consistent with the Adaptation Fund Environmental and Social Policy will be applied to all identified subprojects during implementation. Site-specific environmental and social assessments, mitigation measures, and management plans will be prepared, disclosed, and implemented as required prior to commencement of physical investments.

**Initial Gender Assessment**

An initial gender assessment was conducted during project preparation through stakeholder consultations and a housing survey covering 197 households, including female-headed households and persons with disabilities. The assessment examined gender roles, vulnerabilities, and barriers to participation and adaptation decision-making in housing improvement and climate adaptation initiatives.

The assessment identified that female-headed households face greater financial and information barriers to housing improvements and adaptation investments compared to male-headed households. Women in ger households often manage heating systems, sanitation, and caregiving responsibilities during extreme winter periods, increasing exposure to indoor air pollution, unsafe heating conditions, and climate-sensitive health risks. Women also identified limited participation in technical training and adaptation decision-making processes as important barriers affecting long-term resilience.

Women participating in consultations identified safe heating systems, improved ventilation, sanitation safety, and indoor air quality as priority adaptation needs. Elderly residents, children, and persons with disabilities were also identified as particularly vulnerable to poor housing conditions and climate-related health impacts.

These findings informed the design of project interventions and prioritization of support for vulnerable households. A Gender Action Plan and gender-responsive ESMP will be developed during preparation of the full project proposal to ensure that implementation promotes gender equality and women's participation.

A summary of the initial gender assessment methodology and findings is included as Annex 1 of this concept note and will inform further gender analysis during full proposal preparation.

During full proposal development, the Gender Assessment and Gender Action Plan will be further

strengthened through additional collection of sex-disaggregated and quantitative data, as well as intersectional analysis of vulnerabilities affecting women, persons with disabilities, elderly residents, and low-income households.

The process will also strengthen integration of gender-responsive actions into project components and activities and support development of gender-responsive monitoring indicators and accountability mechanisms consistent with the Adaptation Fund Gender Policy.

### Environmental and Social Risk Screening

Table 10 summarizes the preliminary environmental and social risks identified for key Adaptation Fund safeguard principles and their anticipated severity.

*Table 10. Preliminary Environmental and Social Risks and Mitigation Measures*

| AF Principle                          | Risk Level | Potential Risks                                                                                                                                                       | Mitigation Measures                                                                                                                                                                            |
|---------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Compliance with the Law               | Low        | Housing retrofits and sanitation upgrades may require permits or approval from municipal authorities.                                                                 | Ensure all works comply with national building codes and municipal regulations; incorporate compliance requirements into the project contracts and monitoring procedures.                      |
| Access and Equity                     | Medium     | Vulnerable households (e.g., female-headed households, households without formal land tenure, persons with disabilities) may face barriers accessing project support. | Apply vulnerability-based targeting criteria; conduct participatory beneficiary selection through PGs and CACs; ensure representation of marginalized groups in PGs and CACs.                  |
| Marginalized and Vulnerable Groups    | Medium     | Logistical and social barriers may limit participation of women, elderly residents, and persons with disabilities in project activities.                              | Use inclusive outreach strategies; conduct targeted consultations; ensure representation of vulnerable groups in community decision-making structures.                                         |
| Human Rights                          | Low        | Limited awareness of project activities may reduce community participation or consent.                                                                                | Apply transparent and inclusive consultation processes; establish accessible grievance redress mechanisms.                                                                                     |
| Gender Equity and Women's Empowerment | Medium     | Women may have limited access to training opportunities or decision-making processes related to housing improvements.                                                 | Establish gender participation targets in training, PGs and CACs; conduct gender-sensitive outreach; prioritize female-headed households in community-managed adaptation financing mechanisms. |
| Core Labour Rights                    | Medium     | Construction and retrofitting activities may expose workers to occupational health and safety risks.                                                                  | Enforce national occupational health and safety standards; provide PPE and safety training; ensure formal contracts, fair wages and safe community contracting procedures                      |
| Indigenous Peoples                    | Low        | No Indigenous Peoples are anticipated to be present in the proposed urban project areas based on preliminary screening.                                               | Not applicable.                                                                                                                                                                                |
| Involuntary Resettlement              | Low        | Project activities occur on existing household plots; risk of displacement is minimal.                                                                                | Ensure that no displacement occurs; apply inclusive eligibility criteria that consider occupancy-based rights.                                                                                 |
| Protection of Natural Habitats        | Low        | Construction materials sourced from environmentally sensitive areas could affect ecosystems.                                                                          | Procure materials from licensed suppliers; verify sourcing to avoid environmentally sensitive areas.                                                                                           |
| Biodiversity Conservation             | Low        | Minimal risk due to urban project locations.                                                                                                                          | Conduct environmental screening before construction activities.                                                                                                                                |
| Climate Change                        | Medium     | Poorly designed housing retrofits could result in maladaptation (e.g., insulation without                                                                             | Apply climate risk screening; use tested climate-resilient design standards; involve technical experts in retrofit design.                                                                     |

|                                              |        |                                                                                                                                                              |                                                                                                                                   |
|----------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
|                                              |        | ventilation causing indoor pollution).                                                                                                                       |                                                                                                                                   |
| Pollution Prevention and Resource Efficiency | Medium | Construction waste, dust emissions, and improper material disposal could affect local environmental quality.                                                 | Develop construction waste management plans; use low-emission materials; apply dust suppression measures.                         |
| Public Health                                | Medium | Construction activities may temporarily expose communities to dust or noise; sanitation upgrades may affect water sources if improperly designed or managed. | Apply safe construction practices; monitor sanitation system installation; ensure compliance with environmental health standards. |
| Physical and Cultural Heritage               | Low    | No physical cultural heritage risks have been identified at concept stage.                                                                                   | Screening during ESIA to confirm absence of cultural heritage risks.                                                              |
| Lands and Soil Conservation                  | Medium | Drainage works and sanitation installation may disturb soils in erosion-prone areas.                                                                         | Apply erosion control measures and soil stabilization techniques.                                                                 |

### Social Cohesion and Community Relations

Consultations conducted during project preparation did not identify significant inter-community tensions related to development assistance in ger settlements. However, the project recognizes that targeted interventions could potentially create perceptions of unequal benefit distribution. To mitigate this risk, selection of project sites and beneficiaries will be conducted through participatory and vulnerability-based processes involving municipal authorities, PGs, CACs, and municipal representatives, and local assessments. Transparent communication, participatory monitoring, and grievance redress mechanisms will also be established to ensure that community concerns can be addressed effectively during implementation.

