ADAPTATION FUND

AFB/PPRC.38/39
20-21 October 2026

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

Agenda Item 6 g)

LOCALLY-LED ADAPTATION SINGLE COUNTRY PROPOSAL FOR NEPAL

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) andthat 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 approvedcriteria 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 "*Building Resilient Communities through Locally Led Nature-Based Climate Action in Lumbini Province, Nepal*" was submitted for Nepal by United Nations Human Settlements Programme (UN-Habitat), which is a Multilateral Implementing Entity of the Adaptation Fund.

12. This is the fourth 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 four technical reviews of the project proposal, with the Project ID number AF00000559.

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
"BUILDING RESILIENT COMMUNITIES THROUGH LOCALLY LED NATURE-BASED CLIMATE ACTION IN LUMBINI PROVINCE, NEPAL "

Project Title	Building Resilient Communities through Locally Led Nature-Based Climate Action in Lumbini Province, Nepal
Project ID	AF00000559
Category	LLA
Type	Single country project
Stage	Concept
Country	Nepal
Implementing Entity	UNHAB
Financing Requested	USD 4,998,707.00
Reviewer	Rywon Mayang

Co-reviewer(s)

IE Contact Person | Aruna Thapa Magar ,Cerin Kizhakkethottam,Odicea Angelo Barrios,Pragya Pradhan

Secretariat's Overall Comment

The proposal includes a Project Formulation Grant of US$140,000.

The initial technical review raises several issues such as insufficient details on the beneficiaries, lack of clarity on sustainability, duplication and complementarity with ongoing initiatives, and ESP compliance, among others, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.

The second technical review finds that most of the CRs and CARs have been addressed, while a few pending issues remain related to the environmental and social risk categorization, the alignment with the AF results framework, and the Project Formulation Grant application form.

The third technical review identified one pending issue in the PFG application: “local communities” are included in the executing entity field. As only identified legal entities may be listed as executing entities, please remove this generic reference or replace it with the name of a specific legally constituted entity, if applicable.

The fourth technical review finds the pending CR to be addressed.

Country Eligibility

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

Response: Yes

Secretariat: Yes, Nepal is a party to both international climate treaties. It acceded to the Kyoto Protocol in 2005 and ratified the Paris Agreement in 2016.

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

Response: Yes

Secretariat: Nepal is a least developed country that is highly vulnerable to the adverse effects of climate change, owing to its fragile mountain ecosystems, its dependence on climate-sensitive sectors (agriculture

supports around 60% of the population), and limited adaptive capacity. Despite contributing only 0.041% of global CO_2 emissions, the country is warming faster than the global average — with mean temperature projected to rise by 1.8–2.8°C by 2050 — and faces more frequent floods, landslides, droughts, and heatwaves, with climate-related losses estimated at 2.2% of GDP annually by 2050. These impacts fall disproportionately on marginalized and natural-resource-dependent communities, including in the four target municipalities of Lumbini Province, where climate vulnerability index scores are high (0.71–0.82) and around 60% of the population belongs to Indigenous, Dalit, and other marginalized groups.

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 June 30th, 2026.

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: The proposal amounts to 38 pages

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: Pending

Secretariat:

The proposed project aims to enhance the climate resilience of four interconnected municipalities of the Chure–Tarai corridor in Lumbini Province (Shitaganga, Banganga, Buddhabhumi, Shivaraj) through participatory climate risk and vulnerability assessment and LAPA preparation , municipal governance for locally led adaptation and its scaling to provincial and federal levels, community-implemented nature-based interventions against flood and drought, landslide and erosion, heat and fire, and livelihood risks, together with local data systems including two hydro-meteorological stations, and knowledge management and scaling, supported by a Theory of Change (Fig. 3). The number of direct and indirect beneficiaries is not estimated, although municipal population and demographic data are provided (Table 2).

CR 1: Please provide, to the extent possible at the concept note stage, indicative estimates of direct and indirect beneficiaries, with a basic demographic profile (gender, age, disability, Indigenous/Dalit status), drawing on the municipal attributes data already presented in pages 9-10.

The climate risk and vulnerability assessment under Output 1.1 adopts a system approach that already examines

infrastructure alongside ecosystems, livelihoods, governance and socio-economic vulnerabilities, while Activity 1.2.1. separately assesses the vulnerability of climate-sensitive infrastructure and critical service delivery in the same target municipalities.

CR 2: Please clarify the relationship between the two, in particular whether the infrastructure assessment under Activity 1.2.1 deepens, or overlaps with, the infrastructure dimension already covered by the Output 1.1 assessment.

Response: Not Cleared

IE: Response to CR1: (Pg. 9 and 10)
The project will generate both direct and indirect adaptation benefits. Based on preliminary municipal demographic data, it is estimated that approximately 74,000-75,000 people (around 25% of the total population) will benefit directly from project interventions. Direct beneficiaries will include households participating in climate-resilient water management, ecosystem restoration, resilient livelihood support, community-based disaster risk reduction, and capacity-building activities, with particular attention to women, Indigenous Peoples, Dalit communities, persons with disabilities, and other climate-vulnerable groups. In addition, the entire population of the four municipalities, estimated at 295,772 people, is expected to benefit indirectly through improved watershed and ecosystem services, enhanced climate-resilient infrastructure, strengthened local governance and adaptation planning systems, improved disaster preparedness and early warning mechanisms, and increased water security and climate resilience across the landscape.
The indicative demographic profile of direct beneficiaries is expected to include at least 50% women, approximately 20-25% youth (15-35 years), 30-35% Indigenous Peoples (including Tharu and other Indigenous communities), 10% Dalit households, and 3-5% persons with disabilities, with a particular focus on climate-vulnerable smallholder farmers, landless households, women-headed households, and other socially and economically marginalized groups. The final beneficiary estimates and demographic disaggregation will be confirmed during the full proposal stage following completion of the participatory Vulnerability and Risk Assessment (VRA) process.

Response to CR2: (Pg. 16 and 17)
The infrastructure assessment under Activity 1.2.1 is designed to deepen rather than overlap with the infrastructure dimension of Output 1.1. Output 1.1 adopts a comprehensive systems-based climate vulnerability and risk assessment that examines the interactions among ecosystems, water resources, livelihoods, settlements, governance systems, socio-economic conditions, and infrastructure in order to establish an integrated municipal climate risk profile. Activity 1.2.1 provides a more detailed technical assessment of climate-sensitive infrastructure and critical service delivery systems, including roads, bridges, irrigation systems, drinking water systems, drainage networks, schools, health facilities, markets, and other public assets.
Specifically, Activity 1.2.1 will assess the exposure, sensitivity, functionality, service disruption risks, and adaptation investment needs of critical infrastructure, while identifying asset-specific resilience measures and prioritization criteria. The findings will provide engineering and planning inputs for climate-resilient infrastructure design, municipal investment planning, and implementation of adaptation interventions under Component 3. Therefore, Activity 1.2.1 is nested within the broader VRA under Output 1.1 and serves as a specialized assessment that generates the technical detail required for targeted adaptation investments and resilient infrastructure planning, avoiding duplication while strengthening the evidence base for locally led adaptation.

Response: Cleared

Secretariat: CR 1: Cleared. (page 10)

The revised concept note provides indicative estimates of approximately 74,000-75,000 direct beneficiaries, around 25% of the total population, and 295,772 indirect beneficiaries, with an indicative demographic profile of at least 50% women, 20-25% youth, 30-35% Indigenous Peoples, 10% Dalit households and 3-5% persons with disabilities.

CR 2: Cleared. (page 18)

The revised concept note clarifies that the infrastructure assessment under Activity 1.2.1 is nested within the broader systems-based assessment under Output 1.1, providing the detailed technical assessment of climate-sensitive infrastructure and critical service delivery systems that informs the adaptation investments under Component 3.

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: The concept note maps its design against the eight Principles for Locally Led Adaptation (Table 4, p.14). Under Component 1, community-led social mapping and risk assessment inform a participatory planning process in which communities co-develop and prioritise adaptation actions through the Local Adaptation Plans for Action (LAPA). These priorities enter the statutory seven-step municipal annual planning process, to which the revised LAPA Framework (2019) aligns, through ward-level prioritisation, budget formulation and municipal assembly approval , and Component 2 supports municipal capacity for that process. Under Component 3, community organisations are contracted under Community Implementation Agreements to implement the adaptation actions, leveraging ward-level Tole Development Committees .However, the criteria on which adaptation actions are selected and prioritised are not set out, the standing of the Tole Development Committees is not established, and the extent of the direct-access channel is not specified.

CR 3: Please provide the selection and prioritisation criteria and the screening tools, drawing on the revised LAPA Framework (2019) that the project undertakes to follow, which provides bases for plan selection and ward-level prioritisation.

Tole Development Committees (TDCs) are introduced only in the cost-effectiveness section (pages 29-30), where they are described as "formally recognised at the ward level," contracted under the CIA modality and leading implementation, but they do not appear in Output 3.2 or the implementation arrangements (p.45).

CR 4: Please clarify the role, composition and formal status of the TDCs under Nepal's local-government structure, including how they are constituted and whether they are the community organisations to be contracted under the CIA modality or one type among the actors already listed, and indicate their approximate coverage across the four municipalities.

CR 5: Please clarify whether all target communities are eligible for Component 3 support or only a prioritised subset, and how communities will participate in monitoring implementation and evaluating outcomes.

The Output 3.3 investments (p.23), in particular the two hydro-meteorological stations, the discharge measurement system and the sedimentation research, are defined by type and location and are technical in

nature rather than community-selected adaptation actions. The concept note does not specify who will implement them or through which modality, whereas the Output 3.2 interventions (p.22) are explicitly delivered by community organisations under the Community Implementation Agreements modality.
CR 6: Please specify the executing actor and delivery modality for the Output 3.3 investments.

At the fully developed proposal stage, please provide the fund-flow mechanism and a fund-flow diagram, including the sub-project window, its ceilings, eligibility and accountability arrangements, and confirm the extent to which project resources are disbursed directly to community organisations under the Community Implementation Agreement modality.

Response: Not Cleared

IE: Response to CR3: (Pg. 20 and 21)
The project will apply the Revised Local Adaptation Plan for Action (LAPA) Framework (2019) as the principal basis for the identification, screening, and prioritization of adaptation actions. Under Output 1.1, adaptation options will be generated through participatory climate-risk and vulnerability assessments, social and resource mapping, and inclusive community consultations conducted at settlement and ward levels. The selection and prioritization of adaptation actions will follow a standardized screening and ranking process consistent with the LAPA Framework (2019). The principal criteria will include: level of climate risk and exposure; vulnerability of affected households and communities, with priority given to women, Indigenous Peoples, Dalit communities, persons with disabilities, land-poor households, and other climate-vulnerable groups; expected adaptation benefits and reduction of climate risks; contribution to watershed, ecosystem, and water-resource resilience; technical feasibility and sustainability; environmental and social safeguard compliance; cost-effectiveness and operation and maintenance arrangements; and alignment with ward and municipal adaptation and development priorities. This approach will be used across all target wards to ensure transparency, consistency, and evidence-based decision making. Adaptation options will be ranked through participatory ward-level consultations before integration into statutory municipal planning and budgeting process. Full proposal will include detailed screening matrix, scoring methodology, and decision-making procedures.
Yes, TDCs are formally recognized and active. Based on location and geographic conditions, in some rural municipalities TDCs might not be highly active. So, the status of TDCs will be assessed during full proposal and when no active TDCs are present, direct CIA modality will be rolled out by to other existing or where needed forming users' group. The TDC and CIA modality will also be elaborated in full proposal.

Response to CR4: (Pg. 21, 29 and 49)
Tole Development Committees (TDCs) are community-level representative institutions recognized by ward offices under municipal administrative practice within Nepal's local-government system. TDCs are formed and operated under the TDC (formation and operation) Procedure (2020) issued by the Government of Nepal.
They function as neighborhood-level coordination bodies that facilitate community participation, local planning, implementation support, and coordination with ward and municipal authorities.
The prescribed governance structure of TDC comprise of 1 chairperson, 1 deputy chair, 1 secretary, 1 treasurer and 3-7 members and 1 female in either chair, deputy chair or treasurer position. Atleast 80% of households needs to be engaged and TDCs are typically composed of representatives of households within the settlement area, including women, Indigenous Peoples, Dalit communities, youth, and other local stakeholders. Their composition is intended to ensure broad community representation and inclusive participation in local development and adaptation processes.
Within this project, TDCs are one category of eligible community organization under the Community Implementation Agreement (CIA) modality, where active TDC exist, they will support local planning and coordination. They are not the only implementing entity. Other eligible organizations include community forest user groups, water user groups, farmer groups, women's groups, cooperatives, and other registered community-based organizations, depending on the nature of the adaptation intervention. Across the four municipalities,

TDCs provide broad neighborhood-level coverage and will support inclusive participation in adaptation planning and implementation.
The implementation arrangements section of the full proposal will explicitly define the role of TDCs, their relationship with ward offices and municipalities, eligibility requirements under the CIA modality, and their approximate coverage across the target municipalities.

Response to CR5: (Pg. 20)
All target communities will be eligible to participate in the LAPA planning process under Components 1 and 2. However, financing for adaptation investments under Component 3 will be allocated to a prioritized subset of community adaptation sub-projects through a transparent and competitive selection process based on the LAPA screening and prioritization criteria described in Response to CR3.
Sub-project selection will consider climate vulnerability and urgency of adaptation needs; expected adaptation effectiveness; benefits for vulnerable and marginalized groups; ecosystem and watershed significance; technical and financial feasibility; safeguard compliance; operation and maintenance arrangements; and community commitment, including local participation and in-kind contributions where appropriate.
Community participation is embedded throughout implementation. Communities will actively participate in monitoring implementation and evaluating outcomes. Each CIA-supported sub-project will establish a community monitoring mechanism involving representatives of women, Indigenous Peoples, Dalit communities, and other beneficiary groups. Community organizations and local governments will monitor implementation progress, financial transparency, safeguard compliance, and operation and maintenance of completed investments. Communities will contribute to outcome assessments through participatory evaluation exercises, beneficiary feedback surveys, focus group discussions, and validation of results. Their perspectives and experiences will be incorporated into the project's monitoring and evaluation framework to ensure that reported outcomes accurately reflect community-level changes and inform continuous improvement.
Monitoring will be undertaken jointly by community organizations, ward offices, municipalities, and the project management unit. Participatory monitoring tools, including community scorecards, beneficiary feedback mechanisms, and annual adaptation reflection and review meetings, will be used to assess progress and adaptation outcomes.
The full proposal will include the detailed eligibility criteria, sub-project appraisal procedures, monitoring framework, grievance mechanism, and social accountability arrangements for the community adaptation financing window.

Response to CR6: (Pg. 23)
The investments under Output 3.3 including hydro-meteorological stations, discharge measurement systems, and sedimentation assessment and monitoring are strategic public adaptation investments rather than community-selected microprojects under the CIA modality.
These investments will be implemented by the participating municipalities, with technical support from relevant government agencies and specialized technical institutions, including the Department of Hydrology and Meteorology (DHM) and other competent agencies as appropriate. Procurement, installation, technical supervision, and asset management will follow municipal procurement procedures and applicable national technical standards.
Community organizations and local stakeholders will participate in site validation, local consultations, community awareness, routine observation support where appropriate, dissemination of climate and hydrological information, and the use of generated data for community-based early warning, water-resource management, and local adaptation planning. However, the infrastructure assets will remain under municipal ownership and technical management.
Accordingly, Output 3.2 will be delivered through Community Implementation Agreements with eligible community organizations, while Output 3.3 will be delivered through municipal implementation arrangements supported by technical experts and agencies, with oversight provided by the Project Management Unit and the

respective municipalities.
The full proposal will provide a detailed fund-flow mechanism and implementation diagram showing the respective delivery modalities, institutional responsibilities, fiduciary arrangements, and accountability mechanisms for both community-based and municipal-level investments.

Response: Cleared

Secretariat: CR 3: Cleared. (page 22)
The revised concept note sets out the selection and prioritisation of adaptation actions through a standardized screening and ranking process consistent with the revised LAPA Framework (2019), with criteria covering climate risk and exposure, vulnerability of affected households, expected adaptation benefits, technical feasibility, safeguard compliance, cost-effectiveness and alignment with ward and municipal priorities. The detailed screening matrix and scoring methodology are to be provided at the fully developed proposal stage.

CR 4: Cleared. (pages 23, 32 and 58)
The revised concept note clarifies that the Community Implementation Agreement modality will operate through active Tole Development Committees where they exist and through other eligible community organisations, such as community forest user groups, water user groups, farmer groups, women's groups and cooperatives, where they do not.

At the fully developed proposal stage, please provide a concrete list, even if not exhaustive, of the TDCs and other eligible organisations currently present in the four target municipalities, reflecting their actual status, and ensure that consultations with these organisations are documented in the stakeholder consultation report.

CR 5: Cleared. (page 22)
The revised concept note clarifies that all target communities are eligible to participate in the LAPA planning process, while Component 3 financing is allocated to a prioritised subset of sub-projects selected against the LAPA screening and prioritisation criteria, and that each CIA-supported sub-project will establish a community monitoring mechanism involving representatives of women, Indigenous Peoples, Dalit communities and other beneficiary groups. At the fully developed proposal stage, please specify the composition, mandate and decision-making role of the community monitoring mechanism, including how community assessments feed into the evaluation of outcomes.

CR 6: Cleared. (page 25)
The revised concept note specifies that the Output 3.3 investments are delivered through municipal implementation arrangements supported by technical experts and agencies, including the Department of Hydrology and Meteorology, with the assets remaining under municipal ownership. At the fully developed proposal stage, please provide the assessment of the existing hydro-meteorological monitoring and early warning coverage in the target municipalities and the basis for the number and siting of the proposed stations and the discharge measurement system.

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: Pending

Secretariat: The concept note describes benefits for vulnerable groups and addresses structural inequalities, and states that the design is informed by an Initial Gender Assessment and a GESI analysis conducted during formulation(page 28). About 60% of the target population are Indigenous, Dalit, Madhesi, Muslim and other marginalised communities, to be identified through participatory social mapping, with participation quotas and FPIC commitments. However, the Initial Gender Assessment itself is not provided among the listed annexes. The expected benefits are described in generic terms rather than in the context of the four target municipalities, and the measures attributed to the Assessment are only partly traceable to the project. For example, the inclusive financing mechanisms are not reflected in any activity.

An initial gender assessment is required at the concept note stage to demonstrate how gender considerations have been incorporated into the project design.

CAR 1: Please provide the Initial Gender Assessment and indicate where its findings are reflected in the project's outputs and activities, in particular the inclusive financing mechanisms referred to at page 28, which are not currently traceable to specific activities.

The expected benefits to vulnerable groups are described in generic terms that are not specific to the conditions of the four target municipalities.
CR 7: Please describe the expected benefits in terms of those conditions, quantifying them where possible, and describe the targeted strategies, beyond representation quotas, through which specific groups (Dalits, persons with disabilities, the elderly, female-headed and landless households) will be identified, prioritised, engaged and monitored. At the fully developed proposal stage, please include an in-depth gender analysis and a Gender Action Plan with sex-disaggregated data, targets and indicators.

In the national standards compliance table (pages 34-36), the GEDSI row refers to "Output 2.3: Strengthened Community Capacity on NbS and Green Livelihoods," which does not match the actual Output 2.3 (page 13) ("Enhanced capacity of provincial and federal governments for multi-level coordination on scaling locally led nature-based adaptation approaches and climate-resilient infrastructure").

CR 8: Please reconcile the output titles used in that table with the outputs as defined in the project components and financing table.

Response: Not Cleared

Secretariat: N/A

Response: Not Cleared

IE: Response to CAR1: (Pg. 28 and Annex 1)
An Initial Gender Assessment (IGA) conducted during project formulation is included as an annex to the revised concept note. The assessment examined gendered climate vulnerabilities, access to water and natural resources, livelihood opportunities, decision-making participation, unpaid care burdens, and barriers faced by women, Indigenous Peoples, Dalit communities, persons with disabilities, elderly people, and female-headed households across the four target municipalities. The full proposal will include an expanded Gender Analysis and a comprehensive Gender Action Plan with indicators, targets, responsibilities, and budget allocations.