### Next Steps for Safeguard Compliance

During preparation of the full project proposal, the following safeguard instruments will be developed:

- Environmental and Social Impact Assessment (ESIA);
- Environmental and Social Management Plan (ESMP);
- Gender Action Plan;
- Stakeholder Engagement Plan; and
- Site-specific environmental and social screening procedures for identified subprojects

These instruments will provide detailed guidance for safeguard compliance, mitigation measures, monitoring, stakeholder engagement, and gender-responsive implementation during full project preparation and implementation.

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## PART III: IMPLEMENTATION ARRANGEMENTS

- A. Describe the arrangements for project / programme implementation. Please describe how the implementation modalities enable giving local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritized, designed and implemented.

The project implementation arrangement is designed to operationalize Locally Led Adaptation (LLA) by combining community-led decision-making and decentralized adaptation financing with national implementation capacity, technical support, fiduciary oversight, and safeguard compliance.

### Implementing Entity

UN-Habitat will serve as the Implementing Entity (IE) responsible for fiduciary oversight, safeguard compliance, quality assurance, monitoring and reporting, and coordination with national and municipal authorities in accordance with Adaptation Fund policies and procedures.

UN-Habitat will ensure that project activities comply with Adaptation Fund fiduciary standards, environmental and social safeguards, and national regulatory frameworks while aligning project interventions with Mongolia's climate adaptation priorities and urban development policies.

### **Lead Executing Entity**

Development Solutions NGO will serve as the Lead Executing Entity and establish a Project Execution Unit (PEU) responsible for day-to-day project coordination and management, procurement, administration of community-managed adaptation financing mechanisms, community contracting arrangements, supervision of field activities, and consolidated technical and financial reporting.

Development Solutions NGO will implement the majority of project activities related to climate-resilient housing retrofits, heating system upgrades, ventilation improvements, and sanitation resilience measures. Where specialized expertise is required, the Lead Executing Entity may engage WHO, UNIDO, or other qualified technical institutions to provide targeted technical services, training, and advisory support through existing institutional collaboration mechanisms coordinated by UN-Habitat. These organizations will provide technical assistance only and will not assume project implementation or fiduciary responsibilities. This approach avoids parallel implementation arrangements while ensuring access to specialized expertise in a cost-effective manner.

UN-Habitat will lead overall project management, fiduciary oversight, coordination, reporting, and supervision of community-based implementation activities. Field-level implementation will primarily be undertaken through national implementing partners, community governance structures, and municipal coordination mechanisms.

### **Technical Partners**

The project may draw upon the specialized expertise, training systems, guidance, and institutional capacities of WHO, UNIDO, Healthy Cities NGO, and other relevant technical institutions to support climate-resilient construction, indoor air quality, climate-sensitive health risks, vocational training, technical guidance, and quality assurance. Such support will be provided through existing coordination mechanisms led by UN-Habitat and the Lead Executing Entity, avoiding separate implementation structures or parallel field operations.

By leveraging existing technical expertise and institutional capacities, the project avoids establishing separate technical advisory units, project management arrangements, parallel coordination mechanisms, or standalone consultancy teams for specialized technical support. Where specialized technical inputs are required, WHO, UNIDO, and other technical partners will contribute through existing institutional collaboration arrangements coordinated by UN-Habitat and the Lead Executing Entity, rather than through separate implementation or contractual structures. This approach minimizes procurement, contract management, coordination, and administrative transaction costs while providing access to internationally recognized technical expertise in climate-resilient housing, environmental health, energy efficiency, and vocational training. The detailed scope of technical inputs will be finalized during full project preparation and reflected in the detailed project budget.

### **Community Governance and Locally Led Adaptation**

Community participation and decision-making will be operationalized through the People's Process approach described in the section on 'Locally Led Adaptation Governance and Community Decision-Making,' including participatory planning, community contracting, community-managed implementation, and participatory monitoring systems.

### **Community Financing Mechanisms**

Community-managed adaptation financing mechanisms will provide vulnerable households and

communities with more direct access to Adaptation Fund resources and decision-making authority over how adaptation actions are identified, prioritized, designed, implemented and monitored through the People's Process approach. These financing mechanisms will operate through phased disbursement procedures, participatory monitoring, technical supervision, financial reporting, procurement verification, and fiduciary oversight coordinated by UN-Habitat and the Lead Executing Entity. Detailed governance, accountability, and implementation arrangements are described in the section on "Locally Led Adaptation Governance and Community Decision-Making."

#### **Accountability and Safeguards**

The project will apply accountability and safeguard mechanisms including climate risk screening of all investments, application of national technical standards, grievance redress mechanisms, financial monitoring, technical verification procedures and oversight under the Environmental and Social Management Plan (ESMP). UN-Habitat will retain fiduciary responsibility and ensure compliance with Adaptation Fund safeguard policies.

#### **Strengthening National Capacity**

The project will strengthen national institutional capacity through collaboration with national NGOs, vocational institutions, and municipal authorities. Capacity-building activities will include training in climate-resilient housing adaptation, vocational workforce development, safeguard compliance, adaptation monitoring, fiduciary management, community contracting, and community-led implementation approaches. By strengthening vocational systems, municipal coordination, and community governance structures, the project will support wider uptake of resilient housing approaches in other Mongolian cities beyond the project period.

#### **Summary of Implementation Structure**

Figure 4 illustrates the institutional coordination, decision-making, and community financing arrangements supporting locally led climate adaptation in ger settlements. The implementation model combines international fiduciary oversight, national execution, specialized technical support, local government coordination, and community-led planning and financing mechanisms to ensure that adaptation priorities are identified, prioritized, implemented, and monitored through participatory processes. Through UN-Habitat's proven People's Process approach, Primary Groups (PGs) and Community Adaptation Councils (CACs) play a central role in community mobilization, adaptation planning, investment prioritization, implementation oversight, and monitoring. Community-managed financing arrangements enable Adaptation Fund resources to reach community-prioritized adaptation investments more directly while ensuring that local communities play a central role in defining, prioritizing, implementing, and monitoring adaptation actions. The model further strengthens sustainability by linking community adaptation priorities with khoroo, district, and municipal planning processes and supporting adaptation learning, NAP localization, and replication beyond the project period.