The IGA findings have informed the design of the project outputs and activities in several ways as defined below:
Finding 1: Women spend significant time collecting water due to spring depletion and seasonal water scarcity.
Response: Output 3.2: Spring restoration, watershed rehabilitation, climate-resilient water supply systems, and

community water-source protection measures to reduce women's unpaid care burden.

Finding 2: Female-headed households have limited access to irrigation, agricultural inputs, climate information, and adaptation finance.
Response: Outputs 1.2 and 3.2: Vulnerability-based prioritization of adaptation investments; support for climate-resilient agriculture and water management; priority access through the Community Implementation Agreement (CIA) financing mechanism.
Finding 3: Dalit communities often face unequal access to water infrastructure, natural resources, and local decision-making processes.
Response: Outputs 1.1 and 3.2: Participatory social mapping, household vulnerability assessment, transparent beneficiary selection criteria, and targeted inclusion of Dalit households in community adaptation investments.

Finding 4: Indigenous Peoples depend heavily on watershed ecosystems and traditional natural-resource management systems.
Response: Outputs 1.1, 1.2, and 3.2: FPIC processes, integration of Indigenous knowledge into LAPA preparation, watershed restoration, and community-led ecosystem management.

Finding 5: Persons with disabilities face barriers in accessing consultations, climate information, infrastructure, and disaster preparedness.
Response: Outputs 1.1, 2.1, and 3.3: Accessible consultation methods, disability-inclusive municipal capacity building, accessible climate information dissemination, and inclusive early warning systems.

Finding 6: Elderly people face increased disaster risk and limited mobility during floods, landslides, and water shortages.
Response: Outputs 2.2 and 3.3: Community-based disaster preparedness, accessible early warning systems, and inclusion of elderly households in vulnerability assessments and emergency planning.

Finding 7: Women and marginalized groups have limited influence over local adaptation planning and resource allocation.
Response: Outputs 1.1 and 2.1: Inclusive LAPA preparation, representation of women and marginalized groups in planning committees, and municipal capacity building on gender-responsive adaptation planning and budgeting.

Finding 8: Community organizations representing women, Indigenous Peoples, and marginalized groups have limited access to adaptation finance.
Response: Output 3.2: Community adaptation financing window under the CIA modality with eligibility criteria prioritizing women-led, Indigenous, Dalit, and other vulnerable community organizations.

Finding 9: Climate information and adaptation technologies are not equally accessible to women and marginalized settlements.
Response: Outputs 2.2 and 3.3: Local-language climate communication, community-based dissemination mechanisms, and targeted outreach to vulnerable households.

Finding 10: Limited municipal capacity to implement gender-responsive adaptation and safeguard measures.
Response: Output 2.1: Training on GEDSI-responsive adaptation planning, environmental and social safeguards, inclusive budgeting, and participatory monitoring systems.

The reference to inclusive financing mechanisms on page 28 relates specifically to the Community Implementation Agreement (CIA)-based community adaptation financing mechanism under Output 3.2, through

which eligible community organizations will receive financial support for approved adaptation sub-projects.

Response to CR7: (Pg. 26)
The project's expected economic, social, and environmental benefits are specific to the conditions of the four target municipalities, where recurrent water scarcity, spring depletion, landslides, flash floods, riverbank erosion, forest degradation, and climate-sensitive livelihood losses disproportionately affect vulnerable households. Approximately 74,000-75000 direct beneficiaries will benefit from climate-resilient water management, ecosystem restoration, resilient livelihoods, disaster risk reduction, and community adaptation investments. Of these direct beneficiaries, the project will prioritize vulnerable groups identified through participatory social mapping and household-level vulnerability assessment. The project area includes a high proportion of Indigenous Peoples, Dalit communities, women-headed households, elderly persons, persons with disabilities, and land-less households.

Expected benefits include:
- improved year-round access to water for vulnerable households through spring and watershed restoration; reduced disaster losses for settlements exposed to landslides, flooding, and erosion; increased income opportunities through climate-resilient agriculture, forest-based enterprises, and nature-based livelihood activities; reduced time burden for women associated with water collection and natural resource management; strengthened participation of marginalized groups in local adaptation planning and decision making; and improved access to climate information and early warning systems.

Beyond participation quotas, the project will implement targeted inclusion strategies. Vulnerable households will be identified using participatory wealth ranking, social mapping, climate vulnerability assessment, and ward-level validation. Prioritization for adaptation investments will explicitly consider: Dalit households; female-headed households; households with persons with disabilities; elderly-headed households; landless and near-landless households; Indigenous households facing high climate exposure; and households with limited access to water and productive resources.
Engagement strategies will include accessible consultation venues, disability-inclusive communication methods, flexible meeting schedules, local-language facilitation, women-only and marginalized-group consultations, targeted capacity building, leadership support for women and marginalized groups, and community facilitation. Monitoring will use sex-, age-, disability-, caste-, and ethnicity-disaggregated indicators, including participation in decision-making bodies, access to adaptation financing, livelihood benefits, water access improvements, disaster risk reduction benefits, and beneficiary satisfaction. The full proposal will provide quantified beneficiary targets and a detailed social inclusion monitoring framework.

Response to CR8 (Pg. 34)
The Secretariat has correctly identified an inconsistency between the output titles used in the national standards compliance table (pages 34-36) and the outputs presented in the project components and financing table.
The reference to "Output 2.3: Strengthened Community Capacity on NbS and Green Livelihoods" is an editorial error resulting from an earlier draft of the project structure. The correct title of Output 2.3 is: "Enhanced capacity of provincial and federal governments for multi-level coordination on scaling locally led nature-based adaptation approaches and climate-resilient infrastructure."
Revise national standards compliance table (pages 34-36) accordingly.

Response: Cleared

Secretariat: CAR 1: Cleared. (Annex 1, pages 61-66)
The Initial Gender Assessment conducted during formulation is annexed to the revised concept note, drawing on data specific to the four target municipalities, and a table maps each of its findings to the project outputs and

activities through which it is addressed, including the community adaptation financing mechanism under Output 3.2 to which the inclusive financing reference relates. At the fully developed proposal stage, please include an in-depth gender analysis and a Gender Action Plan with sex-disaggregated data, targets and indicators.

CR 7: Cleared. (page 28)
The revised concept note describes the expected benefits in terms of the conditions of the four target municipalities and sets out the targeted strategies through which vulnerable groups will be identified, prioritised, engaged and monitored, including participatory wealth ranking, social mapping, household vulnerability assessment, disability-inclusive engagement methods and disaggregated monitoring indicators. At the fully developed proposal stage, please provide quantified benefit targets for the priority groups together with the social inclusion monitoring framework.

CR 8: Cleared. (page 31)
The output title in the national standards compliance table has been corrected to correspond to Output 2.3 as defined in the project components and financing table.

Response: Cleared

IE: Response to CR18 (Pg. 39 and 43)
The inconsistent reference to the project being preliminarily categorized as Category C in the consultative process section has been replaced by Category B2 with brief justification in accordance with ESSS Report (page 39, under heading H). The editorial text describing revisions made in response to the Secretariat's comments is also deleted and replaced with substantive proposal text explaining environment and social risk category as B2 (page 43, under heading K).

Response: Cleared

IE: Response to CR18 (Pg. 39 and 43)
The inconsistent reference to the project being preliminarily categorized as Category C in the consultative process section has been replaced by Category B2 with brief justification in accordance with ESSS Report (page 39, under heading H). The editorial text describing revisions made in response to the Secretariat's comments is also deleted and replaced with substantive proposal text explaining environment and social risk category as B2 (page 43, under heading K).

Is the project / programme cost effective?

Response: Cleared

Secretariat: The proposal explains cost-effectiveness through the CIA/TDC delivery model (reduced administrative overheads, use of local materials and labour, community contributions and municipal co-financing) and compares nature-based solutions with conventional grey infrastructure on cost and maintenance grounds.

At the fully developed proposal stage, to extent possible, please provide quantitative estimates of cost-effectiveness, including indicative unit costs of the main intervention types.

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: Cleared

Secretariat: The concept note demonstrates strong alignment with national policies and strategies such as NAP 2021–2050, 16th Periodic Plan, SDGs, National Climate Change Policy 2019, revised LAPA Framework 2019, National Urban Policy 2024, Tarai Arc Landscape Strategy, NDC 3.0, DRRM framework and with municipal periodic plans and Annual Work Plans and Budgets at the sub-national level. (pages 31-33)

CR 9: Please review the project's consistency with Nepal's Technology Needs Assessment and Technology Action Plan.

Tables 5 and 6 appear to have been placed in each other's sections: Table 5 sets out the technical standards but sits under Section D, while Table 6 maps national policies and legal instruments but sits under Section E.

CR 10: Please place Table 5 under Section E, where compliance with national technical standards is described, and Table 6 under Section D, where consistency with policies and strategies is described.

Response: Cleared

IE: Response to CR9: (Pg. 31)
The concept note has been reviewed for consistency with Nepal's Technology Needs Assessment (TNA) and Technology Action Plan (TAP) for climate change adaptation. The project is aligned with the priority adaptation technologies identified in the TNA and TAP particularly in relation to water resource management, watershed and ecosystem restoration, climate-resilient agriculture, disaster risk reduction, hydrological monitoring, and climate information systems. The details are provided on the table below:

Table X1. Alignment of proposed project technologies with Nepal's Technology Needs Assessment (TNA) and Technology Action Plan (TAP)

Response to CR10 (Pg. 33 and 35)
The Secretariat has correctly identified that Tables 5 and 6 were inadvertently placed in the wrong sections of the concept note.
The revised concept note will relocate the tables as follows:
• Place Table 5 (National technical standards and compliance requirements) under Section E: Compliance with National Technical Standards
• Place Table 6 (Consistency with national policies, strategies, and legal instruments) under Section D: Consistency with National Policies and Strategies

Response: Cleared

Secretariat: CR 9: Cleared. (pages 34-35)
The revised concept note includes an alignment table mapping the proposed interventions against the priority adaptation technology areas of Nepal's Technology Needs Assessment and Technology Action Plan, with the corresponding project outputs.

CR 10: Cleared. (pages 36-39)
The tables have been relocated so that the consistency section presents the policy and technology alignment and the standards section presents the applicable national technical standards.

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: Cleared

Secretariat: The concept note lists the applicable instruments (Environment Protection Act 2019, Environment Protection Regulation 2020, IEE/EIA/BES requirements) and the authorising institutions (page 34). The sector-specific technical standards are set out in Table 5 (page 33), which sits in the section on consistency with national or sub national development programmes, while Table 6 (page 34), placed in the section on technical standards, maps national policies and legal instruments to the components and to the Adaptation Fund ESP principles.

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

Response: Pending

Secretariat: The concept note reviews the initiatives operating in the target municipalities (GCF Clean Cooking Solutions, the British Embassy-supported RAIN Programme, the Tarai Arc Landscape Programme, and agriculture/livelihood programmes in Table 7), and explains for each the basis on which programmatic overlap is avoided. For the RAIN Programme, which operates in all four municipalities and concludes in 2026, the concept note states that the project will build on its lessons, community structures and coordination mechanisms, and records that several rounds of consultation with the RAIN team have taken place.

CR 11: Please provide further information on the RAIN Programme's thematic focus, implementing partners and geographic coverage, including the community structures and coordination mechanisms the project intends to build upon.

Coordination mechanisms are set out at local, provincial and national levels, including periodic mapping and review of ongoing and planned projects (page 38), but these are not reflected in any activity. As the Component 3 interventions are unidentified sub-projects, the risk of overlap arises when they are selected.

CR 12: Please describe how the project will screen future unidentified sub-projects for potential overlap with ongoing projects, and clarify which activity will carry out the periodic mapping and review.

Response: Not Cleared

Secretariat: N/A

Response: Not Cleared

IE: Response to CR11 (Pg. 36)
The Resilience, Adaptation and Inclusion in Nepal (RAIN) Programme is a UK Foreign, Commonwealth & Development Office (FCDO) initiative designed to strengthen climate resilience, disaster risk management, and inclusive adaptation systems in Nepal. The programme operates in Madhesh, Lumbini, and Karnali provinces, with implementation led through government systems and a consortium of international and national organizations. The programme adopts a systems-strengthening and capacity building approach, combining climate-resilient planning, early warning and early action systems, community-based adaptation, climate finance

support, and institutional capacity strengthening.
During proposal formulation, consultations were held with the RAIN Programme team and participating municipalities to identify completed investments, ongoing activities, and priority adaptation needs.
A key rationale for complementarity is that the RAIN Programme identified a number of adaptation interventions in project municipalities, but due to resource constraints only a limited number of these interventions were planned for implementation. The RAIN Programme was initially designed as a four-year programme extending to 2029, but it is now expected to conclude in March 2027, and with only a year of implementation. Consequently, several prioritized adaptation actions remain unimplemented.
The project will review and also build upon the adaptation interventions prioritized through the RAIN Programme. Additionally, the local governments of the four target municipalities are the principal stakeholders and implementing partners for both the RAIN Programme and the proposed project, which provides a strong institutional mechanism for avoiding duplication of investments. Because the same municipalities are responsible for local adaptation planning, project coordination, and investment prioritization, they maintain records of completed, ongoing, and planned adaptation interventions. The coordination systems across municipal, provincial and national government, will be integrated across project activities rather than standalone activity.

Response to CR12 (Pg. 22)
The project will establish a sub-project screening and coordination mechanism to ensure that all community adaptation investments financed under Output 3.2 are screened for potential duplication with past, ongoing or planned government and development partner investments. Before approval, each proposed sub-project will undergo a duplication and complementarity screening process that will include:

- mapping existing and planned investments within the target ward and municipality;
- consultation with municipal sector units, ward offices, and relevant provincial agencies;
- review projects implemented by development partners, NGOs, and community organizations and organize coordination meeting;
- verification of geographic coverage and beneficiary overlap;
- assessment of complementarity with existing watershed, water, disaster risk reduction, agriculture, and infrastructure investments; and
- documentation of screening results as part of the sub-project appraisal process.

A Sub-project Screening Checklist will be developed and applied. The checklist will include mandatory confirmation that the proposed activity does not duplicate existing financing and that it adds measurable adaptation value.
The periodic mapping and review of ongoing and planned projects will be institutionalized under Output 2.1 (Strengthened local institutional capacity for locally led adaptation planning and implementation). Municipal adaptation coordination committees will conduct annual and mid-year coordination reviews, supported by the project management unit. These reviews will compile information on government budgets, development partner programmes, NGO interventions, and community investments across the four municipalities.
The results of the periodic mapping and review will directly inform the annual selection of Component 3 sub-projects and municipal adaptation planning processes. No sub-project will be approved until the municipal coordination committee confirms that it does not duplicate existing investments. The full proposal will include the detailed sub-project screening procedure, institutional responsibilities, coordination review process, and documentation requirements to ensure effective collaboration across sectors and efficient use of adaptation finance.

Response: Cleared

Secretariat: CR 11: Cleared. (page 40)
The revised concept note describes the RAIN Programme's thematic focus, its coverage of the four target municipalities, and the basis on which duplication is avoided.

CR 12: Cleared. (page 24)
The revised concept note establishes a duplication and complementarity screening process with a checklist applied to each sub-project before approval, and institutionalises the periodic mapping and review of ongoing and planned projects under Output 2.1.

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: Pending

Secretariat: Component 4 provides digital learning platforms, IEC materials, community learning networks, the Urban Climate Alliance and youth and women climate champions, and commits to documenting traditional and Indigenous knowledge under Free, Prior and Informed Consent.

The section G also describes the promotion of local innovation, demonstration, experimentation and knowledge transfer through Farmers Field Schools, demonstration plots, community-to-community learning exchanges, learning transects, field observations, simulations, reflective learning sessions and community experimentation processes (page 38), which are not identified among the outputs or activities.
CR 13: Please specify the activities under which these will be delivered.

At the fully developed proposal stage, please include quantitative targets and indicators for the key knowledge-management activities.

Response: Not Cleared

Secretariat: N/A

Response: Not Cleared

IE: Response to CR13 (Pg. 38)
The Secretariat has correctly noted that several learning and knowledge-management approaches described in Section G were not explicitly linked to specific activities under Component 4. However, these activities can be explicitly integrated within Outputs 4.1, 4.2, and 4.3. Farmers Field Schools, demonstration plots, field observations, learning transects, simulation exercises, community experimentation processes, and reflective learning sessions will be implemented primarily through Activity 4.1.3, which includes awareness campaigns, exposure visits, training, and practical learning on locally led adaptation and nature-based solutions, and Activity 4.1.4, which establishes community learning networks and communities of practice to facilitate continuous peer learning, experimentation, and adaptive management. Community-to-community learning exchanges will be delivered through Activities 4.1.3 and 4.1.4, while the documentation and dissemination of traditional and Indigenous knowledge, case studies, success stories, and best practices will be undertaken through Activity 4.1.5, with all Indigenous knowledge documentation conducted under Free, Prior and Informed Consent (FPIC). Multi-stakeholder knowledge exchange, policy learning, and dissemination of lessons for replication will be implemented through Activities 4.2.2 and 4.2.4 under the Urban Climate Alliance. Together, these activities establish a structured knowledge management and learning system that captures lessons from participatory planning, community-led adaptation implementation, and institutional innovations, and feeds them back into municipal planning, policy development, and scaling processes. The project will include quantitative targets and indicators for key knowledge-management activities, including the number of Farmers Field Schools established, demonstration sites supported, community learning networks formed, learning exchanges conducted,

Indigenous knowledge practices documented, knowledge products produced, policy dialogues organized, and municipalities adopting documented locally led adaptation practices for replication and scaling during full proposal stage.

Response: Cleared

Secretariat: CR 13: Cleared. (page 42)
The revised concept note specifies the activities through which the learning approaches described in Section G will be delivered.

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: Consultations were conducted at federal, provincial and local levels between 29 April and 22 May 2026, with the stakeholder list and meeting minutes annexed (Annexes 1–2) and identifiable influence on the project design. However, the annexed Stakeholder Initial Consultation Report records only institutional consultations (mayors, deputy mayors, ward chairs, municipal officials, and provincial and federal representatives), with female participation of approximately 15 to 32 per cent; although the report states that community members also took part, no community-level meeting is documented, and the engagement with farmers, water and forest user groups, Indigenous Peoples, women and youth described in page 39 is therefore not evidenced.

CR 14: Please provide the records of the community-level consultations (even if preliminary), including the dates and the number and composition of participants disaggregated by gender and vulnerability status, to demonstrate the inclusiveness of the process.

Response: Not Cleared

IE: Response to CR14 (Annex 2)
In addition to the federal, provincial, and municipal consultations conducted between 29 April and 22 May 2026, the project formulation team also conducted preliminary community-level consultations in the four target municipalities with representatives from community members, women's groups, Indigenous representatives, Dalit communities, farmer groups, community forest user groups, water user groups, youth representatives, and other local stakeholders. These consultations informed the identification of climate risks, locally led adaptation priorities, water security challenges, watershed restoration needs, livelihood interventions, and institutional capacity requirements.
The revised concept note includes an annex summarizing the community-level consultation records, including the consultation dates, locations, participant numbers, and participation disaggregated by gender, Indigenous status, Dalit status, persons with disabilities, youth, elderly participants, and female-headed households, to demonstrate the inclusiveness of the consultation process.
The full proposal will include a more comprehensive consultation report documenting the participation process, stakeholder feedback, gender and social inclusion measures, and evidence of how community inputs were incorporated into project design, implementation arrangements, monitoring, and knowledge-management activities, consistent with the Adaptation Fund Environmental and Social Policy and Gender Policy.

Response: Not Cleared

Secretariat: CR 14: Cleared. (page 67-68, 73-74)
The revised concept note includes an annex documenting the community-level consultations in the four target municipalities, including the dates, locations and participants of the meetings, together with attendance records and photographs.