The project results framework has been designed to align with the Adaptation Fund Strategic Results Framework by combining locally led adaptation governance, institutional capacity strengthening, resilient housing and community infrastructure investments, and knowledge generation activities supporting long-term urban climate resilience in Mongolia's ger settlements (Table 11).

Figure 4. Community Governance, Decision Making and Adaptation Financing Framework

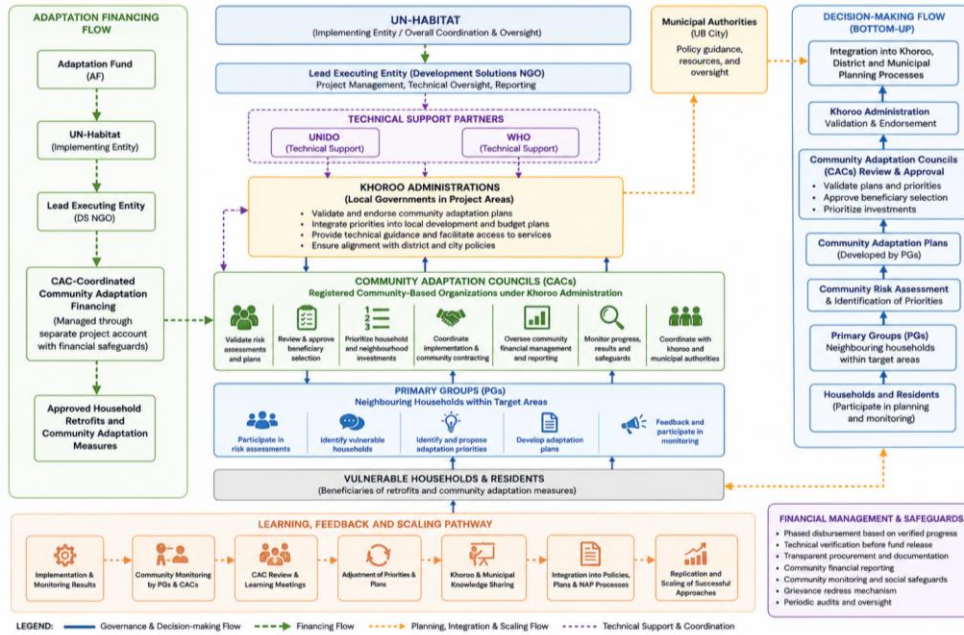


Table 11. Project Results Framework alignment with AF Strategic Results Framework

| Project Objective(s)                                                                                                                                                                                 | Project Objective Indicator(s)                                                                                              | Target                                                                                                                                                           | Adaptation Fund Outcome                                                                                                     | Adaptation Fund Outcome Indicator                                                                      | Grant Amount (USD) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------|
| <b>Objective 1:</b><br>Strengthen community resilience and locally led adaptation capacity in climate-vulnerable settlements                                                                         | Percentage of targeted population participating in locally led adaptation awareness, planning, and implementation processes | • 20,000 community members reached through awareness, planning, and adaptation activities (50% women)                                                            | <b>Outcome 3:</b><br>Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level | <b>3.2</b><br>Percentage of targeted population applying appropriate adaptation responses              | 1,200,000          |
| <b>Objective 2:</b><br>Increase adaptive capacity of vulnerable households and communities to withstand climate-related risks through climate-resilient housing and neighborhood adaptation measures | Number of households and community-level assets benefiting from climate-resilient adaptation measures                       | • 2,000 households benefiting from climate-resilient housing and sanitation improvements<br>• 8,000 direct beneficiaries (50% women)<br>• 4 community resilience | <b>Outcome 4:</b><br>Increased adaptive capacity within relevant development sector services and infrastructure assets      | <b>4.2</b> Physical infrastructure improved to withstand climate change and variability-induced stress | 2,500,000          |

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|                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                 | demonstration areas                                                                                                                                                                                                                                                                                                         |                                                                                                                                                     |                                                                                                                                  |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| <b>Objective 3:</b><br>Strengthen technical workforce, institutional capacity, and locally led adaptation systems for climate-resilient urban resilience implementation | Number of institutions, community governance structures, and technical personnel with strengthened adaptation implementation capacity                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• 100 trained local workers and institutional personnel (40% women)</li> <li>• 60 PGs established</li> <li>• 4 CACs accredited, registered, and operational</li> <li>• 4 Community <u>Adaptation Action Plans (CAPs)</u> endorsed by participating khoroo administrations</li> </ul> | <b>Outcome 2:</b><br>Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses     | <b>2.1</b> Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased | 470,514                   |
| <b>Total outcome level grant amount</b>                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                     |                                                                                                                                  | <b>4,170,514</b>          |
| <b>Project Outcome(s)</b>                                                                                                                                               | <b>Project Outcome Indicator(s)</b>                                                                                                                                                                                                                                                                                             | <b>Target</b>                                                                                                                                                                                                                                                                                                               | <b>Adaptation Fund Output</b>                                                                                                                       | <b>Adaptation Fund Output Indicator</b>                                                                                          | <b>Grant Amount (USD)</b> |
| <b>Outcome 1:</b><br>Community adaptation governance and locally led planning systems established in target ger settlements                                             | <ul style="list-style-type: none"> <li>• Number of PGs established and operationalized</li> <li>• Number of CACs established and functioning</li> <li>• Number of <del>community-adaptation-plans</del> CAPs developed through participatory processes</li> </ul>                                                               | <ul style="list-style-type: none"> <li>• 60 PGs</li> <li>• 4 CACs</li> <li>• 4 <del>community-adaptation-plans</del> CAPs</li> </ul>                                                                                                                                                                                        | <b>Output 3.2:</b><br>Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning | <b>3.2.1</b><br>Number of technical committees/associations formed to ensure transfer of knowledge                               | 600,000                   |
| <b>Outcome 2:</b><br>Technical workforce and institutional capacity strengthened for climate-resilient housing adaptation and locally led implementation                | <ul style="list-style-type: none"> <li>• Number of local workers and institutional personnel trained</li> <li>• Number of vocational training programmes incorporating climate-resilient housing modules</li> <li>• Number of municipal and community stakeholders trained on adaptation planning and implementation</li> </ul> | <ul style="list-style-type: none"> <li>• 100 trained personnel (at least 40% women)</li> <li>• 4 vocational training programmes</li> <li>• 120 municipal and community stakeholders trained</li> </ul>                                                                                                                      | <b>Output 2.1:</b><br>Strengthened capacity of national and sub-national centres and networks to respond rapidly to extreme weather events          | <b>2.1.1</b><br>Number of staff trained to respond to, and mitigate impacts of, climate-related events (by gender)               | 470,514                   |

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|                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                |                                                                                                                                             |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>Outcome 3:</b><br>Vulnerable households and community infrastructure strengthened through climate-resilient housing and neighborhood adaptation measures                  | <ul style="list-style-type: none"> <li>• Number of households receiving climate-resilient housing retrofits</li> <li>• Number of sanitation and drainage systems upgraded</li> <li>• Number of community-level resilience assets strengthened against climate risks</li> </ul>                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>• 2,000 households receiving climate-resilient housing and sanitation improvements</li> <li>• 4 community resilience demonstration areas</li> </ul>                                                                                                                                            | <b>Output 4:</b><br>Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability | <b>4.1.2</b><br>Number of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change | 2,500,000        |
| <b>Outcome 4:</b><br>Institutional learning, policy integration, technical guidance, and scaling approaches for locally led climate adaptation strengthened and disseminated | <ul style="list-style-type: none"> <li>• Number of technical guidance materials, training tools, and adaptation knowledge products developed and disseminated</li> <li>• Number of municipal-community knowledge exchange and learning events conducted</li> <li>• Number of <del>Community-Adaptation-PlansCAPs</del> integrated into local planning processes</li> <li>• Number of policy dialogue and NAP localization processes informed by project lessons</li> </ul> | <ul style="list-style-type: none"> <li>• 6 technical guidance materials/tools developed</li> <li>• 8 knowledge exchange and learning events conducted</li> <li>• 4 <del>Community-Adaptation-PlansCAPs</del> integrated into local planning processes</li> <li>• 4 policy dialogue or NAP localization processes supported</li> </ul> | <b>Output 3.2:</b><br>Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning            | <b>3.2.2</b><br>Number of tools and guidelines developed and shared with relevant stakeholders                                              | 600,000          |
| <b>Total output level grant amount</b>                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                |                                                                                                                                             | <b>4,170,514</b> |

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

Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>Dr. Zamba Batjargal</b><br>Special Envoy for Climate Change<br>Ministry of Environment and Tourism<br>Government Building-2, United Nations Street 5/2 ,Ulaanbaatar<br>Mongolia<br>Tel: +976 7000-0743/9908-678<br>Fax: +976 5126-4711<br>Email: <a href="mailto:z_batjargal@yahoo.com">z_batjargal@yahoo.com</a>                                                                                                                                                                                                                                                                 | Date: 9 September 2025 |
| <b>Munkhjargal Chuluunjav</b><br>Advisor to the Minister of Environment and Climate Change<br>Ministry of Environment and Climate Change<br>Government Building-2, United Nations Street 5/2 ,Ulaanbaatar<br>15160, Mongolia<br>Tel: +976 51-266426<br>Fax: +976 5126-4711<br>Email: <a href="mailto:meas@mecc.gov.mn">meas@mecc.gov.mn</a> , <a href="mailto:int.cooperation@mecc.gov.mn">int.cooperation@mecc.gov.mn</a>                                                                                                                                                           | Date: 16 February 2026 |
| <b><u>Ariuntuya Dorjsuren</u></b><br><u>Director General, International Cooperation Division,</u><br><u>Primary Contact Point for the Designated Authority of Mongolia</u><br><u>to the Adaptation Fund</u><br><u>Ministry of Environment and Climate Change</u><br><u>Government Building-2, United Nations Street 5/2 ,Ulaanbaatar</u><br><u>15160, Mongolia</u><br><u>Tel: +976 51-266426</u><br><u>Fax: +976 5126-4711</u><br><u>Email: <a href="mailto:meas@mecc.gov.mn">meas@mecc.gov.mn</a>, <a href="mailto:int.cooperation@mecc.gov.mn">int.cooperation@mecc.gov.mn</a></u> | Date: 21 July 2026     |

<sup>3</sup> Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

**B. Implementing Entity certification**

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

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans including Mongolia Vision 2050, and the country's updated National Adaptation Plan 3 and Nationally Determined Contribution 3 to the Paris Agreement, and subject to the approval by the Adaptation Fund Board, commit to implementing the project in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project.



**Raf Tuts**  
Director, Global Solutions Division  
UN-Habitat

Date: February 9, 2026

Tel. and email: +254-20-762-3736  
Email: raf.tuts@un.org

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

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

## **Annex 1. Initial Gender Assessment**

**Project:** Healthy Homes, Resilient Communities - Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership

**Location:** Ulaanbaatar, Zuunmod, Umnudelger town, Mongolia

### **1. Introduction**

This initial gender assessment was conducted during preparation of the project concept to identify gender roles, differentiated vulnerabilities, barriers to participation, and opportunities for women's empowerment related to housing conditions, climate risks, and adaptation interventions in ger settlements in Ulaanbaatar, Zuunmod (provincial center), and Umnudelger (sub-provincial center). The assessment supports compliance with the Adaptation Fund Gender Policy and informs the design of gender-responsive project activities. Ger settlements are characterized by limited infrastructure, winter air pollution, and increasing climate-related risks including flooding and extreme cold, which affect women and men differently due to differentiated household responsibilities, caregiving roles, and access to resources.

### **2. Methodology**

The assessment used quantitative household surveys and qualitative consultations conducted during project preparation, including a housing condition survey covering 197 households, community consultations in climate-vulnerable ger areas, interviews with community leaders and local authorities, and review of national gender and housing statistics. The survey included female-headed families and households with elderly members or persons with disabilities. Preliminary findings indicated that female-headed households reported greater financial barriers to housing improvements and adaptation investments. Women respondents more frequently identified indoor air pollution, sanitation safety, and winter heating conditions as priority environmental health concerns.

### **3. Gender Roles in Ger Households**

Women are primarily responsible for household heating management, sanitation, water use, and caregiving activities, including care for children, elderly family members, and persons with disabilities. Men are more frequently engaged in external construction work and housing repairs, although women also participate in maintenance activities. These roles increase women's exposure to indoor air pollution and poor housing conditions.