Response: Not Cleared

IE: Secretariat: CR 14: Cleared. (Annex II, Pg. 57-58, 63-64)
Additional documentation was provided in response to the first round of technical review. The response provided in the first round was cleared with no further queries. However, in the portal it shows not cleared. Hence, the second round of response is provided acknowledging CR14 as cleared. The page number is updated in second response.

Response: Cleared

Secretariat: CR 14: Cleared. (page 67-68, 73-74)
The revised concept note includes an annex documenting the community-level consultations in the four target municipalities, including the dates, locations and participants of the meetings, together with attendance records and photographs.

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

Response: Pending

Secretariat: The concept note explains that the requested financing covers the full cost of implementation, on the basis that the four municipalities are assessed at high to very high climate risk in the national Vulnerability and Risk Assessment, have limited technical and financial capacity, and that communities cannot bear the cost of adaptation without support (page 40). The section also states that the municipalities have not received technical or financial support from development partners, while Table 7 lists four donor-supported initiatives operating in the same municipalities.

CR 15: Please reconcile the statement on development partner support with the initiatives listed in Table 7.

At the fully developed proposal stage, please provide clearer baselines, cost delineation between the baseline and the incremental adaptation measures, and adaptation effectiveness indicators.

Response: Not Cleared

IE: Response to CR15A (Pg. 39 and 40)
The Secretariat has correctly noted an inconsistency between the statement that the target municipalities have not received development partner support and the initiatives listed in Table 7. The reference was made in terms of vertical climate financing, which has created confusion. The revised concept note clarifies that the target municipalities have received limited and fragmented development partner support for climate-related activities, but these initiatives have been sector-specific, geographically limited, time-bound, and insufficient to address the full range of adaptation needs identified through municipal and community planning processes. The revised text will therefore state that the municipalities have not received adequate technical and financial support to implement the prioritized adaptation interventions identified through local adaptation planning processes, rather than stating that they have received no development partner support. This distinction more accurately

reflects the current situation and the complementarity of the proposed project with existing initiatives.
The full cost of adaptation reasoning remains justified because the proposed investments are incremental adaptation measures that go beyond existing baseline development activities and current financing levels. The project will finance climate-specific investments required to reduce climate risks, including watershed restoration, spring source protection, climate-resilient water infrastructure, nature-based disaster risk reduction, climate information systems, locally led adaptation financing mechanisms, and institutional capacity strengthening for adaptation planning and implementation. Without the requested financing, these climate-specific adaptation measures would not be implemented at the required scale, and vulnerable communities would remain exposed to increasing climate risks.
At the full proposal stage, the project will provide: (i) a clearer baseline assessment of existing government and development partner investments; (ii) a detailed delineation between baseline development expenditures and the incremental costs of adaptation measures financed by the project; and (iii) adaptation effectiveness indicators measuring improvements in water security, watershed resilience, disaster risk reduction, ecosystem restoration, institutional adaptive capacity, and resilience outcomes for vulnerable households and communities.

Response: Not Cleared

Secretariat: CR 15A: Cleared. (pages 43-44)
The statement on development partner support has been revised to indicate that the target municipalities have not received adequate technical and financial support to implement the prioritised adaptation interventions, consistent with the initiatives listed in the duplication table.

Response: Not Cleared

IE: Secretariat: CR 15A: Cleared. (Table 8, Pg. 36-37)
Correction and additional clarification was provided in response to the first round of technical review. The response provided in the first round was cleared with no further queries. However, in the portal it shows not cleared. Hence, the second round of response is provided acknowledging CR15A as cleared. The table number and page number in the first response was incorrect, which has been corrected in the second response as Table 8 and Page number 36 - 17)

Response: Cleared

Secretariat: CR15A: Cleared. (pages 43-44)
The statement on development partner support has been revised to indicate that the target municipalities have not received adequate technical and financial support to implement the prioritised adaptation interventions, consistent with the initiatives listed in the duplication table.

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

Response: Not Cleared

Secretariat: The concept note does not include an alignment table with the Adaptation Fund Strategic Results Framework.

CAR 2: Please include a results framework and the project's alignment with the Adaptation Fund Updated Strategic Results Framework (2025), including the LLA outcome and least the core impact indicator "Number of beneficiaries" and, given the early-warning investments under Output 3.3, the core indicator on early warning systems. https://www.adaptation-fund.org/document/update-to-the-adaptation-fund-strategic-results-

framework-2/. Use the following template - https://www.adaptation-fund.org/document/alignment-with-adaptation-fund-results-framework-template-and-guidance-dec-2025/.

Response: Not Cleared

IE: Response to CAR2 (Pg. 46, 47 and 48)
The revised concept note has been updated to include a Project Results Framework and a Strategic Results Framework (SRF) Alignment Table consistent with the Adaptation Fund Updated Strategic Results Framework (2025) and the Adaptation Fund SRF alignment template. The revised alignment table maps all project outcomes and outputs to the relevant Adaptation Fund outcomes, outputs, and indicators, including the Locally Led Adaptation (LLA) outcome and indicators.
The final proposal will include the complete project-specific results framework with baselines, quantified targets, disaggregation categories, means of verification, responsible entities, monitoring frequency, and assumptions, fully consistent with the Adaptation Fund Updated Strategic Results Framework (2025) and the SRF alignment and monitoring templates.
The Table that will be inserted in the CN, is presented below in Annex 1.

Response: Not Cleared

Secretariat: CAR 2: Not cleared.
The revised concept note includes an alignment table with the Adaptation Fund Strategic Results Framework (pages 53-57). The project aligns with Fund Outcomes 1, 2, 3, 4 and 5. However, Output 3.1 is not included in the table, so that the output-level amounts total USD 2,850,000 against the Outcome 3 allocation of USD 2,950,000; Output 3.2, which carries the community adaptation financing of USD 2,050,000, is not mapped to Fund Output 2.2 and Indicator 2.2 on local institutions receiving funding directly or other direct support under the locally led adaptation modality; and the Fund indicator column for Output 3.2 lists an output title in place of an indicator. Please complete the table accordingly.

Response: Not Cleared

IE: Response to CAR2 (Table 10, Pg.47 and 48)
The comment is noted, and the Adaptation Fund Strategic Results Framework alignment table has been revised accordingly. Output 3.1 has been aligned with relevant institutional capacity and environmental and social risk management indicators, while Output 3.2 has been explicitly mapped to Fund Output 2.2 and Indicator 2.2 on local institutions receiving direct support under the locally led adaptation modality. The Fund Output Indicator column has also been corrected to show the relevant indicator rather than the output title.

Response: Cleared

Secretariat: CAR2: Cleared (Table 10 on p.47 and 48).

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: Pending

Secretariat: Sustainability rests on embedding adaptation in the municipal planning and budgeting cycle, and on strengthening community institutions and user groups, which also assigns responsibility for operating and

maintaining the interventions to local management committees. Section J also refers to revolving funds, adaptation funds, cooperative-based financing, public–private–community partnerships and multi-level vertical funding, to social audits and intergovernmental fiscal transfers, and to disaster risk management committees, youth networks, cooperatives, farmer organisations and water user committees, which are not reflected in the outputs or activities. No exit strategy is presented, and the operation and maintenance of the hydro-meteorological stations and the discharge measurement system after project completion is not assigned.

CR 15: Please clarify, to the extent possible at the concept note stage, how the long-term sustainability of outcomes will be ensured, including the sustainability criteria to be applied to the selection and approval of the unidentified sub-projects, and the arrangements for operation, maintenance and follow-up after project closure, including which institution will operate and maintain the hydro-meteorological stations and the discharge measurement system.

CR 16: Please clarify under which activities the revolving funds, cooperative-based financing, public–private–community partnerships and the community institutions described in the sustainability section will be delivered.

CR 17: Please indicate under which activity the exit strategy will be developed, the responsible entity and the budget allocated for it.

Response: Not Cleared

IE: Response to CR15B (Pg. 40 and 41)
The project's sustainability strategy is based on three complementary pillars: (i) institutional sustainability, (ii) financial sustainability, and (iii) technical and operational sustainability. Institutional sustainability will be achieved by integrating locally led adaptation priorities into the statutory municipal planning and budgeting process through the revised LAPA Framework (2019), strengthening municipal technical capacity, and formalizing community management arrangements for adaptation investments. Financial sustainability will be promoted through municipal budget allocations, cooperative-based financing mechanisms, local resource mobilization, and partnerships with provincial and federal programmes. Technical sustainability will be supported through capacity building for municipalities, community-based organizations, and user groups responsible for operation and maintenance.
All community adaptation sub-projects under Output 3.2 will be required to meet sustainability criteria before approval. The sub-project appraisal process will include assessment of (i) long-term climate resilience benefits; (ii) operation and maintenance arrangements; (iii) community ownership and participation; (iv) financial viability; (v) institutional responsibility after project completion; (vi) environmental and social sustainability; and (vii) integration with municipal development and adaptation plans. Each approved sub-project will include a sustainability and operation and maintenance plan.
The hydro-meteorological stations and discharge measurement system under Output 3.3 will be owned and operated by the participating municipalities, with technical support from the Department of Hydrology and Meteorology (DHM) and other relevant technical agencies where applicable. During project implementation, municipal technical staff will receive training on operation, maintenance, data management, and routine monitoring. Municipalities will commit to allocating resources for operation and maintenance through their annual budgets, while the generated hydrological and climate information will be integrated into municipal disaster risk management and water resource management systems.
The full proposal will provide a detailed sustainability framework, operation and maintenance arrangements for all infrastructure investments, institutional responsibilities, and post-project follow-up mechanisms.

Response to CR16 (Pg. 41 and 42)
The sustainability mechanisms described in Section J will be explicitly linked to activities under Outputs 2.1 and 3.2.

Cooperative-based financing mechanisms will be supported under Activity 2.1.5 (Support diversified financing mechanisms for adaptation interventions), which will strengthen local financial mechanisms for sustaining adaptation investments, including partnerships with local cooperatives and community organizations.
Community institutions, including water user groups, community forest user groups, farmer organizations, women's groups, youth networks, and other eligible community organizations, will be strengthened under Activity 2.1.3 (Capacity building for local institutions and community organizations) and Activity 2.2.3 (Strengthening community implementation and management systems). These activities will support institutional strengthening, governance, financial management, operation and maintenance, and participatory monitoring of adaptation investments.
Public–private–community partnerships (PPCPs) will be promoted under Activity 2.1.4 (Strengthening municipal adaptation financing and partnership mechanisms), which will support municipalities in developing partnerships for climate-resilient water management, ecosystem restoration, local enterprise development, and operation and maintenance of selected adaptation investments.
The reference to revolving funds in the original concept note has been revised. Rather than establishing a stand-alone revolving fund, the project will strengthen community adaptation financing mechanisms linked to existing cooperative and municipal financing structures, thereby improving financial sustainability while avoiding the creation of parallel financial institutions.

Response to CR17 (Pg. 41 and 42)
The exit strategy will be developed and implemented under Activity 2.1.2 and 2.1.3 (Institutionalization and sustainability planning for locally led adaptation at municipal and community levels).
The exit strategy will be prepared during the first year of project implementation, with responsibility led by the Executing Entity in partnership with the participating municipalities, provincial governments, and relevant federal agencies. Community organizations and local stakeholder platforms will participate in the preparation of municipal sustainability and transition plans.
The exit strategy will include: (i) transfer of responsibilities for operation and maintenance; (ii) municipal budget integration of adaptation investments; (iii) institutionalization of community management arrangements; (iv) long-term financing and partnership strategies; (v) knowledge transfer and capacity retention measures; (vi) operation and maintenance plans for hydro-meteorological stations and hydrological monitoring systems; and (vii) post-project monitoring and follow-up arrangements.
A dedicated budget allocation for exit and sustainability planning will be included under Component 2 (Institutional Strengthening). The full proposal will specify the budget allocation, timeline, institutional responsibilities, and monitoring framework for implementation of the exit strategy.

Response: Cleared

Secretariat: CR 15B: Cleared. (page 48)
The revised concept note sets out the sustainability strategy across institutional, financial and technical pillars, the sustainability criteria to be applied to sub-project selection and approval, and the arrangements for the hydro-meteorological stations and discharge measurement system, which will be owned and operated by the participating municipalities with technical support from the Department of Hydrology and Meteorology and resources allocated through municipal annual budgets.

CR 16: Cleared. (pages 45-46)
The revised concept note links the financing mechanisms and community institutions described in the sustainability section to Activities 2.1.3, 2.1.4 and 2.1.5, and the reference to a stand-alone revolving fund has been replaced by the strengthening of community adaptation financing mechanisms linked to existing cooperative and municipal structures.

At the fully developed proposal stage, please reflect these mechanisms, including the cooperative-based

financing and the public–private–community partnerships, explicitly within the corresponding activity descriptions.

CR 17: Cleared. (page 46)
The revised concept note specifies that the exit strategy will be developed under Activities 2.1.2 and 2.1.3 during the first year of implementation, led by the Executing Entity with the participating governments, with a dedicated budget allocation under Component 2.

At the fully developed proposal stage, please reflect the preparation of the exit strategy explicitly in the corresponding activity descriptions and budget.

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: The concept note states that the project has been preliminarily categorized as Category C in page 44, and includes a Checklist of Environmental and Social Principles, and commits to develop an ESMF and apply stepwise screening to USPs at the full-proposal stage.

However, the project's own ESSS Screening Report (page 9) categorizes the project as B2, and the concept note's Checklist itself identifies several principles as posing Moderate risk (Human Rights, Core Labour Rights, Climate Change) while the project delivers small civil works (check dams, embankments, retaining walls, irrigation) through a USP approach, all of which are inconsistent with a Category C classification. The Checklist also rates Indigenous Peoples as "No Risk" (page 44), inconsistent with a ~60% Indigenous/marginalized target population, the project's own FPIC commitments, and the ESSS Screening Report's own treatment of Indigenous Peoples and Physical and Cultural Heritage as risks requiring management; and it mixes risk identification with justifications and mitigation measures.

CR 18: Please revise the Checklist of Environmental and Social Principles so that it is consistent with the project's own ESSS Screening Report, which identifies Labour and Working Conditions (including child labour), Indigenous Peoples and Physical and Cultural Heritage as risks requiring management. In particular, please separate the identification of potential risks from the description of justifications and mitigation measures, and reassess the "No Risk" ratings, notably for Indigenous Peoples, Involuntary Resettlement, Public Health, Physical and Cultural Heritage, and Pollution Prevention and Resource Efficiency, specifying the corresponding safeguard measures.

CR 19: Please state in short description a brief overview of the plan to ensure management of USPs. Follow the guidance document here: https://www.adaptation-fund.org/document/guidance-document-for-project-programme-with-unidentified-sub-projects/

Response: Not Cleared

IE: Response to CR18 (Pg. 43, 44 and 45)
The project will be treated as requiring further environmental and social assessment and management, consistent with the preliminary screening reflected in the ESSS Screening Report. The revised checklist has clearly separated (i) identification of potential environmental and social risks from (ii) the corresponding mitigation and management measures, and has removed the current mixing of risk identification, justification, and mitigation. The risk ratings are revised to reflect the project context. Indigenous Peoples, Core Labour Rights, Human Rights, Climate Change, Pollution Prevention and Resource Efficiency, Public Health, Physical and

Cultural Heritage, and Involuntary Resettlement are treated as principles requiring further assessment and management. Indigenous Peoples is no longer be rated as “No Risk, given that a substantial proportion of the target population consists of Indigenous communities.
Revised table to replace the previous table of the concept note.
This table is presented in Annex 2 below.

Response to CR19 (Pg. 43)
The project will apply a structured Environmental and Social Management Framework (ESMF) and Environmental and Social Management Plan (ESMP) for the identification, assessment, approval, implementation, and monitoring of all Unidentified Sub-Projects (USPs), consistent with the Adaptation Fund’s updated guidance on USPs. The project uses a partially unidentified USP approach, where the types of adaptation interventions are defined but the exact locations and community-level investments will be selected during implementation through participatory municipal and community planning processes. No USP will be approved or implemented until its environmental and social risks have been identified, assessed, and appropriate management measures have been established.
Each USP will undergo a stepwise review process consisting of: (i) environmental and social screening against the 15 Environmental and Social Policy principles; (ii) assessment of identified risks and anticipated impacts; (iii) preparation of appropriate safeguard instruments and mitigation measures, including site-specific ESMPs where required; (iv) stakeholder consultation and application of gender-responsive and inclusive approaches, including Free, Prior and Informed Consent (FPIC) where applicable; (v) review and approval by the responsible municipal and project safeguard authorities; and (vi) implementation, supervision, monitoring, and reporting. The ESMP will be updated throughout implementation to incorporate the risks, assessments, consultations, and management measures for each USP, ensuring that unidentified sub-projects are subject to the same safeguard standards as fully identified project activities. Municipalities and community organizations will be responsible for first-level implementation and monitoring, while the Executing Entity will provide safeguard oversight, capacity building, quality assurance, and reporting to ensure compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy.

Response: Not Cleared

Secretariat: CR 18: Not cleared.
The checklist has been revised to separate risk identification from mitigation measures and to reassess the ratings, with Indigenous Peoples and the other principles identified in the ESSS Screening Report now treated as requiring further assessment and management (page 48-52). However, the environmental and social risks section itself does not state the project's risk categorization, while the consultative process section continues to state that the project is preliminarily categorized as Category C (page 43), which is not consistent with the revised checklist or with the B2 categorization in the project's own ESSS Screening Report (pages 9 and 11). The passage introducing the revised checklist also reproduces the response-sheet description of the revisions made rather than proposal text. Please state the environmental and social risk category in the environmental and social risks section, remove the inconsistent statement from the consultative process section, and delete the editorial passage.

CR 19: Cleared. (page 47)
The revised concept note describes USP approach and the stepwise screening, assessment, safeguard instrument preparation, consultation, approval and monitoring process to be applied to each sub-project under the ESMF and ESMP, consistent with the Fund's guidance.

Response: Not Cleared

IE: Response to CR18 (Pg. 39 and 43)
The inconsistent reference to the project being preliminarily categorized as Category C in the consultative process section has been replaced by Category B2 with brief justification in accordance with ESSS Report (page 39, under heading H). The editorial text describing revisions made in response to the Secretariat's comments is also deleted and replaced with substantive proposal text explaining environment and social risk category as B2 (page 43, under heading K).

Response: Cleared

Secretariat: CR18: Cleared (p.39 and 43)

Resource Availability

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

Response: Not Cleared

Secretariat: The requested financing of US$4,998,707 is within the country cap of US$5,000,000.

The Project Formulation Grant of US$140,000 is requested.

Response: Not Cleared

IE: The project complies with the Adaptation Fund financing limits for Locally Led Adaptation (LLA) single-country grants. The requested project financing of US$4,998,707 is within the maximum country allocation of US $5,000,000 for LLA single-country projects and programmes.
In addition, the project requests a Project Formulation Grant (PFG) of US$140,000 to support the preparation of the full proposal, which we understand does not count into the USD5 million cap for LLA single country grants. The requested PFG will support undertake comprehensive set of preparatory activities to undertake necessary consultation, assessments, data collection and validations to develop technically robust and full proposal for the Adaptation Fund's Locally Led Adaptation (LLA) funding window that is fully compliant with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy, and Results Framework. The PFG will finance community and stakeholder consultation, including FPIC, technical, socio-economic and gender analyses including validation, and field studies to understand granularity of the localized climate impacts and adaptation interventions needed across four targeted municipalities and the communities in Lumbini province. Through these preparatory activities, the PFG will generate the evidence base, stakeholder ownership, technical design, safeguard compliance, institutional arrangements, and implementation readiness - necessary to develop a robust full proposal for submission to the Adaptation board. The process will ensure that the proposed project is grounded in local realities, addresses the needs of the most climate-vulnerable populations, and delivers transformational adaptation benefits through nature-based locally led adaptation actions consistent with the Adaptation Fund's LLA modality, while promoting climate-resilient and inclusive development pathways.