### **4. Gender-Differentiated Vulnerabilities**

The assessment identified several vulnerabilities that disproportionately affect women.

- Women experience higher exposure to indoor smoke and carbon monoxide due to heating and caregiving responsibilities during winter.
- Women reported safety and hygiene concerns related to outdoor pit latrines during winter and extreme weather conditions.
- Flooding, water infiltration, and poor insulation increase household vulnerability, while women often manage these risks and care for affected family members.
- Female-headed households reported greater financial barriers to housing improvements and safer heating systems.

Vulnerabilities were further compounded in low-income households and households with elderly members or persons with disabilities, where women often carried disproportionate caregiving and household management responsibilities during periods of extreme weather and environmental stress.

### **5. Barriers to Participation**

Barriers limiting women's participation include caregiving responsibilities, limited access to technical information, financial constraints, and lower representation in community decision-making structures. These barriers may affect access to training opportunities, community-managed adaptation financing mechanisms, and community governance mechanisms.

## **6. Opportunities for Women's Empowerment**

The project creates opportunities for women's empowerment through training on climate-resilient housing improvements, targeted support for female-headed households, inclusion of women in Primary Groups and Community Adaptation Councils, and increased awareness of indoor air quality, sanitation safety, and climate resilience.

## **7. Implications for Project Design**

Findings from the gender assessment informed several elements of the project design:

- Prioritization of safe and energy-efficient heating systems, ventilation improvements, sanitation upgrades, and community-managed adaptation financing mechanisms under Component 3
- Targeting of female-headed and vulnerable households in adaptation financing
- Gender participation targets in Primary Groups and Community Adaptation Councils, and training programmes
- Development of a Gender Action Plan during the full proposal stage

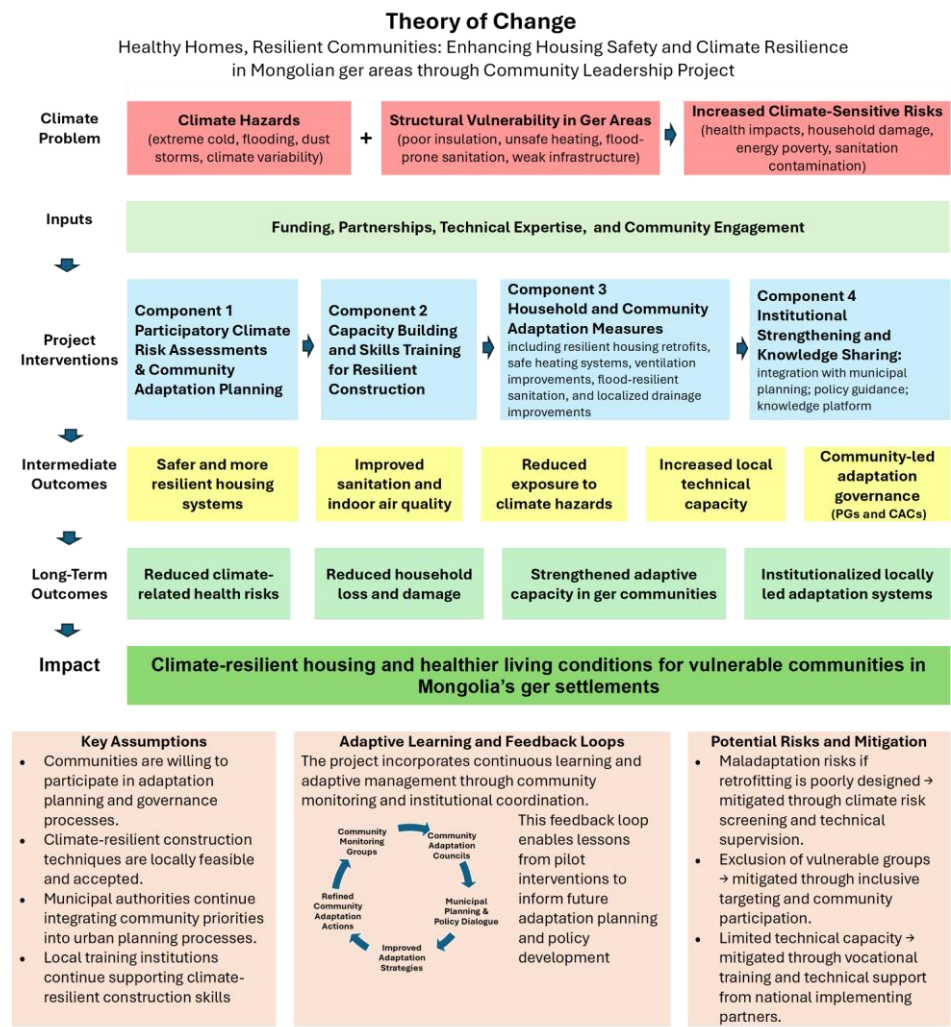
The project will also promote gender-responsive participation within community governance structures, training programmes, and adaptation planning processes.

These measures will help ensure that project interventions reduce gender inequalities, strengthen women's participation in adaptation decision-making, and improve resilience for women and vulnerable households.

## **8. Next Steps**

During full proposal preparation, a Gender Action Plan will operationalize gender-responsive measures identified in this assessment through gender-sensitive implementation measures, gender-responsive indicators, sex-disaggregated data collection, participation targets, and accountability mechanisms consistent with the Adaptation Fund Gender Policy.

Annex 2. Theory of Change



## Annex 3. Summary of Initial Stakeholder Consultations

### 1. Solutions for Health Roundtable Meeting

**Date:** 12 December 2024

**Participants:** Representatives from national ministries, Municipality of Ulaanbaatar, WHO, UN-Habitat, technical agencies, and development partners.

**Key Issues Discussed:** Environmental health risks, air pollution, poor housing conditions, unsafe sanitation, flooding, climate change impacts, and need for multisectoral action.

**Outcomes Relevant to the Project:** The consultation highlighted the need for integrated climate-resilient housing, sanitation, ventilation, indoor air quality improvement, and community resilience interventions in ger areas. The discussions informed development of the integrated “Healthy Homes” adaptation approach and institutional coordination activities under the project.

### 2. National Urban Forum – Urban Health Session

**Date:** 24 December 2024

**Participants:** National and municipal stakeholders involved in urban development, health, and climate-related sectors.