Response: Not Cleared

Secretariat: CR 20: Not cleared.

The requested financing of US$4,998,707 is within the country cap for LLA single-country projects, and the Project Formulation Grant of US$140,000 is within the standard PFG amount for locally led adaptation projects

and is itemised and justified by activity in the PFG application form. However, the form does not include the signature and date of the Implementing Entity Coordinator. Please complete and resubmit the signed form.

Response: Not Cleared

IE: Response to CR20
The comment is noted. The PFG application form has been completed with the required signature and date of the Implementing Entity Coordinator. It is resubmitted.

Response: Not Cleared

Secretariat: CR20 is Cleared. However one pending issue in the PFG application remains where "local communities" are included in the executing entity field. As only identified legal entities may be listed as executing entities, please remove this generic reference or replace it with the name of a specific legally constituted entity, if applicable.

Response: Not Cleared

IE: Response to CR20
PFG has been corrected, local communities have been removed as suggested, to include on legally constituted entity and EE.

Response: Cleared

Secretariat: The EE name has been revised.

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: The Implementing Entity Management Fee (US$391,605) is at the 8.5% cap.

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

Response: Cleared

Secretariat: Yes. The Project/Programme Execution Cost (US$437,676) is at the 9.5% cap.

Eligibility of IE

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

Response: Pending

Secretariat: Accreditation status: Accredited (Special extension per Decision B.46/9)
Accreditation Expiration Date: 30 October 2027

CR 21: Please clarify the division of responsibilities between the Implementing Entity and the Executing Entity, including whether the Executing Entity will manage any project funds.

Response: Cleared

IE: The project is submitted through the UN Habitat as the Accredited Implementing Entity (IE) of the Adaptation Fund. UN-Habitat, as the accredited Implementing Entity, will have overall responsibility for project oversight, compliance with the Adaptation Fund's fiduciary standards, Environmental and Social Policy, Gender Policy, results framework, procurement oversight, financial supervision, quality assurance, monitoring and evaluation oversight, and reporting to the Adaptation Fund Board. UN-Habitat will also be responsible for disbursement authorization, review of annual work plans and budgets, supervision of project implementation, and ensuring compliance with all Adaptation Fund policies and procedures.
YAE, as the Executing Entity, will be responsible for project implementation and coordination in target municipalities, technical management of project activities, procurement and contract management in accordance with agreed procedures, financial management of project resources transferred for implementation, supervision of field activities, coordination with municipalities and community organizations, monitoring and reporting, safeguard implementation, stakeholder engagement, and knowledge management activities.
The Executing Entity will manage project funds allocated for implementation activities in accordance with a financing agreement with UN-Habitat and the approved financial management, procurement, and reporting procedures. All fund transfers to YAE will be subject to UN-Habitat's fiduciary oversight, financial monitoring, audit requirements, and periodic reporting. YAE will maintain separate project accounts, financial records, supporting documentation, and internal control systems, and will submit regular financial and technical reports to UN-Habitat.
The governance structure will therefore ensure that UN-Habitat retains overall fiduciary accountability to the Adaptation Fund, while YAE serves as the operational and financial manager for project implementation, providing technical leadership, local coordination, and implementation support in the four target municipalities. The role of IE and EE will be further detailed in the full proposal.

Response: Cleared

Secretariat: CR 21: Cleared. (page 58)
The division of responsibilities is clarified: UN-Habitat retains overall fiduciary accountability, while the Executing Entity manages the funds allocated for implementation under a financing agreement subject to UN-Habitat's oversight, audit and reporting requirements. At the fully developed proposal stage, please provide the fund-flow arrangements and the financial management capacity of the Executing Entity.

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

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ADAPTATION FUND

LOCALLY-LED ADAPTATION PROJECT/PROGRAMME PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:	**Building Resilient Communities through Locally Led Nature-Based Climate Action in Lumbini Province, Nepal**
Country:	**Nepal**
Thematic Focal Area:	Disaster risk reduction and early warning systems
Type of Implementing Entity:	Multilateral Implementing Entity
Implementing Entity:	**United Nations Human Settlements Programme (UN-Habitat)**
Executing Entities:	**Youth Alliance for Environment (YAE)**

Amount of Financing Requested: **4,998,707** (in U.S Dollars Equivalent)

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

Amount of Requested financing for PFG: US$ 140,000 (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.

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Project Background and Context

Nepal is a landlocked country in South Asia, between India and China, with an area of 147,516 sq. km., spanning latitudinally from the flat Tarai plains in the south to the hills in the middle, and the Himalayas in the north. The total population of the country is 29.2 million, with almost 54% of the population concentrated in the Tarai and inner Tarai regions, which account for 23% of the total area of the country.[1] Nepal underwent federal restructure in 2015, and was administratively divided into 7 provinces, 77 districts and 753 municipalities, out of which 293 are urban municipalities.

Nepal is classified as a low-income economy with a GDP of approximately US$ 40.9 billion in 2023, translating to a per capita income of around US$ 1,378[2]. The agricultural sector remains the main economic activity, contributing approximately 23.95% to GDP. Industry spanning manufacturing and construction accounts for about 14.29% of GDP, while the services sector, anchored in tourism, IT and trade, represents the largest share at roughly 61.76%[3].

Nepal is one of the highly vulnerable countries to climate change due to its fragile mountain ecosystems, diverse ecological regions and strong dependence on climate-sensitive sectors such as agriculture, water resources, forestry, and tourism. Despite contributing only 0.041% of global CO_2 emissions[4]. The country faces increasing floods, landslides, droughts, heatwaves, glacier retreat, and other climate-induced disasters that threaten livelihoods, biodiversity, infrastructure, and economic stability. Environmental degradation, increasing intensity and frequency of climate-induced disasters, and rapid ecosystem loss further amplify these risks, particularly for marginalized communities, who rely heavily on natural resources for survival.

These climate and environmental challenges are increasingly intersecting with Nepal's rapid urban transition[5] as Nepal is rapidly urbanizing, with 27% of the population in urban and 40% in emerging peri-urban areas.[6] Growing migration toward municipalities and peri-urban areas, are increasing climate vulnerability by placing pressure on infrastructure, services, and natural ecosystems. Many low-income households settle in hazard-prone locations with limited access to climate-resilient housing, drainage, and basic services, increasing their exposure to flooding, heat stress, landslides, and water scarcity. At the same time, unplanned urban expansion is converting agricultural land, forests, wetlands, and other green spaces into built-up areas, reducing natural drainage and ecosystem services while increasing flood and heat risks Municipalities often lack the resources and capacity to keep pace with this growth, resulting in infrastructure and service gaps, and socio-economic inequalities, that further exacerbate. urban climate vulnerability, especially of low-income and marginalized groups living in hazard-prone areas.

Lumbini Province, where the proposed project is planned for implementation, is located in mid-western Nepal. The province reflects many of these emerging urban and climate-related challenges with rapid socio-economic and spatial transformation. It recorded an annual population growth rate of 1.24%[7] between 2011 and 2021, considerably higher than the national annual growth rate of 0.92%. The province is urbanizing, with approximately 68.9% of its population living in urban and peri-urban areas, slightly higher than the national figure of 66.9%.[8] Urban expansion, particularly along major transport corridors such as the East-West Highway, has led to unplanned settlement growth, pressure on ecosystems, and increased exposure of vulnerable populations to climate risks. The Provincial Planning Commission has further emphasized that unregulated urbanization and environmental degradation are key drivers of increasing disaster vulnerability across the province.[9]

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[1] NSO (2023). Degree of Urbanization Report. National Statistics Office. Kathmandu, Nepal
[2] World Bank. (2023). Nepal GDP and Economic Indicators 2023. Washington, D.C.: World Bank Group.
[3] Ministry of Finance (MoF). (2023). Economic Survey 2022/23. Kathmandu: Government of Nepal.
[4] Worldometer. (2024). Nepal CO2 emissions. https://www.worldometers.info/co2-emissions/nepal-co2-emissions/
[5] According to the National Statistics Office, the dominant national migration pattern is from rural municipalities to urban municipalities, accounting for 51.3 % of all internal migrants.
[6] NSO (2025). Urbanization and Development in Nepal. National Statistics Office. Kathmandu: (https://censusnepal.cbs.gov.np/results/files/result-folder/Urbanization%20and%20Development%20in%20Nepal.pdf)
[7] Lumbini province had the highest annual growth rate between 2011 and 2021 among the 7 provinces in Nepal
[8] NSO (2025). Urbanization and Development in Nepal. National Statistics Office. Kathmandu (https://censusnepal.cbs.gov.np/results/files/result-folder/Urbanization%20and%20Development%20in%20Nepal.pdf)
[9] Provincial Planning Commission. (2024). *Lumbini Province Profile 2081*. Government of Lumbini Province. https://ppc.lumbini.gov.np/media/publications/Lumbini_Profile_To_Print.pdf

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Environmental and Climate Change Context

Nepal has witnessed a mean annual temperature rise of 0.056°C since the 1970s, whereas the Himalayas temperature is rising faster than the global average. Nepal is projected to experience accelerated warming than the global average, with the mean temperature likely to increase by 1.8–2.8°C by 2050 under the SSP2-4.5 (intermediate emissions) scenario, with significantly higher warming projected under higher-emission pathways[10]. Accelerated glacier retreat, with 20–30% of Himalayan glacier volume projected to be lost by 2050, adversely impacts water security. It impacts the river network comprising over 6,000 rivers and streams with an estimated mean annual runoff of 225 billion cubic meters, facing pressure from glacial retreat, sedimentation, and water quality degradation[11]. Land degradation, already affecting an estimated 20% of Nepal's cultivable area, will have direct consequences for agricultural productivity.[12]

Further, over the past few decades, Nepal has experienced noticeable climatic change impacts, including rising temperatures, increasing incidents of heatwaves, irregular rainfall patterns, prolonged droughts, erratic monsoon rainfall, forest fires, glacier retreat, and increasing frequency of extreme weather events. These climatic variations have intensified disasters such as floods, landslides, glacial lake outburst floods, forest fires, and heatwaves. The National Adaptation Plan (NAP) 2021-2050 underscores the impacts of climate-induced disasters resulting in significant social, economic, and environmental losses across the country.

Lumbini Province is characterized by a highly diverse ecological landscape that spans across *Chure–Siwalik* hills[13], mid-hills, and fertile Tarai plains. This ecological diversity exposes the province to multiple and intensifying climate and disaster risks[14] including floods, landslides, drought, heat stress, forest fires, and increasingly erratic monsoon patterns, resulting in significant human and economic losses, affecting thousands of households annually and disrupting livelihoods, agriculture, and infrastructure systems.[15]

The four target municipalities in Lumbini province form an interconnected or contiguous socio-ecological landscape within the *Chure*–Tarai region of Lumbini Province, with shared natural resources and associated climate and environmental risks. The municipalities collectively represent a highly climate-vulnerable transition zone extending from the fragile *Chure* hills and upstream watersheds to densely populated downstream Tarai plains. Municipal-level vulnerability assessments further indicate relatively high climate vulnerability across all four municipalities, with vulnerability index scores of 0.76 in Shitaganga, 0.754 in Banganga, 0.71 in Buddhabhumi, and the highest score of 0.815 in Shivaraj Municipality.[16] Their environmental conditions, settlement patterns, and livelihood systems are closely interdependent, where upstream land degradation and ecosystem loss directly influence downstream flooding, sedimentation, and water insecurity.

Building on these interconnected vulnerabilities and contiguous landscape, the target municipalities face a combination of environmental degradation, climate-induced hazards, and rapid land-use change. The upstream *Chure* areas in Shitaganga are characterized by steep terrain, forest-dominated landscapes, and fragmented agricultural valleys that are highly susceptible to landslides, soil erosion, flash floods, and land degradation. Deforestation, unmanaged road construction, and expansion of agricultural land have further destabilized slopes and accelerated sediment runoff into downstream systems.

[10] World Bank. (2021). Nepal —Mean Projections. Climate Change Knowledge Portal. https://climateknowledgeportal.worldbank.org/country/nepal

[11] Water and Energy Commission Secretariat (WECS). (2011). Water Resources of Nepal in the Context of Climate Change. Kathmandu.

[12] Ministry of Land Management, Cooperatives and Poverty Alleviation. (2022). Land Degradation Status Report. Kathmandu. Nepal

[13] Chure is the youngest and fragile mountain belt of Nepal that stretches 800 km across east-west stretch, as serves as crucial ecological buffer and watershed for the Tarai region

[14] According to the Ministry of Home Affairs disaster database, Lumbini Province has experienced a steady increase in climate-induced disasters over the past decade, with floods and fire incidents being the most recurrent hazards, particularly in Tarai districts.

[15] World Bank (2023). Climate Risks, Exposure, Vulnerability and Resilience in Nepal, Kathmandu, Nepal.

[16] MoFE. (2021). Vulnerability and Risk Assessment and Identifying of Adaptation options in Disaster Risk Reduction and Management (DRRM). Ministry of Forests and Environment, Government of Nepal. Kathmandu, Nepal.

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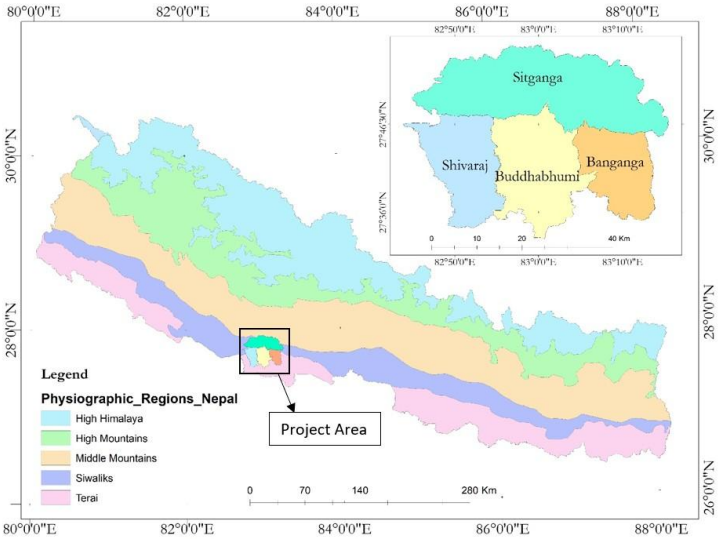

Figure 1 Proposed Project Area and distinct physiographic regions of Nepal

At the same time, the downstream municipalities of Banganga, Buddhabhumi, and Shivaraj are increasingly exposed to riverine flooding, inundation, riverbank erosion, heat stress, drought, and seasonal water scarcity linked to monsoon variability and upstream watershed degradation. Settlements and agricultural land along the Banganga, Kothi, and Koili rivers frequently experience flooding during the monsoon season, resulting in damage to homes, irrigation systems, roads, and cropland. Seasonal rivers originating from the *Chure* hills also overflow during intense rainfall, while landslide incidents in Shivaraj[17] disrupt transport connectivity and affect local livelihoods and mobility. Erratic rainfall patterns, prolonged dry spells, and rising temperatures are increasingly affecting agricultural productivity, drinking water availability, public health, and municipal services, particularly for low-income and agriculture-dependent communities.

Effectively mitigating these diverse, escalating climate risks requires moving away from isolated sectoral projects toward a comprehensive territorial approach across the municipalities. Whether dealing with the steep, unstable terrains of Shitaganga or the rapidly urbanizing plains of Banganga, Buddhabhumi, and Shivaraj, these target areas require an integrated response that addresses both climate-induced disasters and slow-onset environmental stress across their shared administrative, urban and ecological boundaries.

Social Context

Nepal features rich social diversity with persistent inequalities tied to geography, caste, ethnicity, gender, and socioeconomic status. Despite steady poverty reduction, structural vulnerabilities restrict Indigenous Peoples, Dalits, Madhesis, Muslims, women, and landless households from equally accessing secure housing, water, sanitation, and essential public services.[18] With over 20% of the population still below the poverty line,[19] these structural disparities are acutely pronounced in environmentally fragile areas where marginalized communities depend heavily on climate-sensitive livelihoods.

Reflecting these national dynamics, the proposed municipalities within the Lumbini province exhibit severe social vulnerabilities with the four target municipalities home to socially diverse populations, of whom about 60% of the population as Indigenous, Dalit, Madhesi, Muslim, and other marginalized communities, living across both environmentally fragile *Chure* landscapes and rapidly urbanizing Tarai settlements. A substantial segment of the

[17] Several incidents of landslides occur frequently in the area. An example from a national online media: https://english.ratopati.com/story/61042/floods-and-landslides-disrupt-various-major-highways-in-the-country
[18] NGO Federation of Nepal. (2025). Nepal Country Inequality Report (CIR 2025). NGO Federation of Nepal. https://ngofederation.org/uploads/news/files/CIR_Full_Report.pdf
[19] https://giwmscdnone.gov.np/media/pdf_upload/Small%20Area%20Estimation%20of%20Poverty%2C%202023_a64dhsj.pdf

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urban and peri-urban population are dependent on climate-sensitive sectors like agriculture and informal labour, severely constraining their adaptive capacity when facing environmental shocks.[20] This vulnerability is further amplified by unplanned urbanization that outpaces municipal capacity, leaving municipalities with severe deficits in basic services, including stormwater drainage, safe drinking water and waste management systems.

Low-income and marginalized communities are structurally pushed into high-risk, remote and hazard-prone zones, such as riverbanks and steep slopes, where they face heightened exposure to flash floods, erosion, and landslides[21] due to historical marginalization prohibiting access to land, including forced eviction from fertile land, and centralized conservation policies. These indigenous population have greater dependence on natural resources for their day-to-day subsistence which also corresponds to increased vulnerability to climate hazards and disasters.[22] Women, low-income households, landless populations, elderly people, persons with disabilities, and marginalized communities are often disproportionately affected due to insecure housing conditions, limited access to climate-resilient services and infrastructure, and reduced adaptive capacity in hazard-prone areas.[23]

Addressing these cross-cutting vulnerabilities requires a shift from isolated sectoral approach toward integrated, inclusive frameworks that build local adaptive capacity while reversing ecosystem degradation adopting a multilevel territorial approach. The socio-ecological baseline creates an ideal landscape to scale Locally Led Adaptation (LLA) and Nature-based Solutions (NbS), as emphasized in Nepal's National Adaptation Plan (NAP). Whether dealing with the steep, unstable terrains of Shitaganga or the urbanizing plains of Banganga, Buddhabhumi, and Shivaraj, these target areas require an integrated response that addresses both climate-induced disasters and slow-onset environmental stress across their shared administrative, urban and ecological boundaries. Furthermore, leveraging these interconnected municipal challenges opens clear pathways to embed climate-informed investment planning, unlock climate financing, and establish community-driven adaptation practices for long-term, inclusive green development.

Economic Context

Nepal primarily utilizes its abundant water and forest resources to generate clean hydropower energy, support rural livelihoods, and drive a thriving eco-tourism industry. Additionally, the country leverages its fertile agricultural plains and rich mineral deposits for national food security and fuel domestic construction industries. The agricultural sector remains central to the economy, supporting the livelihoods of around 60% of the population and contributing approximately 23.95% to the national GDP.