**Key Issues Discussed:** Urban health vulnerabilities, air pollution, inadequate housing and sanitation, climate vulnerability of urban populations, urban resilience, governance, and financing mechanisms.

**Outcomes Relevant to the Project:** The consultation reinforced the importance of integrating health and climate resilience into urban planning, strengthening local governance, promoting innovation, and supporting community participation and adaptive learning approaches.

### 3. Community Focus Group Discussions in Ger Areas

**Dates:** 23–25 June 2025

**Locations:** Songinokhairkhan District (Khoros 24 and 26) and Sukhbaatar District (Khoros 16, 18, and 20)

**Participants:** 43 community participants (31 women and 12 men), including elderly residents and vulnerable households.

**Key Issues Discussed:** Flooding, freeze-thaw damage, poor insulation, unsafe heating, ventilation problems, indoor air pollution, sanitation challenges, soil contamination, erosion, drainage problems, and limited access to financing for housing improvements.

**Community Priorities Identified:** Improved insulation, ventilation systems, flood-resilient sanitation, drainage improvements, energy-efficient heating solutions, soil stabilization, and technical and financial support for climate-resilient housing improvements

**Outcomes Relevant to the Project:** Findings informed development of Component 3 adaptation measures and locally led adaptation approaches, including climate-resilient housing retrofits, sanitation adaptation, drainage and neighborhood resilience measures, and community-based implementation approaches.

#### Annex 4. Endorsement ~~Letters~~Letter



INFORMATION AND RESEARCH  
INSTITUTE OF METEOROLOGY,  
HYDROLOGY AND ENVIRONMENT  
NATIONAL AGENCY OF METEOROLOGY  
AND ENVIRONMENT MONITORING

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Ulaanbaatar 15100, MONGOLIA  
Tel: (976-11) 32 65 14, Fax: (976-11) 32 99 68,  
Web: www.irmhe.mn

Date 9 September 2025  
Ref. 1/121

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

##### Letter of Endorsement by the Government

Subject: Endorsement for "Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian Ger Areas through Community Leadership" project

In my capacity as designated authority for the Adaptation Fund in Mongolia, I am honored to formally endorse aforementioned project developed jointly by World Health Organization with the relevant government agencies and public entities, including the Ministry of Environment and Climate Change.

This proposed initiative addresses the urgent climate adaptation and public health needs of vulnerable populations residing in Mongolia's ger districts. These communities face increasing exposure to climate-induced hazards such as extreme temperatures, urban flooding, and air pollution, all of which have direct and compounding impacts on community health and well-being. The project is designed in alignment with the principles of locally led adaptation, placing community leadership, participation, and ownership at the center of its approach.

The Government of Mongolia recognizes the importance of empowering local communities to lead their own adaptation processes. This project represents a strategic and timely intervention that will:

- Strengthen the structural integrity and climate resilience of traditional ger housing;
- Improve community health outcomes by addressing environmental and housing-related vulnerabilities;
- Build local capacity for climate risk management through inclusive and participatory planning;
- Promote sustainable, culturally appropriate construction practices and technologies;
- Enhance community ownership and decision-making in adaptation investments;
- Contribute meaningfully to Mongolia's Nationally Determined Contributions (NDCs) and National Adaptation Plan (NAP).

Accordingly, I confirm that the proposed concept note is consistent with Mongolia's national climate adaptation and public health priorities. I fully endorse its submission to the Adaptation Fund under the Locally Led Adaptation Project Call. If approved, the project will be implemented by the World Health Organization (WHO) and executed by United Nations Human Settlement Programme (UN-Habitat) and the United Nations Industrial Development Programme (UNIDO) and local communities.

Yours Sincerely,

Dr. Batjargal Zamba,

National Focal Point for the Adaptation Fund,  
Science Advisor, IRIMHE

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MONGOLIA  
MINISTRY OF ENVIRONMENT  
AND CLIMATE CHANGE

Artsat 624, Khan-Uul district,  
Ulaanbaatar 17100, MONGOLIA  
Tel: (976-51) 26 28 30, E-mail: contact@met.gov.mn,  
Website: www.met.gov.mn

Date 16 Feb, 2026  
Ref. 05a/1974

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

Subject: Endorsement for "Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian Ger Areas through Community Leadership

In my capacity as designated authority for the Adaptation Fund in Mongolia, I am honored to formally endorse aforementioned project developed jointly by United Nations Human Settlement Programme (UN-Habitat) with the relevant government and public entities, including the Ministry of Environment and Climate Change.

This proposed initiative addresses the urgent climate adaptation and public health needs of vulnerable populations residing in Mongolia's ger districts. These communities face increasing exposure to climate-induced hazards such as extreme temperatures, urban flooding, and air pollution, all of which have direct and compounding impacts on community health and well-being. The project is designed in alignment with the principles of locally led adaptation, placing community leadership, participation, and ownership at the center of its approach.

The Government of Mongolia recognizes the importance of empowering local communities to lead their own adaptation processes. This project represents a strategic and timely intervention that will:

- Strengthen the structural integrity and climate resilience of traditional ger housing;
- Improve community health outcomes by addressing environmental and housing-related vulnerabilities;
- Build local capacity for climate risk management through inclusive and participatory planning;
- Promote sustainable, culturally appropriate construction practices and technologies;
- Enhance community ownership and decision-making in adaptation investments;
- Contribute meaningfully to Mongolia's Nationally Determined Contributions (NDCs) and National Adaptation Plan (NAP).

Accordingly, I confirm that the proposed concept note is consistent with Mongolia's national climate adaptation and public health priorities. I fully endorse its submission to the Adaptation Fund under the Locally Led Adaptation Project Call.

Yours Sincerely,

Munkhjargal Chuluunjav  
National Designated Authority for the Adaptation Fund,  
Ministry of Environment and Climate Change of Mongolia

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- Contribute to the implementation of Mongolia's National Adaptation Plan (NAP) and Nationally Determined Contributions (NDCs).

Accordingly, I confirm that the proposed concept note is consistent with Mongolia's national climate adaptation priorities and development objectives. I am pleased to endorse its submission to the Adaptation Fund under the Locally Led Adaptation Funding Window.