Ecological degradation and unmitigated climate risk carries a massive macroeconomic penalty, with economic losses expected to cost Nepal 2.2 percent of its annual GDP by 2050.[24] Monsoon-driven flooding in the Tarai inflicts economic losses of approximately US$ 100 million annually, displacing thousands of residents each year[25]. The compounding nature of these fiscal shocks was vividly demonstrated by the extreme late-monsoon disaster of September 2024, which generated an unprecedented approximately US$ 300 million in total economic losses in just three days. During the September 2024 floods, infrastructure damage spiked to an astounding 83% of total losses, crippling 26 vital hydropower facilities and severely damaging 41 crucial highway sections, while swamping of 65,380 hectares of agricultural land and the loss of 26,698 livestock dealt a severe blow to regional food security.[26]

The economies of the target municipalities heavily depend on climate-sensitive agriculture, livestock rearing, forest resources, and informal economies. This is compounded by high levels of labor migration and remittance dependency, which support household incomes, but also reduce local labor availability for climate-resilient land management and adaptation practices. The brunt of climate-induced disasters in the proposed area is disproportionately borne by subsistence farmers, indigenous groups, and marginalized landless households who

[20] Amadio, M., Behrer, A. P., Bosch, L., Kaila, H. K., Krishnan, N., & Molinario, G. (2023). *Climate Risks, Exposure, Vulnerability and Resilience in Nepal*. World Bank Group. https://doi.org/10.1596/40597
[21] Pyakurel, N. R., & Shrestha, D. K. (2025). Urban growth and informal settlements: Understanding the evolution of squatter communities in Kathmandu Valley. *NPRC Journal of Multidisciplinary Research, 2*(11), 103–122.
[22] https://www.worldbank.org/en/news/feature/2024/08/08/supporting-the-indigenous-peoples-and-local-communities-in-nepal-s-forest-sector
[23] Goodrich, C. G., Hussain, A., Pasakhala, B., Bano, K., Bhuchar, S., Chitale, V. S., Bisht, S., Bastola, A., & Silpakar, S. (2022). *State of gender equality and climate change in South Asia and the Hindu Kush Himalaya*. International Centre for Integrated Mountain Development (ICIMOD), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), and United Nations Environment Programme (UNEP). https://asiapacific.unwomen.org/sites/default/files/2023-05/state-of-ge-and-cc-in-sa-and-hkh-2d933.pdf
[24] Ahmed, M., & Suphachalasai, S. (2014). *Assessing the costs of climate change and adaptation in South Asia*. Asian Development Bank. https://www.adb.org/sites/default/files/publication/42811/assessing-costs-climate-change-and-adaptation-south-asia.pdf
[25] United Nations Environment Programme (UNEP). (2020). Flood Impacts in Nepal's Terai Region. Nairobi: UNEP.
[26] National Disaster Risk Reduction and Management Authority (NDRRMA). (2024). *A Preliminary Loss and Damage Assessment of Flood and Landslide (September 2024)*. Government of Nepal, Ministry of Home Affairs.

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rely directly on local natural resources for their daily survival. When localized water sources dry up or agricultural yields fail, women and marginalized groups face heavier labour burdens, as they must travel farther for water and fodder while possessing fewer resources to adapt.[27] Similarly, these climate-induced disasters and losses act as a powerful push factor that transforms migration from an economic choice into a survival necessity, driving demographic shift from the hills down towards the flat plains and major urban areas.[28]

This complex landscape offers a strategic opportunity to transform climate adaptation into a powerful engine for local economic resilience. The proposed municipalities could structurally secure livelihoods by scaling climate-smart agriculture, developing community-managed water harvesting, safeguarding local agrifood networks and micro-enterprises from climate shocks. Furthermore, these economic challenges open clear pathways to combine public development funds with private capital to finance green infrastructures with opportunities for sustainable job creation and diversified incomes.

Policy Context

Nepal has progressively developed policies to address the impacts of rapid urbanization and climate change. The National Urban Policy (2024) prioritizes planned and balanced urban development through improved urban governance, efficient land use, adequate infrastructure and service delivery, and the promotion of environmentally sustainable and climate-resilient urban growth. Likewise, National Environment Policy (2019) provides an overarching framework for environmental governance; the National Land Use Policy (2015) aims to regulate and optimize land use across the country; the National Forest Policy (2018) promotes sustainable forest management and conservation; the National Water Resource Policy (2020) governs the equitable and sustainable use of water resources; and the Climate Change Policy (2019) outlines Nepal's commitments and approach to addressing climate change impacts. Similarly, Nepal's Sixteenth Five-Year Plan (2024/25–2028/29) dedicates a standalone chapter on "Biodiversity, Climate Change & Green Economy", mainstreaming climate resilience, sustainable resource management, and green investment across all sectors of national development. Nepal's National Adaptation Plan (NAP 2021-2050) explicitly focuses on inclusive and climate-resilient cities through land use planning, nature-based adaptation solutions, and resilient building systems to support sustainable and inclusive development.

Building on this comprehensive national architecture, there is an increasing emphasis on shifting from high-level visioning to localized climate action and resilient urban development. However, realizing the targets of these expansive strategies ultimately hinges on strengthening implementation capacity at the municipal level, where the gap between national policy design and localized execution remains a primary bottleneck to climate resilience.

Nepalese municipalities face severe shortages and inaccessibility in funding and technical expertise, leaving them poorly equipped to plan or execute effective climate resilience strategies.[29] This institutional bottleneck leaves the vulnerable population directly exposed, turning environmental shocks into economic impacts that disrupts local livelihoods and derail national development progress. Addressing these systemic risks requires decisive action towards inclusive, participatory, and equitable resilience-building approaches that position municipalities as the key actors for local climate action.

Project Area: Municipalities Overview

Shitaganga Municipality, located from the Mahabharat Range down to *Churia* hills, serves as a major recharge zone and natural water tower for the wider landscape. The underground aquifers and seasonal river systems, including Banganga River system, originate from this upstream area. The agricultural productivity and drinking water security of Banganga, Buddhabhumi, and Shivraj municipalities are highly dependent on the forest cover, watershed, and soil stability of Shitaganga. Climate-induced hazards in Shitaganga have direct cascading impacts across the landscape. Intense and erratic rainfall in the upstream hills frequently triggers flash floods in the Tarai plains of Banganga, Buddhabhumi, and Shivraj. These floods cause rivers to overflow, inundate agricultural land, damage settlements and infrastructure, and deposit sterile sand over fertile farmland. At the same time, prolonged dry spells and changing monsoon patterns are contributing to declining water sources, soil erosion, and increased landslide risks in the hill areas.

[27] Magar, D. P. (2026). Climate Change, Migration and Social Vulnerability in Nepal. *BARUN Journal*, *3*(01), 27–43. https://doi.org/10.3126/barunj.v3i01.91558
[28] Pasa, R. B. (2026). "Leaving no one behind" or "forced to leave?": A qualitative study of climate change impacts on rural communities along the Lower Great Himalayan Trail, Nepal. *Climate and Development*. https://doi.org/10.1080/17565529.2026.2666877
[29] Khatri, D. B., Nightingale, A. J., Ojha, H., Maskey, G., & Lama 'Tsumpa', P. N. (2022). Multi-scale politics in climate change: The mismatch of authority and capability in federalizing Nepal. *Climate Policy*, *22*(8), 1084–1096. https://doi.org/10.1080/14693062.2022.2090891

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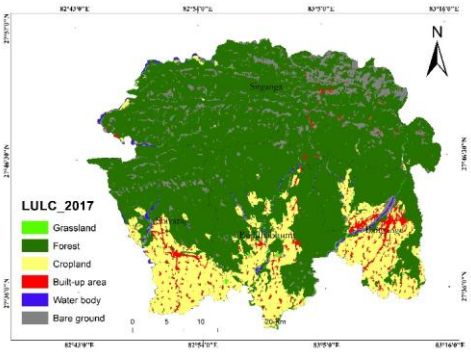
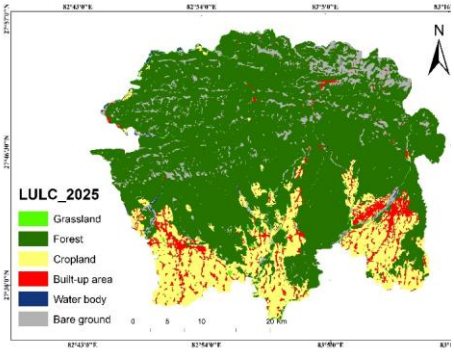
Overall, the Land Use and Land Cover (LULC) (Figure 2) analysis demonstrates increase in built-up areas by double from 2.72% to 4.58% over an eight-year period, representing a 68% increase driven primarily by urbanization in Shivraj, Buddhabhumi, and Banganga municipalities and cropland declined from 18.12% to 16.55%, indicating the conversion of agricultural land into settlements and urban infrastructure, a pattern increasingly common in peri-urban regions. Overall, the data reflects an urbanizing landscape where cropland and water bodies are gradually being replaced by expanding settlements.

The urbanization, together with contiguous ecological and socio-economic corridors, illustrates the complete cycle of climate hazards, watershed dynamics, migration patterns, and economic interdependence across hill and Tarai regions in the four target municipalities that face high and multidimensional vulnerability to climate change.

Despite the high climate sensitivity and economic importance of the Chure–Tarai corridor, these municipalities have received limited attention from international climate finance and donor-funded adaptation programs, which are often concentrated in Nepal's high Himalayan and western mountain regions. As a result, only basic government development activities are currently being implemented, with minimally targeted investment in climate resilience. In response to these interconnected challenges, the project aims to deliver concrete, locally led urban adaptation measures while strengthening multi-level governance systems to reduce flood, landslide, heat, drought and water-related risks in these highly vulnerable and urbanizing municipalities in Lumbini Province.



LULC of project sites 2017



LULC of project sites 2025

Figure 2 Comparison Map of LULC 2017 and 2025

Table 1: Key attributes of the four target municipalities

Category	Attribute	Shitaganga Municipality	Banganga Municipality	Buddhabhumi Municipality	Shivaraj Municipality
Physiology	Area (sq. km)	610.43	233.37	366.67	284.07
	Ecological Zone	Chure/Siwalik (fragile)	Tarai plains (alluvial plains)	Tarai plains	Chure foothill + Tarai plains
	River Basin	Banganga River basin (upstream catchment)	Banganga River basin (Kothi & Koili tributaries)	Seasonal river systems	Seasonal rivers from Chure range
Population	Total Population	37,691	96,714	76,507	84,810
	Male	17,752	45,407	36951	41,328
	Female	19,939	51,304	39,556	43,482
	Total Households	9,450	23,325	15,379	16,241
	Poverty rate 20.3% national	37%	15%	46%	45%
	Urbanization rate	100% rural	82.64% peri urban	53.44% peri urban	69.29% peri urban and urban
Ethnic Composition	Indigenous and socially marginalized Dalit groups	Indigenous communities (IPS) 43.61%, Dalit 19.95%	Indigenous communities 45.70%, Dalit 7.27%	Indigenous communities 44.66%, Dalit 6.05%	Indigenous communities 37.93%, Dalit 9.49%

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	Major Group	IPS & Dalits 63.09%	IPS & Dalits 53.17%	IPS & Dalits 50.71%	IPS & Dalits 47.42%
Climate Vulnerability	Vulnerability Score	0.76	0.754	0.71	0.815
	Primary Hazards	Landslides, soil erosion, drought, forest fires, water scarcity	Floods, inundation, waterlogging, heat stress	Floods, inundation, heat stress, drought, water scarcity	Floods, landslides, riverbank erosion, drought, heat stress
	Flood Hazard Zone	N/A	Yes; low-lying riverbank settlements	Medium to high flood hazard zones	Yes, from Chure seasonal rivers
	Heat Stress Risk	Moderate (dry spells)	High rising temperatures	High, prolonged dry spells	High, rising temperatures & dry spells
	Water Scarcity Risk	Yes, seasonal water stress	Yes, peak dry months	Yes, groundwater depletion	Yes, drinking water pressure in dry months
	Cascading/Secondary Hazards	Upstream runoff, land degradation	Riverbank erosion, sediment deposition, drainage congestion	Riverbank erosion, groundwater depletion, livelihood insecurity	Slope instability, surface runoff, sediment deposition
Livelihood & Economy	Livelihoods	Agriculture, natural resources	Agriculture, natural resources	Agriculture, natural resources	Agriculture, natural resources
	Agricultural Impacts	High sensitivity to climate variability; land damage	Declining productivity (rice & vegetables)	Declining productivity	Declining cereal & vegetable productivity
Land Use & Settlement	Landscape Description	Steep topography, forest-dominated, dispersed settlements	Flat alluvial plains, dense settlement, intensive agriculture	Flat agricultural land, dense settlement	Mix of Terai plains and Chure foothills
	Settlement Issues	Unplanned settlement growth, rapid rural road expansion	Floodplain encroachment, population growth	Dense settlement expansion	Rapid settlement expansion, road construction, encroachment
	Land Management Issues	Weak land management, degraded catchments	Unplanned land-use, riverbank erosion	Limited adaptive infrastructure	High slope instability, environmentally sensitive area encroachment
Gaps	Gaps	• Inadequate capacity development and insufficient skilled human resources to design, manage, and monitor climate-related programs and interventions. • Climate change remains a low priority in municipal budgeting and financing processes, resulting in limited allocation of resources toward adaptation and mitigation efforts. • Municipalities face constraints in generating and mobilizing domestic revenue, reducing their financial autonomy / sustainability for climate-responsive development • These challenges are further compounded by accelerating climate vulnerabilities and risks, which continue to increase pressure on local systems, infrastructure, livelihoods, and essential services, undermining development gains, deepen inequalities, and weaken the resilience of both communities and ecosystems.			
	Key Needs / Recommendations	Strengthen climate resilience, locally led adaptation	Integrated river basin management, climate-resilient urban & land-use planning	Climate-resilient planning, adaptive infrastructure	Watershed management, climate-resilient planning

The project will generate both direct and indirect adaptation benefits. Based on preliminary municipal demographic data, it is estimated that approximately 74,000-75,000 people (around 25% of the total population) will benefit directly from project interventions. Direct beneficiaries will include households participating in climate-resilient water management, ecosystem restoration, resilient livelihood support, community-based disaster risk reduction, and capacity-building activities, with particular attention to women, Indigenous Peoples, Dalit communities, persons with disabilities, and other climate-vulnerable groups. In addition, the entire population of the four municipalities, estimated at 295,772 people, is expected to benefit indirectly through improved watershed and ecosystem services, enhanced climate-resilient infrastructure, strengthened local governance and adaptation planning systems, improved disaster preparedness and early warning mechanisms, and increased water security and climate resilience across the landscape.

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The indicative demographic profile of direct beneficiaries is expected to include at least 50% women, approximately 20-25% youth (15-35 years), 30-35% Indigenous Peoples (including Tharu and other Indigenous communities), 10% Dalit households, and 3-5% persons with disabilities, with a particular focus on climate-vulnerable smallholder farmers, landless households, women-headed households, and other socially and economically marginalized groups. The final beneficiary estimates and demographic disaggregation will be confirmed during the full proposal stage following completion of the participatory Vulnerability and Risk Assessment (VRA) process.

Population projections based on the compound annual growth rates (CAGR) observed between 2001 and 2021 indicate the municipalities of Banganga, Buddhabhumi, and Shivaraj in Kapilvastu District experienced substantial population growth, reflecting ongoing urbanization driven by transportation connectivity, market expansion, and in-migration. Shivaraj recorded recorded the highest increase (66.66%), followed by Banganga (52.4%) and Buddhabhumi (40.1%). In contrast, Shitaganga Municipality of Arghakhanchi District experienced a population decline of 15.6%, largely attributable to out-migration. Trend-based projections suggest that by 2050 the populations of Banganga, Buddhabhumi, and Shivaraj could reach approximately 177,700, 124,600, and 177,900 respectively, while Shitaganga may decline to around 29,500. These trends indicate continued urban concentration in the Kapilvastu municipalities and demographic stagnation in the hill municipality of Shitaganga.

Table 2: Key attributes of the four target municipalities

Municipality	2001 Population	2011 Population	2021 Population	Change 2001–2021	Estimated CAGR	Projected 2050 Population
Banganga Municipality	63,449	75,354	96,714	52.40%	2.12%	~177,700
Buddhabhumi Municipality	54,590	65,458	76,507	40.10%	1.70%	~124,600
Shivaraj Municipality	50,886	67,162	84,810	66.66%	2.59%	~177,900
Shitaganga Municipality	44,679	43,401	37,691	−15.64%	-0.84%	~29,500

Sources: Used Census-based municipal population data and compound annual growth rate (CAGR) from 2001–2021/2011–2021 as appropriate

The proposed project addresses interconnected environmental, social, and economic vulnerabilities across Shitaganga, Banganga, Buddhabhumi and Shivaraj municipalities through a comprehensive urban and territorial approach, to translate national policies to local actions. Moving away from isolated sectoral projects, this multi-level framework addresses both urgent vulnerabilities and slow-onset environmental stresses across shared ecological boundaries to scale locally led and nature-based climate adaptation solutions in line with Nepal's National Adaptation Plan (NAP) (2021 – 2050) and National Urban Policy (2024).

Simultaneously, the project drives local economic resilience and social equity by enhancing livelihood opportunities to support the implementation of local climate adaptation actions. By facilitating the leveraging of diverse funding sources to finance climate adaptation and training youth, women, and marginalized groups in green entrepreneurship, the project plans to create sustainable jobs and ensure that the most vulnerable households are not left behind in the climate transition. This aligns with and contributes to the national policies and commitments under the Nationally Determined Contributions (NDC 3.0).

Project Objectives

The overall objective of the project is to enhance climate resilience of urbanizing municipalities that are interconnected and share common resources and climate challenges by strengthening a multi-level governance system using data-driven municipal planning and mobilizing climate finance to support inclusive, locally led nature-based solutions for climate adaptation that reduce climate risks for vulnerable populations. Key objectives are:

- To embed evidence-based and inclusive planning and investments that prioritize nature-based solutions for addressing water and heat-induced hazards through a territorial approach in a cluster of municipalities sharing ecosystems, risks and development pressures.
- To strengthen climate resilience at the local level by empowering municipalities and communities to prioritize, plan, implement and sustain nature-based solutions, to protect land and natural resources, secure housing, basic services including livelihood enhancement, through effective mobilization of blended financing and multi-level cooperation that enables local decision-making and long-term maintenance.
- To build resilience of at-risk populations in vulnerable urbanizing settlements by implementing locally led nature-based adaptation solutions to reduce immediate adverse impacts of climate change including water- and heat-related risks.
- To promote replication and scaling of effective nature-based adaptation practices through targeted policy interventions, knowledge generation, dissemination, and inclusive multi-stakeholder engagement at local, provincial and national levels to support institutional uptake and sustained financing.

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Theory of Change

IF the communities and local governments are engaged and empowered through climate risk and vulnerability data/evidences and strengthened participatory assessment, planning and budgeting process to undertake local adaptation planning process integrating local knowledge, indigenous technologies and decision making tools in four target municipalities in Lumbini province, **THEN** they will be able to systematically prioritize and integrate nature-based locally-led adaptation solutions into municipal planning and budgeting process to mobilize local and other climate financing sources for climate risk responsive investments, particularly reducing the risks of landslide, erosion, flood, heat and drought to most at-risk and vulnerable communities. The institutional innovation through territorial approach to address shared risks and resources together with vertical coordination with provincial and national governments will strengthen institutional cooperation and upscaling of approach.

IF the communities and local governments are strengthened to embed and undertake evidence based and participatory process to identify, prioritize, design, implement and monitor nature-based locally led climate adaptation interventions and IF they receive direct technical and financial support through to invest in climate actions such as nature based flood and erosion protection infrastructure, water system management, ground water recharge, regreening and climate-smart agriculture, with climate resilient livelihoods, **THEN** the climate risk of the most at risk vulnerable and marginalized communities will reduce, and together with territorial approach of risk reduction, protection of land and natural resources, resilient housing, secured basic services and improved livelihood to build overall adaptive capacity of the communities and the local government to climate-induced shocks and build climate resilience.

IF the knowledge generated from participatory process of implementing locally led adaptation, nature based solutions integrated with indigenous knowledge, territorial approach of risk reduction and climate financing models are documented and disseminated, and **IF** the local, provincial and national stakeholders actively engage in peer learning, multi-stakeholder coordination platforms, and with sustained local advocacy, **THEN** evidence-based locally led and nature based adaptation process and technologies will be upscaled and replicated at all levels, through collaborative effort of climate actors to institutionalize through policy support and climate financing.

THEREFORE, the communities and the local government in Lumbini province will have sustained transition toward climate-resilient development pathways through inclusive and risk informed planning, institutional strengthening and resources to implement nature-based climate adaption actions that will deliver measurable reductions in climate vulnerability of most at-risk and vulnerable communities. Likewise, the territorial approach of risk reduction through vertical cooperation with provincial and national government, and the knowledge generated and disseminate from implementation will contribute to strengthened collaboration for upscaling the efforts to build climate resilience and inclusive development through nature-based locally led adaptation action, beyond project area and timeline.

Figure 3: Logical framework to materialize theory of change

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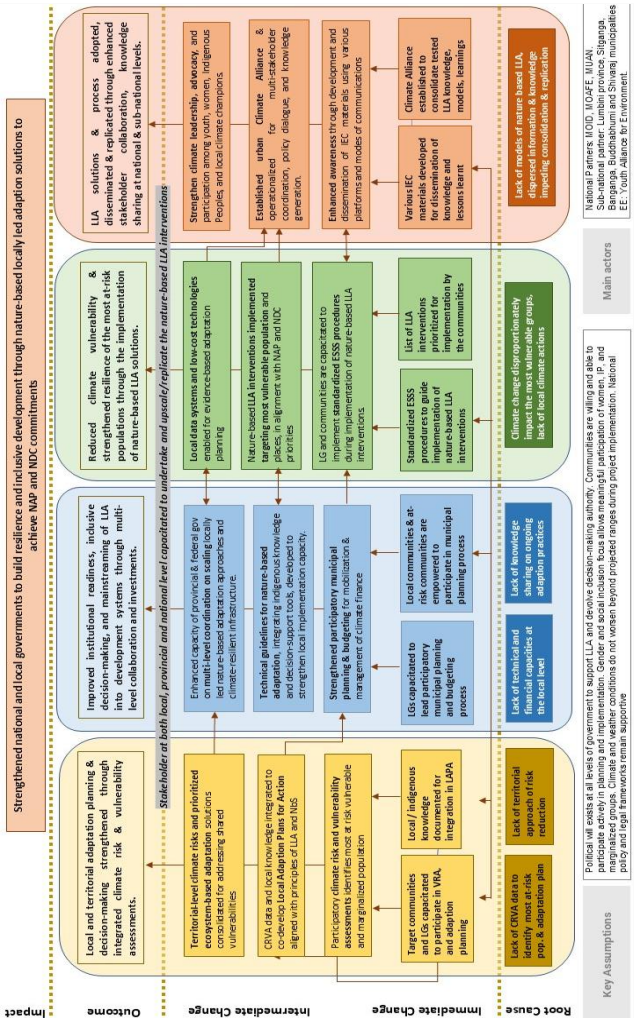

Project Components and Financing

The project is structured around four interlinked components designed to operationalize locally led adaptation in the ecologically vulnerable, socio-economically marginalized, and underserved communities of four target municipalities, namely Shitaganga, Banganga, Shivaraj and Buddhabhumi, in Lumbini Province. The outcomes of components are achieved through delivery of expected outputs with associated targeted activities, with an indicative budget, which is subject to refinement during the full proposal development phase.

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Table 3: Project components, associated budget and calendar

Project Components	Expected Concrete Outputs	Expected Outcomes	Amount (US$)
1. Participatory baseline assessment of climate vulnerabilities and risks	1.1: Climate risk and vulnerability assessments conducted and validated within target municipalities 1.2: Local Adaptation Plans of Action (LAPA) developed/updated, aligning with the principle of locally led adaptation and integrating nature-based adaptation solutions 1.3: Territorial-level climate risks and prioritized ecosystem-based adaptation solutions consolidated for addressing shared vulnerabilities.	Local and territorial adaptation planning and decision-making strengthened through integrated climate risk and vulnerability assessments	370,000
2. Strengthening municipal governance systems for the implementation of locally led adaptation, and its scaling across provincial and federal levels	2.1: Context-appropriate tools and mechanisms selected, adapted, and developed where necessary to support participatory urban municipal planning and climate finance mobilization for locally led adaptation 2.2: Comprehensive technical guideline developed for nature-based adaptation technologies and infrastructure incorporating indigenous knowledge and decision-support tools with enhanced capacities for implementation at local level 2.3: Enhanced capacity of provincial and federal governments for multi-level coordination on scaling locally led nature-based adaptation approaches and climate-resilient infrastructure	Improved institutional readiness, inclusive decision-making, and mainstreaming of LLA into development systems through multi-level collaboration and investments.	450,000
3. Locally led climate adaptation interventions for reducing vulnerability of at-risk populations, safeguarding and securing their life and livelihoods	3.1: Environmental Impact Assessment, Initial Environmental Examination, and Brief Environmental Study frameworks adopted and operationalized by municipalities for environmental risk screening and impact assessment of urban climate adaptation ~~investments~~interventions 3.2: Locally led nature-based adaptation actions implemented in alignment with NAP and NDC priorities across key thematic areas 3.3: Systems and processes developed to enable the use of local data and low-cost innovative technologies for evidence-based adaptation planning	Reduced climate vulnerability and strengthened resilience of the most at-risk populations through the implementation of locally led nature-based adaptation solutions.	2,950,000
4. Scaling locally led adaptation through strengthened stakeholder awareness, knowledge sharing, and partnerships	4.1: Enhanced awareness and capacity through knowledge development and dissemination through IEC materials and digital learning platforms on locally led nature-based adaptation interventions 4.2: Established Urban Climate Alliance for multi-stakeholder coordination and knowledge generation 4.3: Capacity-building and engagement mechanisms established to strengthen climate advocacy and leadership among youth and women climate champions	LLA solutions & processes adopted, di sseminated and replicated through enhanced stakeholder collaboration and knowledge sharing at the national and sub-national levels	399,428
Total component budget			**4,169,428**
6. Project Execution cost			437,675
7. Total Project Cost			4,607,103
8. Project Cycle Management Fee charged by the Implementing Entity (if applicable)			391,604
Amount of Financing Requested			**4,998,707**

Projected Calendar

Milestones	Expected Dates
Start of Project Implementation	3rd Quarter 2027
Mid-term Review	3rd Quarter 2029
Project/Programme Closing	2nd Quarter 2031
Terminal Evaluation	3rd Quarter 2031

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PART II: PROJECT JUSTIFICATION

A. Description of the Project Components

The project is structured around four interlinked components designed to operationalize Locally Led Adaptation (LLA) in the ecologically vulnerable, socio-economically marginalized, and underserved communities of four target municipalities in Lumbini Province, Nepal. The components are interlinked and reinforce one another in fostering systemic, inclusive, community-led and sustainable climate adaptation actions to address immediate risks and build longer term resilience of the at-risk communities. The project operationalizes all eight LLA Principles by devolving decision-making, finance, and implementation to local actors through participatory risk assessments, locally led planning, municipal climate financing, and nature-based adaptation solutions. It prioritizes the leadership of women, youth, Indigenous Peoples, and vulnerable communities to ensure adaptation investments address local needs and structural inequalities. By strengthening institutions across all levels of government and promoting transparency, accountability, learning, and multi-stakeholder collaboration, the project creates lasting systems for scaling and sustaining locally led adaptation beyond its lifespan.

Table 4: Alignment of project components with 8 principles of LLA

LLA Principle	How the Project Operationalizes the Principle	Key Outputs/Activities
1. Devolving decision-making to the lowest appropriate level	Municipalities, communities, women, youth, Indigenous Peoples, and vulnerable groups lead climate risk assessments, prioritization, and adaptation planning. Local governments determine adaptation priorities based on locally identified needs.	1.1 Climate risk and vulnerability assessments; 1.2 LAPA development/update; 3.2 Locally led adaptation interventions implemented.
2. Addressing structural inequalities faced by women, youth, Indigenous Peoples, and marginalized groups	Participatory planning processes ensure representation of vulnerable groups in decision-making. Dedicated mechanisms strengthen leadership and advocacy among women and youth climate champions. Indigenous knowledge is integrated into adaptation planning and implementation.	1.2 LAPA development; 2.2 Technical guidelines incorporating Indigenous knowledge; 4.3 Women and youth climate champion mechanisms.
3. Providing patient and predictable funding that can be accessed more easily by local actors	Municipal systems and tools are strengthened to mobilize climate finance and channel resources toward locally identified adaptation priorities. Local adaptation investments are embedded within municipal planning systems for sustained financing.	2.1 Climate finance mobilization tools and mechanisms; 2.3 Multi-level coordination for scaling investments; 3.2 Implementation of local adaptation actions.
4. Investing in local capabilities to leave an institutional legacy	Municipal, provincial, and federal institutions receive technical support, tools, guidelines, and capacity-building to sustain adaptation planning and implementation beyond the project period.	2.1 Planning and finance tools; 2.2 Technical guidelines; 2.3 Government capacity enhancement; 4.1 Learning platforms and knowledge products.
5. Building a robust understanding of climate risk and uncertainty	Participatory assessments generate localized climate risk evidence and territorial analyses that inform adaptation planning and investments. Local data systems and decision-support tools improve adaptive management under uncertainty.	1.1 Climate risk assessments; 1.3 Territorial risk consolidation; 3.3 Local data and innovative technology systems.
6. Flexible programming and learning	Adaptation planning and implementation are informed by local evidence, continuous learning, and feedback. Knowledge-sharing mechanisms and digital platforms enable iterative improvement and replication.	3.3 Data-driven planning systems; 4.1 Knowledge products and digital learning platforms; 4.2 Urban Climate Alliance.
7. Ensuring transparency and accountability	Participatory planning, validation processes, environmental screening frameworks, and multi-stakeholder coordination mechanisms strengthen transparency, accountability, and local ownership of adaptation investments.	1.1 Assessment validation processes; 3.1 Environmental assessment frameworks; 4.2 Urban Climate Alliance.
8. Collaborative action and investment	The project promotes collaboration across communities, municipalities, provinces, federal agencies, civil society, academia, and development partners through coordination platforms and shared learning mechanisms.	2.3 Multi-level coordination mechanisms; 4.2 Urban Climate Alliance; 4.1 Knowledge-sharing platforms.

Component 1 focuses on establishing the database and participatory risk and vulnerability assessment to build evidence for preparation of the local adaptation plan through community-led climate vulnerability assessments and localized risk analysis, with local priorities and development pathways. **Component 2** aims to strengthen the capacities of local governments, community institutions, youth groups, civil society organizations, and other stakeholders to operationalize adaptation plans aligned with LLA principles and institutionalize them within local,

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provincial, and national governance systems. **Component 3** supports the implementation of community-prioritized adaptation solutions that reduce urgent climate vulnerabilities, strengthen ecosystem resilience, diversify livelihoods, and enhance adaptive capacities of frontline communities. **Component 4** promotes continuous learning, adaptive management, knowledge generation, documentation, and dissemination of evidence to support policy influence, replication, and scaling-up of successful locally led adaptation practices across broader geographical areas and governance systems.

The proposed intervention emphasizes devolution of decision-making authority, community leadership, inclusive governance, and climate justice by positioning local communities, municipalities (local governments), and grassroots institutions at the center of climate adaptation planning, prioritization, designing, implementation, monitoring, and evaluation processes aligning with Nepal's National Climate Change Policy 2019, Local Adaptation Plans for Action (LAPA) Framework 2019, and National Adaptation Plan (NAP) 2021-2050, which emphasize inclusive climate governance, decentralized adaptation planning, and integration of climate resilience into local development systems. Recognizing that climate risks and vulnerabilities are highly localized and disproportionately affect frontline populations, the project promotes adaptation solutions that are community-driven, locally identified, and responsive to the unique socio-economic and ecological realities of vulnerable groups, including women, Indigenous Peoples, youth, and marginalized communities highly vulnerable due to their dependence on natural resources for livelihood.

Component 1: Participatory Baseline Assessment of Climate Vulnerabilities and Risks to Inform Adaptation Planning

Outcome 1: Local and territorial adaptation planning and decision-making strengthened through integrated climate risk and vulnerability assessments

The municipality will lead participatory baseline assessments of climate vulnerabilities, risks, local adaptive capacities, socio-economic conditions and urbanization scenarios to develop a strong database with disaggregated data to inform evidence-based locally led adaptation planning. The process will combine scientific climate information, hazard mapping, and ecosystem assessments with local and indigenous knowledge to identify localized climate risks, exposure patterns, vulnerability drivers, and resilience gaps across target communities through a community-centered approach. The assessment will also capture the differentiated impacts of climate change on diversified groups, through spatial and territorial maps of hazard prone areas and exposed population, together with disaggregated data of most at-risk communities, to ensure inclusive and context-responsive adaptation planning and interventions.

By enabling evidence-based and locally grounded adaptation planning, the process will strengthen municipal capacity for climate informed decision making and support the prioritization, design and implementation of adaptation actions that strengthen the long-term resilience of the most at-risk communities, ecosystems, and local institutions. The participatory consultation process, guided by set of prioritization criteria, will lead to preparing list of climate adaptation actions that are prioritized to address urgent needs of the most at-risk population and for building longer-term resilience. The Local Adaptation Plan for Action (LAPA) will be a comprehensive document for each municipality that provides nature-based adaptation priorities, with targets, responsible entities, timelines, and budgets, for integrating it with municipal planning and budgeting process to mobilize resources for implementation. The process will ensure a targeted, equitable, sustainable, and incremental approach to building climate resilience.

The project will apply the LAPA Framework (2019) as the principal basis for the identification, screening, and prioritization of adaptation actions. The selection and prioritization of adaptation actions will follow a standardized screening and ranking process consistent with the LAPA Framework. The process will strengthen municipal capacities for evidence-based, inclusive, and climate-responsive adaptation planning and participatory decision-making at ward and municipal levels, while improving the quality and institutionalization of local adaptation plans. The adaptation planning process will be aligned and integrated with Nepal's established municipal seven-step planning process and as well as the LAPA Framework. The participatory process entails engagement of community members, local institutions, ward committees, and municipalities for the ward-level prioritization, plan and budget formulation, municipal assembly approval, and implementation of action plans, from pre-planning preparation, resource estimation, and identification of priorities for subsequent planning cycles. Emphasis will be placed on

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ensuring the meaningful engagement and decision-making role of women, youth, Indigenous Peoples, *Dalits*, landless households, and other marginalized groups in the planning process. With municipalities as facilitators and convenors, communities will lead adaptation intervention prioritization and subsequent implementation, thereby strengthening local ownership, accountability, inclusive governance, and community-driven climate resilience planning.

Output 1.1: Climate risk and vulnerability assessments conducted and validated within target municipalities using a system approach following the existing Local Adaptation Plans for Action (LAPA) framework

By generating localized climate risk profiles and hazard maps together with disaggregated data of most at-risk population, this output provides the critical evidence and spatial data required for informed adaptation planning and targeted resilience-building interventions. The assessment- will adopt a system approach, examining the interlinkages between climate hazards, ecosystems, infrastructure, livelihoods, governance system and socio-economic vulnerabilities, particularly of indigenous groups, women, persons with disability, to identify root causes of risk and inform integrated adaptation solutions. This will improve understanding of climate-induced risks, exposure patterns, ecosystem vulnerabilities, and local adaptive capacity gaps, enabling vulnerable communities and municipalities to prioritize adaptation measures that are responsive to local contexts and future climate and urbanization scenarios, building long-term resilience. The assessment and validation of generated data will be community-led and participatory, aligned with Nepal's decentralized planning and adaptation frameworks.

Activities to support Output 1.1:

1.1.1: Facilitate community-led participatory social mapping to identify the most vulnerable and at-risk communities, including spatial analysis of location-specific vulnerabilities and its intersectionality with socio-economic conditions
1.1.2: Carry out multi-hazard climate risk assessment in target municipalities with climate trend analysis and future climate projections
1.1.3: Conduct multi-stakeholder validation and consultation workshops to derive spatial and contextual vulnerability and risk assessment of the target municipalities

Output 1.2: Local Adaptation Plans for Action (LAPA) developed/updated, aligning with the principle of locally led adaptation and integrating nature-based adaptation solutions

Communities, ward-level institutions, municipalities, technical and vulnerable groups will actively participate in identifying risks, validating findings, and developing evidence-based LAPA to prioritize adaptation interventions through participatory consultations and social dialogue processes. LAPAs will integrate findings from community-led risk and vulnerability assessments, incorporate local and indigenous knowledge, and disaggregated data to identify vulnerabilities in critical urban infrastructure and basic services, in alignment with Nepal's revised LAPA Framework (2019).

The LAPA will outline context-specific and nature-based adaptation priorities, based on set criteria, and with targets, responsible entities, timelines and budgets, for integration into municipal urban planning, ecosystem management, and service delivery systems. The process will entail technical support, together with inclusive and meaningful engagement of women, youth, Indigenous Peoples, persons with disabilities, and other marginalized groups in the municipal LAPA process, it ensures equity, ownership, and integration of adaptation into broader local development agendas, ultimately contributing to long-term climate resilience.

It adopts a comprehensive systems-based climate vulnerability and risk assessment that examines the interactions among ecosystems, water resources, livelihoods, settlements, governance systems, socio-economic conditions, and infrastructure in order to establish an integrated municipal climate risk profile and provide a detailed technical assessment of climate-sensitive infrastructure and critical service delivery systems, including roads, bridges, irrigation systems, drinking water systems, drainage networks, schools, health facilities, markets, and other public assets.

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Activities to support Output 1.2:

1.2.1: Assess vulnerability of the specific climate-sensitive infrastructure and critical service delivery in target municipalities.
1.2.2: Document indigenous and local knowledge and technologies on nature-based solutions for disaster risk reduction, climate adaptation, biodiversity conservation, and ecosystem protection
1.2.3: Conduct orientation workshops for local governments, community-based organizations (CBOs), and key stakeholders on the revised LAPA framework and principles of Locally Led Adaptation
1.2.4: Organize participatory planning process to consolidate and analyze vulnerability and risk assessment findings and integrate indigenous knowledge to co-develop nature-based adaptation actions, aligned with LAPA framework.
1.2.5: Validate and finalize LAPAs that prioritize nature-based adaptation actions, with priorities, targets, responsible entities, timelines, budget estimates, and monitoring indicators, for integration into municipal and sectoral plans

Output 1.3: Territorial-level climate risks and prioritized ecosystem-based adaptation solutions consolidated for addressing shared vulnerabilities.

The municipal level assessments of four contiguous targeted municipalities will be consolidated at a territorial level, to spatially assess shared natural resources, urban boundaries and identify risks and vulnerabilities associated with climate change to strengthen cross-municipal coherence in climate adaptation planning and enhance the efficiency and effectiveness of resilience investments. The process will integrate an assessment based on urban–rural linkage guiding principles, recognizing that climate risks, ecosystem services, land-use pressures, and livelihoods transcend administrative and settlement boundaries. It enables identification of specific ecosystem-wide solutions linked to watershed restoration, landscape conservation, climate-resilient agriculture corridors, and green infrastructure interventions that deliver multiple adaptation co-benefits. This contributes to improved ecosystem health, reduced climate risk exposure, and strengthened resilience of both upstream and downstream communities through coordinated and landscape-level adaptation strategies. The consolidation process will be conducted through a participatory and multi-stakeholder approach engaging local governments, provincial authorities, community representatives, civil society organizations, and technical experts. The findings will be validated and synthesized through inclusive consultations to ensure that community priorities and knowledge are integrated and reflected in territorial planning.

Activities to support Output 1.3:

1.3.1: Map and analyse shared climate risk hotspots (e.g. flood plains, landslide corridors, heat islands, and fire-prone zones) across the four target municipalities and beyond the urban boundaries through territorial lenses.
1.3.2: Analyze the urban-rural interactions to define climate risks in both contexts impacted by their interdependencies in and across the target municipalities
1.3.3: Facilitate multi-municipality coordination meetings to validate and refine consolidated findings and derive collective nature-based climate adaptation solutions to reduce shared risks.
1.3.4: Validate prioritized climate adaptation solutions through stakeholder consultations at municipal and inter-municipal levels that integrate communities at-risk and locally led adaptation solutions.
1.3.5: Document and integrate territorial-level analysis and recommended adaptation strategies into respective municipal planning to implement integrated and locally led adaptation strategies.