Yours sincerely,



ARIUNTOYA DORJSUREN  
DIRECTOR GENERAL  
INTERNATIONAL COOPERATION DIVISION  
PRIMARY CONTACT POINT FOR  
THE DESIGNATED AUTHORITY OF MONGOLIA  
TO THE ADAPTATION FUND



**MONGOLIA  
MINISTRY OF ENVIRONMENT  
AND CLIMATE CHANGE**

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Date 21 July, 2026  
Ref. 059/4405

TO: THE ADAPTATION FUND BOARD  
C/O ADAPTATION FUND BOARD SECRETARIAT  
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FAX: +1 202 522 3240/3245

Letter of Endorsement by Government

Subject: Endorsement of the Concept Note "Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian Ger Areas through Community Leadership"

In my capacity as the Designated Authority for the Adaptation Fund in Mongolia, I am pleased to formally endorse the concept note entitled "Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian Ger Areas through Community Leadership", developed by the United Nations Human Settlements Programme (UN-Habitat) in consultation with relevant government institutions including the Ministry of Environment and Climate Change, local authorities, technical partners, and community stakeholders.

The proposed initiative addresses the increasing climate vulnerabilities of Mongolia's ger-area residents through a locally led adaptation approach. The project will strengthen the resilience of vulnerable households and communities by supporting climate-resilient housing improvements, safer heating and sanitation systems, workforce skills development, and strengthened local capacity for climate adaptation.

The Government of Mongolia recognizes the importance of community-led climate adaptation and the need to address climate risks at the household and neighbourhood levels. The proposed project will:

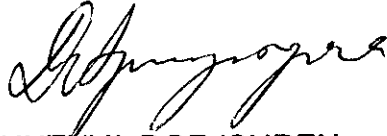
- Strengthen the climate resilience of housing and basic services in vulnerable ger settlements;
- Reduce exposure to climate-sensitive health risks associated with extreme cold, flooding, poor air quality, and inadequate sanitation;
- Empower local communities through participatory planning, decision-making, and implementation mechanisms;
- Build local technical capacity for climate-resilient construction and adaptation measures; and

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- Contribute to the implementation of Mongolia's National Adaptation Plan (NAP) and Nationally Determined Contributions (NDCs).

Accordingly, I confirm that the proposed concept note is consistent with Mongolia's national climate adaptation priorities and development objectives. I am pleased to endorse its submission to the Adaptation Fund under the Locally Led Adaptation Funding Window.

Yours sincerely,



ARIUNTUYA DORJSUREN  
DIRECTOR GENERAL  
INTERNATIONAL COOPERATION DIVISION  
PRIMARY CONTACT POINT FOR  
THE DESIGNATED AUTHORITY OF MONGOLIA  
TO THE ADAPTATION FUND



**Revised PFG Submission Form<sup>1</sup>**  
**Project Formulation Grant (PFG)**

**Submission Date:** 29 May 2026

**Adaptation Fund Project ID:**

**Country/ies:** Mongolia

**Title of Project/Programme:** Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership

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

**Implementing Entity:** United Nations Human Settlement Programme (UN-Habitat)

**Executing Entity/ies:** Development Solutions ~~Local~~ NGO \_\_\_\_\_

\_\_\_\_\_ ~~Healthy Cities Local NGO~~

\_\_\_\_\_ ~~Local communities~~

\_\_\_\_\_ ~~World Health Organization (WHO)~~

\_\_\_\_\_ ~~United Nations Industrial Development Programme (UNIDO)~~

**A. Project Preparation Timeframe**

|                               |                 |
|-------------------------------|-----------------|
| <b>Start date of PFG</b>      | 1 November 2026 |
| <b>Completion date of PFG</b> | 31 January 2027 |

**B. Proposed Project Preparation Activities (\$)**

The requested Project Formulation Grant (PFG) of USD 150,000 will support the preparation of a technically robust and policy-compliant full proposal under the Adaptation Fund's Locally Led Adaptation (LLA) funding modality. Building on the proven People's Process methodology, the PFG will finance the technical analyses, assessments, consultations, and proposal development activities required to strengthen the climate rationale, refine project design, establish evidence-based targeting, and ensure compliance with the Adaptation Fund's Environmental and Social Policy, Gender Policy, and Results Framework. A key focus of the PFG will be to address evidence gaps identified during the Concept Note review, including localized climate risks in ger areas, housing-climate vulnerabilities, and climate-health impact pathways. The PFG will also support assessment and prioritization of target ger areas, refinement of adaptation interventions, and development of implementation and governance arrangements for the full proposal.

| <b>List of Proposed Project Preparation Activities</b> | <b>Output of the PFG Activities</b>       | <b>US\$ Amount</b> | <b>Budget note<sup>2</sup></b>                |
|--------------------------------------------------------|-------------------------------------------|--------------------|-----------------------------------------------|
| 1. Technical Strengthening and                         | Refined and quantified climate rationale; | 60,000             | Delivered through engagement of international |

<sup>1</sup> As presented in AFB/PPRC.33/40 Annex 1.

<sup>2</sup> 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.

|                                                                                     |                                                                                                                                                                                                                   |         |                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Refinement of Project Design and Results Framework                                  | strengthened and elaborated project components and outputs; aligned results framework; detailed log-frame, M&E framework, risk matrix, governance and financial flow arrangements; activity-based budget          |         | and national experts. Covers technical inputs to strengthen and refine the Concept Note design, align with AF Results Framework, operationalize LLA governance arrangements, ensure compliance with Environmental & Social and Gender policies, and prepare a detailed disaggregated budget. |
| Targeted supplementary data collection and localized vulnerability validation       | Consolidated climate exposure data; sample-based housing vulnerability analysis; validated cost benchmarks; refined targeting criteria to support transparent local prioritization                                | 28,000  | Covers short-term technical inputs, localized data collection support, analysis, and documentation necessary to meet Adaptation Fund appraisal standards.                                                                                                                                    |
| LLA-focused stakeholder consultations and co-design workshops in selected ger areas | Documented validation of locally identified adaptation priorities; refined beneficiary selection criteria; co-designed community-level decision-making and accountability mechanisms                              | 32,000  | Covers facilitation, documentation, translation, logistics, and travel necessary to conduct structured consultations in selected ger areas and at national coordination level.                                                                                                               |
| Full proposal drafting, consolidation, internal review, and submission preparation  | Complete Adaptation Fund full proposal package ready for submission, including narrative sections, log-frame, M&E framework, detailed budget, risk matrix, ESS screening, gender-responsive measures, and annexes | 18,000  | Covers drafting time, consolidation meetings, technical editing, internal review, and final formatting to ensure that the proposal is coherent, internally consistent, and fully compliant with Adaptation Fund appraisal standards.                                                         |
| Sub-Total                                                                           |                                                                                                                                                                                                                   | 138,000 |                                                                                                                                                                                                                                                                                              |
| Implementing Entity's Management Fee (8.5%)                                         | Oversight, quality assurance, technical supervision, coordination with executing entities, and compliance review                                                                                                  | 12,000  | Covers oversight, technical quality assurance, fiduciary supervision, and coordination throughout the proposal development process.                                                                                                                                                          |

|                                        |                                         |                |  |
|----------------------------------------|-----------------------------------------|----------------|--|
|                                        | throughout proposal development process |                |  |
| <b>Total Project Formulation Grant</b> |                                         | <b>150,000</b> |  |