Component 2: Strengthening Municipal Governance Systems for the Implementation of Locally Led Adaptation (LLA), and its Integration and Scaling Across Provincial and Federal Levels

Outcome 2: Improved institutional readiness, inclusive decision-making, and mainstreaming of LLA into development systems through multi-level collaboration and investments.

This component focuses on strengthening the institutional, technical, and operational capacities of local governments and community institutions to effectively implement LLA interventions through inclusive, participatory, and community-driven approaches. It aims to move beyond project-based implementation by embedding LLA principles into municipal governance systems, planning processes, and development practices, ensuring that adaptation

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actions are sustainably managed and locally owned. The component also supports the institutionalization of LLA approaches and their scaling across provincial and federal levels through policy dialogue, capacity building, coordination mechanisms, and knowledge exchange platforms, strengthening coordination among local, provincial, and federal systems and systematically integrating climate resilience into planning and service delivery. Capacity building will be an integral part of the implementation plan, with specified methodology, delivery mechanism, target groups and plan. Capacity development will build-on existing UN-Habitat tools, guidance materials, e-learning resources, and peer-learning platforms to strengthen institutional capacities and ensure sustainability.

By strengthening the devolution of inclusive decision-making processes, with enhanced municipal capacity and access to climate financing, it empowers municipalities and communities to actively pursue planning, budgeting, implementation, and monitoring of adaptation investments. It fosters vertical and horizontal coordination mechanisms for resource mobilization to scale up adaptation intervention, institutionalized across provincial and federal systems and sustained through multi-level financing structures.

Output 2.1: Context-appropriate tools and mechanisms selected, adapted, and developed where necessary to support participatory municipal planning and climate finance mobilization for locally led adaptation

This output focuses on enhancing participatory municipal urban planning and budgeting processes to explore the mobilization of climate finance through diversified financing tools and mechanisms, including community contributions, local revenue systems (such as green taxes), and external financing sources. It aims to enhance the technical and institutional capacities of municipalities for climate risk-informed urban planning and investment, ensuring that LLA priorities are reflected in municipal budgeting and planning. It strengthens the linkage between community-prioritized adaptation needs and nature-based solutions into institutional planning processes, reducing the risk of fragmented or ad hoc interventions. The process will also explore co-financing models that enable collaboration among communities, municipalities, and non-governmental institutions to support LAPA implementation, with a strong emphasis on nature-based adaptation solutions to build climate resilience. This strengthens downward accountability, local ownership, and ensures that adaptation finance and decisions are directly informed by community-driven evidence and needs. Climate governance in these intermediary municipalities is strengthened by applying and adapting international good practices, including UN-habitat's the Effective Climate Governance in Intermediary Cities framework, to the Nepal context. This will enhance institutional coordination, cross-sectoral planning, and decision-making systems to enable more effective, inclusive, and climate-responsive urban governance.

Activities to support Output 2.1:

2.1.1: Review Local Planning and Budgeting Frameworks (periodic plans, annual plans, sectoral plans, land use plans, development control legal and policy frameworks, and budgeting systems) to identify entry points and gaps for investments in locally led adaptation interventions.
2.1.2: Build capacity of the municipalities to lead participatory planning and budgeting systems to integrate locally led adaptation priorities identified in LAPA and territorial planning exercises, into municipal urban planning through Annual Work Plans and Budgets (AWPB) based on inclusive consultation and decision-making processes.
2.1.3: Establish community-based implementation and management mechanisms through strengthening of community institutions, user groups ensuring participation of women, indigenous and marginalized groups, and local management committees responsible for coordinating, implementing, operating, and maintaining locally led adaptation interventions
2.1.4: Build capacity and provide technical support to municipalities and stakeholders on climate finance mechanisms, adaptation investment planning, participatory budgeting, and resource mobilization strategies while promoting urban-rural coordination to address shared climate risks through locally led climate adaptation interventions
2.1.5: Support municipalities to explore and operate diversified financing mechanisms (government and non - government) for locally led climate adaptation interventions

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Output 2.2: Comprehensive technical guideline developed for nature-based adaptation technologies and infrastructure incorporating indigenous knowledge and decision-support tools with enhanced capacities for implementation at the local level

This output supports the development of ready-to-use technical guidelines for implementing nature-based LLA technologies. The guideline will integrate indigenous knowledge systems with scientific approaches and include decision-support tools such as prioritization frameworks, simulation models, and cost-benefit analysis methods. These tools will assist municipalities, stakeholders and communities in prioritizing appropriate, efficient, and context-specific climate adaptation solutions. Further, the planning and building byelaws will be updated as key instruments to implement nature-based climate adaptation actions. The focus will be to map capacity gaps and develop targeted plans to build capacity for the municipal technical officials to lead designing, implementation and monitoring of the adaptation interventions, in order to develop sustained municipal capacity to upscale.

Activities to support Output 2.2:

2.2.1: Develop step-by-step technical guidelines for nature-based LLA technologies and infrastructure, integrating scientific approaches and indigenous / local knowledge systems, with relevant tools for identification, prioritization, designing, implementation and monitoring.
2.2.2: Validate technical guidelines and implementation tools through multi-stakeholder consultations to ensure the guidelines and tools are context-specific, practical, and inclusive.
2.2.3: Build capacity of municipal engineers, planners, technical staff, and community institutions on the application of the technical guideline, its simulation tools, and cost-benefit analysis methodologies.

Output 2.3: Enhanced capacity of provincial and federal governments for multi-level coordination on scaling locally led nature-based adaptation approaches and climate-resilient infrastructure

This output focuses on strengthening the capacity of provincial and federal level institutions to facilitate, and support implementation of locally led nature-based climate adaptation interventions across urban-rural systems. It promotes integration of nature-based solutions into national and provincial infrastructure standards and climate resilience frameworks to ensure coherent multi-level planning and implementation. The focus will be on establishing structured coordination platforms and learning mechanisms among local, provincial, and federal levels to support policy dialogue, vertical integration, and scaling of successful locally led adaptation practices for replication.

Municipal governments will lead implementation and community engagement, provincial authorities will provide coordination for territorial approach, and national agencies will ensure policy alignment and strategic guidance. Vertical linkages across all tiers of the government will be maintained through regular coordination meetings, joint reviews, policy dialogues, and shared monitoring systems.

Activities to support Output 2.3:

2.3.1: Conduct orientation, policy dialogue and consultation workshops convening local, provincial and federal government agencies on nature-based LLA solutions and climate-resilient infrastructure approaches to strengthen understanding and policy alignment.
2.3.2: Organize policy dialogues and intergovernmental consultation forums to promote vertical integration of LLA priorities into provincial and federal planning, policy, and investment frameworks.
2.3.3: Facilitate cross-learning and exchange programs on LLA practices among municipalities, provinces, and national stakeholders to disseminate successful practices, innovations, and lessons learned for higher-level planning and policy processes.
2.3.4: Strengthen institutional networks and partnerships among government agencies, academic institutions, civil society organizations, private sector actors, and development partners to support long-term institutionalization and scaling of LLA approaches.

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Component 3: Locally Led Adaptation Interventions for reducing vulnerability of at-risk population, safeguarding and securing their life and livelihoods

Outcome 3: Reduced climate vulnerability and strengthened resilience of the most at-risk populations through the implementation of locally led nature-based adaptation solutions.

This component focuses on the on-the-ground implementation of prioritized LLA interventions identified and prioritized through participatory assessments and municipal planning processes under Component 1 and strengthened through capacity-building and institutional support under Component 2. It translates locally identified climate risks and adaptation priorities into tangible LLA that enhances resilience of the most vulnerable populations, associated, ecosystems, livelihoods, infrastructure in four target municipalities. The component supports the delivery of prioritized and context-specific nature-based LLA solutions. All target communities will be eligible to participate in the LAPA planning process under Components 1 and 2. However, financing for adaptation investments under Component 3 will be allocated to a prioritized subset of community adaptation sub-projects through a transparent and competitive selection process based on the LAPA screening and prioritization criteria.

Sub-project selection will consider climate vulnerability and urgency of adaptation needs; expected adaptation effectiveness; benefits for vulnerable and marginalized groups; ecosystem and watershed significance; technical and financial feasibility; safeguard compliance; operation and maintenance arrangements; and community commitment, including local participation and in-kind contributions where appropriate.

Each CIA-supported sub-project will establish a community monitoring mechanism involving representatives of women, Indigenous Peoples, Dalit communities, and other beneficiary groups. Community organizations and local governments will monitor implementation progress, financial transparency, safeguard compliance, and operation and maintenance of completed investments. Communities will contribute to outcome assessments through participatory evaluation exercises, beneficiary feedback surveys, focus group discussions, and validation of results. Their perspectives and experiences will be incorporated into the project's monitoring and evaluation framework to ensure that reported outcomes accurately reflect community-level changes and inform continuous improvement.

Guided by the Unidentified Sub-Project (USP) approach, the project will establish operational frameworks, with selection criteria, and screening tools, aligned with municipal planning process to fund the interventions for implementation. A strong environmental and social safeguard system will be embedded in the process of selection, designing, implementing and monitoring of the adaptation interventions. The system will be strongly aligned with existing government mechanisms, contextualize particularly to implement nature-based adaptation interventions.

The interventions will directly enhance climate resilience by reducing exposure and sensitivity to climate hazards while strengthening adaptive capacity at community and ecosystem levels through direct implementation of locally appropriate adaptation solutions. These interventions provide both immediate risk reduction benefits and long-term resilience gains by strengthening ecological functions and community preparedness.

A core principle is the devolution of implementation authority and resources to the lowest appropriate level, ensuring that communities and local institutions lead the execution of adaptation actions. Local governments act as facilitators and enablers, while community-based organizations and user groups take responsibility for implementation and local monitoring. Decision-making remains participatory and inclusive throughout implementation, ensuring transparency, accountability, and responsiveness to local needs. This approach strengthens local ownership and ensures sustainability of adaptation investments through strong community stewardship and institutional integration.

Output 3.1: Environmental Impact Assessment (EIA), Initial Environmental Examination (IEE), and/or Brief Environmental Study (BES) frameworks adopted and operationalized for environmental risk screening and impact assessment of nature-based climate adaptation interventions

The output focuses on establishing standardized procedures for ensuring environmental and social safeguard while implementing nature-based LLA interventions by the project and the municipalities, with corresponding Environmental and Social Management Plans (ESMPs) developed to guide mitigation and monitoring measures. The screening of both positive and potential negative impact of the adaptation intervention will be assessed to define scope for integration of mitigation actions into design, implementation and monitoring of the adaptation interventions.

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The output will focus on building capacity of the municipal officials to plan and monitor environmental and social safeguard provisions, embedded as a part of the implementation of nature-based LLA interventions.

Activities to support Output 3.1:

3.1.1: Develop standardized environmental screening and impact assessment guidelines for climate adaptation interventions, aligned with national environmental regulations and safeguard frameworks including but not limited to EIA, IEE, and BES
3.1.2: Build the capacity of municipal staff, implementing partners and community-based organizations on environmental risk identification, assessment tools, and safeguard compliance procedures
3.1.3: Support municipalities to conduct environmental and social safeguard screening of the nature-based LLA interventions to derive scopes for mitigation of any possible risks.
3.1.4: Support communities to integrate environmental and social safeguard measures in designing, budgeting, implementation and monitoring during implementation of nature based LLA solutions.

Output 3.2: Locally Led Adaptation actions implemented in alignment with NAP and NDC 3.0 priorities across key thematic areas

This output ensures translation of LAPA into concrete, on-the-ground locally led adaptation actions that directly respond to targeted communities, in addressing their urgent climate risks and vulnerabilities. The interventions will be identified, prioritized, designed, implemented and monitored through established operational frameworks, with participatory process based on set selection criteria, and screening tools. UN-Habitat under Community Implementation Agreements (CIAs) modality will work directly with the community organization, with ensured representation of women, to implement adaptation actions, demonstrating inclusive and representative governance, ensuring meaningful participation of women, youth, marginalized groups, and other community stakeholders in decision-making and implementation.

In the municipalities, where active Tole Development Committee (TDC) exist, will be supported through the CIA modality. Where TDCs are not present, other eligible organizations like community forest user groups, water user groups, farmer groups, women's groups, cooperatives, and other registered community-based organizations, will be on-boarded through CIA depending on the nature of the adaptation intervention.

The project integrates gender-disaggregated data collection and monitoring throughout implementation, with indicators tracking women's participation, leadership, access to adaptation benefits, and livelihood opportunities It will also be aligned with municipal planning process to mobilize municipal budget and mobilize other resources to contribute to Nepal's NAP and NDC 3.0, ensuring coherence between local priorities and national climate commitments.

Further, the comprehensive approach will build linkages of implementation of climate adaptation interventions with creation of green livelihood opportunities, particularly for women, youth, and marginalized groups, contributing to sustainable livelihood. Key Outputs and Activities proposed for implementation focus on four priority climate risk reduction areas, with indicative cost distribution / scale and derived from local level consultation.

Implementation will focus on four priority areas and indicative scale based on budget distribution:

1. Climate adaptation and resilience building through territorial water resource management and nature-based flood and drought risk mitigation (30%);
2. Landslide and erosion protection through slope stabilization, and integrated watershed management in catchment areas (30%);
3. Extreme heat, forests fire mitigation and biodiversity conservation through community forestry, afforestation, and ecosystem restoration (25%);
4. Climate-resilient livelihoods, particularly targeting youth, women, Indigenous Peoples, Dalits and other vulnerable groups, through green enterprises, skills development, and alternative livelihood opportunities (15%).

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The project will establish a sub-project screening and coordination mechanism to ensure that all community adaptation investments financed under Output 3.2 are screened for potential duplication with past, ongoing or planned government and development partner investments. Before approval, each proposed sub-project will undergo a duplication and complementarity screening process, with a checklist that will include:

- mapping existing and planned investments within the target ward and municipality;
- consultation with municipal sector units, ward offices, and relevant provincial agencies;
- review projects implemented by development partners, NGOs, and community organizations and organize coordination meetings;
- verification of geographic coverage and beneficiary overlap;
- assessment of complementarity with existing watershed, water, disaster risk reduction, agriculture, and infrastructure investments; and
- documentation of screening results as part of the sub-project appraisal process.

The periodic mapping and review of ongoing and planned projects will be institutionalized under Output 2.1 (Strengthened local institutional capacity for locally led adaptation planning and implementation). Municipal adaptation coordination committees will conduct annual and mid-year coordination reviews, supported by the project management unit. These reviews will compile information on government budgets, development partner programmes, NGO interventions, and community investments across the four municipalities to avoid duplications.

Activities to support Output 3.2:

3.2.1 Flood and Drought Risk Mitigation:

- *Restore retention ponds, wetlands, and rehabilitate vegetated drainage channels, bio-swales, traditional water canals (Rajkulo) and community drainage networks / culverts for flood risk mitigation and rainwater harvesting.*
- *Establish infiltration trenches, rain gardens, rainwater harvesting system and spring protection measures to reduce peak flood flows, improve stormwater absorption and ground water recharge.*
- *Implement bioengineering measures along drainage corridors and erosion prone riverbanks, together with upstream–downstream planning for flood and sediment management and erosion prevention in Shitaganga and the tributaries in Banganga municipality.*
- *Promote Multiple Use Water Systems (MUS) for efficient water conservation and climate-smart water management through demonstration and community-based learning approaches in Buddhabhumi, Shivaraj and Shitaganga municipalities.*

3.2.2 Landslide and Erosion Protection:

- *Construct and rehabilitate check dams, gully plugs, and sediment control structures in upstream catchments within Churia range in Sivaraj and Shitaganga municipalities.*
- *Implement slope stabilization bioengineering measures of high-risk slopes and rural roads and establish greenery along urban road corridors in all four municipalities.*
- *Implement integrated watershed management in landslide-prone catchments to reduce surface runoff intensity and improve overall slope stability addressing both upstream and downstream drivers of land degradation and slope failure in Shitaganga and Banganga municipality.*

3.2.3 Extreme Heat and Forest Fire Mitigation:

- *Implement urban greening and restoration of degraded public and natural spaces through plantation of native, drought-tolerant, climate-resilient species, and establishment of shade corridors, pocket parks, and urban forests to reduce heat stress and improve urban microclimate regulation in Buddhabhumi, Shivaraj and Shitaganga municipalities.*
- *Promote assisted natural regeneration (ANR) through native tree planting, enrichment planting, and invasive species control in Buddhabhumi, Shivaraj and Banganga municipalities.*
- *Support community forest users' groups on sustainable forest management, fire control, and biodiversity conservation while establishing community-led forest protection mechanisms, including fire lines, fuel load management, patrol groups, and early warning systems to reduce forest fire risks.*

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3.2.4 Livelihood Protection and Promotion:

- *Develop green livelihood and entrepreneurship opportunities, targeting women and youth led enterprises, through skill development, enterprise support, access to finance and market linkage to support the implementation of ecosystem restoration, bioengineering, climate-smart agriculture, nursery management, seed banking and other local climate adaptation activities*
- *Support the construction and rehabilitation of small and medium irrigation systems to restore ecosystem services and support the livelihood security of the marginalized, women headed and indigenous households*
- *Demonstrate climate-smart agriculture by promoting agroforestry, contour farming, intercropping, riverbed farming, beekeeping, and cover cropping to reduce soil exposure and improve land stability and biodiversity in agricultural areas*

Output 3.3: Systems and processes developed to enable use of local data and low-cost innovative technologies for evidence-based adaptation planning

This output focuses on strengthening research, innovation, and evidence-based adaptation action by integrating local data, indigenous knowledge systems, and low-cost innovative technologies into LLA planning and implementation processes. It promotes the generation and application of relevant evidence to improve the effectiveness, efficiency, and scalability of LLA interventions. Using disaggregated community-generated data, participatory monitoring tools, and simple digital and geospatial technologies, the output supports improved understanding of climate risks, ecosystem dynamics, and the performance of adaptation measures at the local level, while identifying the distinct vulnerabilities and priorities of different community groups to support inclusive adaptation planning and decision-making. It also encourages innovation in climate solutions by promoting locally appropriate, cost-effective, and replicable technologies for ecosystem restoration, disaster risk reduction, climate-resilient agriculture, and infrastructure resilience. By linking research institutions, local governments, and communities, this output ensures that adaptation decisions are continuously informed by real-time evidence and practical innovations, thereby strengthening adaptive management and enhancing the overall impact and sustainability of climate resilience efforts.

Some key interventions are hydro-meteorological stations, discharge measurement systems, that will be delivered through municipal implementation arrangements supported by technical experts and agencies, including the Department of Hydrology and Meteorology (DHM), with oversight provided by the Project Management Unit and the respective municipalities.

Activities to support Output 3.3:

3.3.1: Install two hydrometeorological stations, one in Shitaganga and another in the lower basin to strengthen local climate and hydrological monitoring as Early Warning Systems (EWS) for high-risk communities.

3.3.2: Establish Discharge Measurement System in Banganga River to support evidence-based water resource management, flood risk assessment, and climate-resilient planning at the local level.

3.3.3: Strengthen social protection and safety net systems to ensure timely and inclusive support for vulnerable households, particularly women, youth, Indigenous Peoples, and marginalized groups, in responding to climate and socio-economic shocks.

3.3.4: Establish and operationalize community-based rescue, response, and recovery funds to enable rapid mobilization and emergency support during climate-induced disasters and extreme events.

3.3.5: Conduct research on sedimentation dynamics of the Banganga River and support evidence-based planning processes for sustainable river basin and flood risk management.

Component 4: Scaling locally led adaptation through strengthened stakeholder awareness, knowledge sharing, and partnerships

Outcome 4: Locally led adaptation solutions and process adopted, disseminated and replicated through enhanced stakeholder collaboration and knowledge sharing at the national and sub-national levels

This component focuses on strengthening systematic knowledge management, continuous learning, documentation, and dissemination of locally led adaptation experiences and good practices generated through project implementation. It aims to ensure that lessons learned from the participatory process for community-implemented

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adaptation intervention and institutional innovations, including territorial approach, are effectively captured, analyzed, and shared across communities, local, provincial, and federal levels for policy uptake, as well as with broader national and global audiences, including Municipal Association of Nepal (MUAN) and Mayor's Forum for municipal replication.