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

**1. Technical Strengthening and Refinement of Project Design and Results Framework:**

This activity will be delivered through the engagement of an international climate adaptation and Adaptation Fund proposal specialist and national experts in urban resilience, housing, and Locally Led Adaptation (LLA). Building on the approved Concept Note, the experts will:

- Strengthen and quantify the climate rationale affecting targeted ger areas, including extreme cold exposure, flooding, soil instability, and climate-related health vulnerabilities
- Refine and elaborate the existing project components, outputs, and activities to meet full proposal requirements
- Align and expand the results framework with measurable indicators consistent with the Adaptation Fund Results Framework
- Elaborate governance and financing arrangements that operationalize Locally Led Adaptation principles
- Prepare a comprehensive log-frame, monitoring and evaluation framework, and risk matrix
- Ensure full compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy
- Develop a detailed, disaggregated, and activity-based budget.

The requested funding covers the technical expertise required to strengthen, refine, and fully align the Concept Note design with Adaptation Fund appraisal standards and LLA requirements.

**2. Targeted Supplementary Data Collection and Technical Validation:** This activity will strengthen the evidence base of the full proposal and address key gaps identified during the Concept Note review. It will support:

- Assessment and prioritization of candidate ger areas based on climate risks, vulnerabilities, adaptive capacity, and community readiness
- Validation of localized climate and microclimate risks affecting ger settlements
- Assessment of housing vulnerabilities and climate-health risks in selected representative areas
- Sample-based collection and analysis of household and community-level data to support project design and targeting
- Consolidation and validation of climate, housing, health, and socio-economic evidence from local and secondary sources; and
- Refinement of adaptation measures, targeting criteria, and investment priorities.

These activities will strengthen the climate rationale, targeting approach, and implementation design of the full proposal while ensuring alignment with Locally Led Adaptation principles.

**3. LLA-Focused Stakeholder Consultations and Co-Design:** Structured stakeholder consultations will be conducted to validate and refine the project design in accordance with Locally Led Adaptation (LLA) principles. These consultations will apply participatory methods to ensure that local actors directly inform adaptation priorities and governance arrangements. The consultations will:

- Validate locally identified climate risks and adaptation needs
- Refine beneficiary selection and resource allocation criteria
- Co-design community-level validation, oversight, and accountability mechanisms
- Confirm institutional roles and coordination arrangements

These activities ensure that the full proposal embeds transparent, community-informed prioritization and clearly articulated devolved decision-making structures. The requested funding will cover facilitation, documentation, translation, logistics, and travel necessary to conduct structured consultations in selected ger areas and at national coordination level.

**4. Full Proposal Drafting, Consolidation, and Finalization:** Building on expert inputs, validated data, and stakeholder consultations, this activity will support the structured drafting, consolidation, and finalization of the full project proposal in accordance with the Adaptation Fund template and submission requirements. This includes:

- Completion of all narrative sections of the full proposal
- Finalization of the detailed log-frame and monitoring and evaluation framework
- Integration of Environmental and Social screening documentation and gender-responsive measures
- Development of risk management, sustainability, and implementation arrangements
- Technical review, quality assurance, and submission preparation.

The requested funding covers drafting time, consolidation meetings, technical editing, internal review, and final formatting to ensure that the proposal is coherent, internally consistent, and fully compliant with Adaptation Fund appraisal standards.

**5. Implementing Entity Management Fee:** The Implementing Entity (IE) management fee will cover oversight, technical quality assurance, fiduciary supervision, and coordination throughout the proposal development process. This includes review of consultant deliverables, verification of compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy, validation of financial and results frameworks, and coordination with executing entities and national stakeholders. The management fee ensures that the full proposal meets Adaptation Fund technical, fiduciary, and procedural requirements prior to submission.

**For LLA Projects only:** If requesting additional funding for LLA projects to enable devolving decision making to the local level, please specify the activities that would directly serve to enable devolving decision making to the lowest appropriate level and enable local actors to make informed decisions on how adaptation actions are defined, prioritized, designed, and implemented:

The Project Formulation Grant will support targeted activities that directly enable devolved decision-making and strengthen the integration of Locally Led Adaptation (LLA) principles into the full project proposal. These include:

1. Participatory validation of local adaptation priorities in selected ger areas to confirm climate risks, vulnerability profiles, and proposed adaptation measures.
2. Co-design of community-level governance and financing mechanisms, including transparent beneficiary selection criteria, community validation processes, and accountability channels.
3. Strengthening the local evidence base through supplementary data validation to support transparent and locally informed prioritization of adaptation investments.

Please provide justifications for their need and for the amount of additional funding required:

These formulation-stage activities ensure that local actors meaningfully influence the selection of target area, definition, prioritization, and structuring of adaptation actions within the full proposal. By embedding participatory validation, governance co-design, and locally grounded evidence into the proposal development process, the PFG strengthens alignment with the Adaptation Fund's LLA principles and enhances the transparency, equity, and sustainability of the proposed intervention.

### 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<br>Entity<br>Coordinator,<br>IE Name | Signature                                                                         | Date<br>(Month,<br>day, year) | Project<br>Contact<br>Person | Telephone           | Email<br>Address                 |
|---------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------|------------------------------|---------------------|----------------------------------|
| Raf Tuts                                          |  | February<br>9, 2026           | Oddy<br>Angelo<br>Barrios    | (81-92)<br>724-7121 | odicea.angelobarrios1<br>@un.org |