The component promotes a structured approach to knowledge generation that combines scientific evidence, local data, future scenarios and indigenous knowledge systems to inform adaptive management and policy development. A robust mechanism will be established for documenting and disseminating best practices, innovations, and evidence emerging from nature-based adaptation, climate-resilient livelihoods, territorial adaptation interventions, and participatory governance processes. It supports the creation of knowledge products such as technical guidelines, case studies, policy briefs, toolkits, and learning reports, as well as the use of digital platforms and communication tools for wider dissemination and accessibility.

By institutionalizing learning platforms and feedback loops, this component ensures that knowledge is not only generated but also effectively used to inform policy, improve implementation, and scale successful Locally Led Adaptation practices by local and national entities, beyond project area and closure.

Output 4.1: Enhanced awareness and capacity through knowledge development and dissemination on institutional innovations and locally led nature-based adaptation interventions

This output supports the development and dissemination of targeted Information, Education, and Communication (IEC) materials to raise awareness among communities, municipal stakeholders, and other actors on nature-based solutions and urban ecosystem-based adaptation approaches. It promotes behavioral change and strengthens understanding of climate resilience interventions through context-specific communication tools.

Knowledge production and documentation will be part of the project implementation plan, in order to develop various IEC materials for wider target groups, that are further linked to and used in different types of capacity building activities in Outcome 2. It ensures accessible and scalable learning resources and common platforms that support continuous capacity development across all governance levels. To ensure equitable access to information, IEC materials and outreach strategies will be designed and delivered in inclusive and accessible formats, taking into account the needs of diverse community members, including women, Indigenous Peoples, older persons, persons with disabilities, youth, and other marginalized groups. Particular attention will be given to addressing intersecting vulnerabilities and barriers to information access to ensure that climate resilience knowledge reaches those most at risk.

Community-based outreach and engagement will be linked to establishing diverse platforms, including online learning networks, communities of practice, school curricula integration, case studies, and other participatory media. It enhances knowledge exchange, awareness, and community ownership of adaptation actions through inclusive and accessible communication channels.

Activities to support Output 4.1:

4.1.1: Develop user-friendly digital learning platforms and e-learning systems to provide accessible training, knowledge-sharing, and self-learning opportunities on climate adaptation, nature-based solutions, ecosystem-based adaptation, and territorial planning processes for stakeholders at local, provincial, and federal levels.
4.1.2: Develop targeted and context-specific IEC materials, including audio-visual and interactive learning materials, to simplify and communicate adaptation concepts, technologies, and implementation approaches to diverse target audiences.
4.1.3: Organize campaign, exposure visits, awareness sessions, and training on nature-based LLA solutions for municipal officials, technical staff, civil society organizations, youth leaders, women's groups, and community facilitators to strengthen local-level technical expertise and replication capacity.
4.1.4: Facilitate the formation and strengthening of community learning networks and communities of practice at municipal and inter-municipal levels to enable continuous peer learning, experience sharing, and collaboration on Locally Led Adaptation and nature-based adaptation practices
4.1.5: Document and disseminate case studies, success stories, and best practices on locally led adaptation interventions, highlighting community innovations, ecosystem restoration efforts, climate financing, resilience-

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building outcome and sharing of project evidence and recommendations with provincial and federal government institutions for upscaling

Output 4.2: Established Urban Climate Alliance for multi-stakeholder coordination and knowledge generation

This output supports establishing a multi-stakeholder platform, the Urban Climate Alliance, under the Nepal National Urban Forum, to consolidate and disseminate the project's lessons, knowledge produced, materials developed including best practices, and research findings on urban climate resilience. It facilitates collaboration among governments, academia, civil society, MUAN, National Association of Rural Municipalities in Nepal and private sector actors, including on joint research initiatives, knowledge production, publications, and research grants for knowledge production, policy uptake, joint programming, building synergies and wider replication in other municipalities beyond project area.

Activities to support Output 4.2:

4.2.1: Support the formal establishment of the Urban Climate Alliance as a multi-stakeholder platform under the Nepal National Urban Forum, including defining its governance structure, membership, roles, and operational modalities.
4.2.2: Organize regular multi-stakeholder meetings, policy dialogues, and coordination forums among government agencies, municipalities, academia, civil society organizations, private sector actors, and development partners to share knowledge and align urban climate resilience efforts.
4.2.3: Support mobilization of research grants and innovation funding to support evidence generation and innovative solutions for urban climate resilience.
4.2.4: Organize reflection sessions, policy dialogues, and discussion events to strengthen structured linkages between research outputs, policy formulation, and on-the-ground implementation to ensure that evidence generated directly informs policies, urban planning, investment decisions, and adaptation strategies.

Output 4.3: Capacity-building and engagement mechanisms established to strengthen climate advocacy and leadership among youth and women climate champions

This output supports the formation and strengthening of local advocacy groups of climate champions, particularly youth and women, to promote climate justice and active participation in decision-making processes at community and policy levels. It enhances the leadership, voice, and influence of marginalized groups in shaping climate adaptation policies and actions, sustained after project closure and beyond project areas. Participation and leadership within these groups will be tracked using disaggregated data to ensure inclusive representation and meaningful engagement of those facing intersecting vulnerabilities

Activities to support Output 4.3:

4.3.1: Identify and mobilize youth and women leaders from communities, local institutions, and civil society organizations to serve as climate champions, with a focus on representation from Indigenous Peoples, Dalits, and other marginalized groups.
4.3.2: Conduct leadership and advocacy capacity-building programs to strengthen the leadership and influence of youth and women climate champions.
4.3.3: Support the formation and strengthening of youth and women-led climate advocacy networks at municipal levels to coordinate collective action, knowledge sharing, and engagement in climate-related decision-making processes.
4.3.4: Identify and showcase successful initiatives led by youth and women climate champions and support their replication and scaling across communities and municipalities to enhance broader impact.

B. Economic, social and environmental benefits of Project

The project delivers a holistic set of economic, social, and environmental benefits that directly target ecologically vulnerable and socio-economically marginalized communities in Lumbini Province, including women, youth, children,

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Indigenous Peoples, persons with disabilities, displaced populations, landless households, Dalits, and marginalized ethnic groups. Through its locally led adaptation approach, the project ensures that climate resilience efforts are not only technically sound but also socially inclusive, gender-responsive, and rooted in climate justice principles. By positioning local communities and vulnerable groups at the center of adaptation planning, implementation, monitoring, and decision-making, the project ensures that adaptation measures are context-specific, equitable, and responsive to both environmental risks and long-standing structural inequalities. Furthermore, the project promotes adaptation planning, awareness building, institutional strengthening, technology transfer, and locally driven nature-based innovation to enhance long-term resilience and sustainable development outcomes.

The project's expected economic, social, and environmental benefits are specific to the conditions of the four target municipalities, where recurrent water scarcity, spring depletion, landslides, flash floods, riverbank erosion, forest degradation, and climate-sensitive livelihood losses disproportionately affect vulnerable households. Approximately 74,000-75000 direct beneficiaries will benefit from climate-resilient water management, ecosystem restoration, resilient livelihoods, disaster risk reduction, and community adaptation investments. Of these direct beneficiaries, the project will prioritize vulnerable groups identified through participatory social mapping and household-level vulnerability assessment. The project area includes a high proportion of Indigenous Peoples, Dalit communities, women-headed households, elderly persons, persons with disabilities, and land-less households.

Beyond participation quotas, the project will implement targeted inclusion strategies. Vulnerable households will be identified using participatory wealth ranking, social mapping, climate vulnerability assessment, and ward-level validation. Prioritization for adaptation investments will explicitly consider: Dalit households; female-headed households; households with persons with disabilities; elderly-headed households; landless and near-landless households; Indigenous households facing high climate exposure; and households with limited access to water and productive resources.

Engagement strategies will include accessible consultation venues, disability-inclusive communication methods, flexible meeting schedules, local-language facilitation, women-only and marginalized-group consultations, targeted capacity building, leadership support for women and marginalized groups, and community facilitation.

Monitoring will use sex-, age-, disability-, caste-, and ethnicity-disaggregated indicators, including participation in decision-making bodies, access to adaptation financing, livelihood benefits, water access improvements, disaster risk reduction benefits, and beneficiary satisfaction.

Economic Benefits

- *Capacity building and green job opportunities*: The project will strengthen local capacities for green employment and climate-resilient livelihoods through hands-on technical training, vocational skill development, entrepreneurship support, and market linkage facilitation for targeted beneficiaries. It will also promote savings practices and community-based contingency mechanisms to enhance preparedness and financial resilience against climate extremes and future shocks.
- *Improved and diversified climate-resilient livelihoods:* The project promotes sustainable and diversified livelihood opportunities through climate-smart agriculture, agroecological practices, agroforestry, eco-enterprises, sustainable natural resource management, and green value chains to support adaptation actions, complemented by social protection and safety net mechanisms. These interventions will enhance income generation, food security, and adaptive capacity of vulnerable communities, particularly women, Indigenous Peoples, landless households, youth, and other marginalized groups.
- *Enhanced access to adaptation finance:* The project facilitates access to local adaptation finance mechanisms such as community adaptation funds, municipal grants, multi-level and blended financing opportunities, enabling vulnerable households and local institutions to invest in climate adaptation actions for the protection of life, investments, and promote resilient livelihood opportunities.
- *Reduced climate-induced economic risks:* Nature-based adaptation interventions, disaster risk reduction measures, and social protection mechanisms will reduce vulnerability to climate-induced shocks to life, livelihood and investments and support long-term economic stability for socially marginalized and indigenous households, including women, youth, and most at-risk communities.

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- *Climate-resilient infrastructure investments:* Investments in climate-resilient infrastructure, such as slope stabilization measures, regreening to protect soil erosion and reducing extreme heat, flood protection measures through green infrastructure, including micro-irrigation schemes and early warning systems, reduce economic losses caused by floods, droughts, landslides, and heat stress, improving productivity and local service delivery.

Social Benefits

- *Empowerment for inclusive participation:* The project will strengthen the voice, agency, and decision-making roles of women, youth, Indigenous Peoples, Dalits, persons with disabilities, and marginalized communities through targeted capacity-building, leadership development, climate advocacy, citizen scientists and participatory planning processes.
- *Inclusive governance and social cohesion:* By mobilizing diverse local institutions like mothers' groups, youth clubs, community-based organizations, user groups, and cooperatives, the project promotes inclusive governance systems, collective action, and social cohesion while reducing discrimination across caste, ethnicity, gender, and socio-economic groups.
- *Improved access to climate-resilient services:* Climate-resilient infrastructure, ecosystem restoration, water management systems, and disaster preparedness measures improve access to essential services and enhance the safety and resilience of most at-risk vulnerable and underserved settlements, including areas affected by climate-induced displacement.
- *Strengthened local knowledge and awareness:* Awareness campaigns, digital learning platforms, school-based programs, youth advocacy, community outreach events, and knowledge-sharing initiatives strengthen understanding of climate risks, adaptation solutions, and sustainable resource management practices.

Environmental Benefits

- *Climate risk-informed municipal planning*: The project strengthens climate-responsive and nature-based urban planning by integrating climate vulnerability and risk data into municipal planning and budgeting processes. This leads to more targeted and risk-informed spatial investments to reduce climate impact, reduce environmental degradation, flood and landslide risk, heat stress, and improve management of settlements' ecosystems such as drainage systems, green spaces, water resources, and waste systems. Guiding investments away from risk-prone areas and promoting climate-resilient infrastructure with improved municipal planning helps enhance overall environmental quality and ecological balance of urbanizing settlements.
- *Ecosystem restoration and biodiversity conservation:* The project promotes restoration and conservation of forests, watersheds, wetlands, river systems, and biodiversity-rich ecosystems through afforestation, assisted natural regeneration, slope stabilization, watershed management, riverbank protection, forest fire control and conservation of ecologically sensitive areas.
- *Promotion and implementation of nature-based solutions*: Nature-based and ecosystem-based adaptation interventions such as agroforestry, wetland and water sources restoration, urban greening, bioengineering, and green infrastructure help reduce environmental degradation while strengthening adaptive capacity and ecological resilience.
- *Improved sustainable natural resource management*: Participatory planning, territorial risk mapping, and ecosystem-based management approaches support sustainable and equitable management of land, forests, water resources, and biodiversity for current and future generations.
- *Enhanced ecosystem services and resilience*: Restoration of degraded ecosystems improves water regulation, soil fertility, carbon sequestration, biodiversity conservation, and resilience of natural systems to climate-induced stresses.

Addressing Structural Inequalities

The project explicitly addresses systemic barriers and structural inequalities that limit access to opportunities, resources, and decision-making for women, children, youth, Indigenous Peoples, persons with disabilities, displaced populations, and socially marginalized Dalit groups. Key measures include:

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- Applying disaggregated data collection and inclusive vulnerability assessments to understand differentiated climate risks and social inequalities.
- Designing affirmative and targeted actions such as participation quotas, tailored training, leadership opportunities, and livelihood support for vulnerable groups.
- Embedding gender equality, disability inclusion, and social equity indicators into monitoring, evaluation, accountability, and learning systems.
- Establishing accessible, culturally appropriate, and responsive feedback and grievance redress mechanisms for excluded and vulnerable populations.
- Strengthening institutional capacities and staffing arrangements to ensure effective implementation of Gender Equality, Disability, and Social Inclusion (GEDSI) principles throughout the project cycle.

The project design is informed by an Initial Gender Assessment (IGA) conducted during the formulation stage, which identified significant gender and social disparities in access to resources, participation, livelihoods, climate information, and decision-making (Annex 1). The assessment highlighted that women, particularly Indigenous and marginalized women, face disproportionate climate vulnerabilities due to unequal access to land, finance, technology, education and leadership opportunities, while also carrying a high burden of unpaid care work and domestic responsibilities. Similarly, youth and persons with disabilities faced limited inclusion in local climate planning and governance processes. The project integrates targeted interventions to address these structural inequalities through women-led enterprises, inclusive financing mechanisms, leadership strengthening, and youth climate advocacy networks, ensuring equitable participation in decision-making.

Compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy

The project is designed in full compliance with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy by proactively identifying, avoiding, minimizing, and mitigating potential environmental, social, and gender-related risks throughout implementation. Comprehensive Environmental and Social Risk Screening (ESRS) and Gender and Social Inclusion Analysis (GESI) processes were conducted during project formulation to ensure that all interventions uphold the principles of "do no harm," climate justice, gender equality, social inclusion, and environmental sustainability.

To avoid or mitigate negative impacts, the project adopts the following safeguard and inclusion measures:

Inclusive participation and representation: Women, youth, Indigenous Peoples, persons with disabilities, displaced populations, and marginalized ethnic groups will be ensured meaningful participation and representation in consultations, adaptation committees, planning processes, implementation mechanisms, and monitoring structures through quotas and targeted inclusion measures.

Culturally appropriate and accessible interventions: Project activities will respect Indigenous knowledge systems, local languages, cultural practices, and traditional governance structures. Communication materials, training approaches, and consultation processes will be adapted to ensure accessibility for people with disabilities and low-literacy populations.

Gender-responsive planning and implementation: Gender equality will be mainstreamed across all project components through targeted support for women-led green enterprises, leadership development, tailored livelihood opportunities, and collection of sex-, age-, disability-, and ethnicity-disaggregated data to monitor equitable processes and outcomes.

Environmental safeguards and ecosystem protection: All infrastructure and nature-based interventions will undergo environmental and social safeguard screening to prevent adverse impacts on ecosystems, biodiversity, and natural habitats. Only environmentally sustainable and locally appropriate technologies and practices will be promoted, supported by continuous environmental monitoring.

Conflict sensitivity and social cohesion: The project adopts conflict-sensitive planning approaches to address potential tensions related to resource use, social exclusion, or displacement, ensuring equitable benefit-sharing and inclusive dialogue among communities and stakeholders.

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Grievance Redress Mechanism (GRM): A transparent, accessible, culturally appropriate, and gender-responsive grievance redress mechanism will be established at community and project levels to allow individuals and groups to safely raise concerns, seek redress, and receive timely responses.

By mainstreaming these safeguards, inclusion measures, and climate justice principles across all project components, the project not only minimizes potential risks and adverse impacts but also actively contributes to reducing structural inequalities, strengthening local ownership, and promoting equitable and sustainable climate resilience for historically marginalized populations.

C. Cost-effectiveness of the Project

The proposed project demonstrates strong cost-effectiveness by prioritizing locally led, nature-based, and community-driven adaptation approaches that maximize climate resilience benefits while minimizing implementation and operational costs. The project will leverage existing Tole Development Committee (TDCs), formally recognized at the ward level, and contracted through the Community Implementation Agreements (CIA) modality to ensure direct access to climate finance for local and at-risk communities. By localizing climate finance and adaptation planning, the project reduces administrative overheads, avoids duplication of effort, and channels a significant proportion of resources directly to vulnerable communities and local institutions. TDCs, as the smallest units that directly benefit households, will lead to implementation, creating job opportunities for local laborers, masons, artisans and contractors. Nature-based and ecosystem-based solutions will be prioritized for implementation using UN-Habitat's cost-benefit and value chain analysis methods. Local materials and technologies will be promoted to minimize reliance on cost-heavy concrete solutions and transport needs, making interventions cost-efficient. Community contributions in kind or cash will be encouraged, and commonly practiced by TDCs, alongside co-financing by local governments to leverage resources for upscaling. Based on location and geographic conditions, in some rural municipalities TDCs might not be highly active. So, the status of TDCs will be assessed during full proposal and when no active TDCs are present, direct CIA modality will be rolled out by to other existing or where needed forming users' group. The TDC and CIA modality will also be elaborated in full proposal.

Cost-Effectiveness of Adaptation Interventions

The project prioritizes nature-based solutions adaptation measures such as watershed restoration, spring source protection, wetland rehabilitation, agroforestry, riverbank stabilization through bioengineering, recharge ponds, urban green infrastructure and sustainable land management. These interventions provide cost-effective alternatives to conventional grey infrastructure while generating multiple environmental, social and economic co-benefits. *For example:*

- Bioengineering, plantation, and watershed restoration interventions are significantly less expensive than concrete embankments and engineered slope stabilization structures while simultaneously improving biodiversity, groundwater recharge, soil conservation, and carbon sequestration.
- Wetland restoration and ecosystem-based urban adaptation approaches provide long-term flood regulation, heat reduction, water retention, and ecosystem service benefits with substantially lower maintenance costs.
- Climate-smart agriculture, agroecology, community seed banks, micro-irrigation systems, and agroforestry approaches enhance productivity and resilience using low-cost locally adapted technologies and practices.
- Community-led adaptation infrastructure, such as recharge ponds, check dams, rainwater harvesting systems, conservation ponds, and green public spaces, relies heavily on local labor and locally available materials, reducing capital investment requirements and creating green job opportunities.

The project further enhances cost-effectiveness by integrating adaptation actions into existing municipal planning and budgeting systems, thereby leveraging local resources, co-financing opportunities, technical expertise, and existing governance structures. Adaptation interventions will be incorporated into municipal annual and periodic development plans, enabling municipalities to allocate matching funds, operation and maintenance resources, and complementary investments beyond the project duration.

Direct Access and Efficient Financial Delivery Mechanism

The project adopts a direct-access and localization approach to climate finance that prioritizes channeling resources to local governments, community institutions, women's groups, cooperatives, organizations of Indigenous and marginalized groups, youth groups, and local implementing actors. UN-Habitat under **Community Implementation**

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Agreements (CIAs) modality will work directly with the community organization. This mechanism minimizes intermediary costs and ensures that the majority of project resources reach field-level adaptation actions and vulnerable populations.

Using the Adaptation Fund's direct access modality, financial resources will flow through the Implementing Entity directly to executing partners and local actors based on approved work plans, transparent selection processes, performance milestones, and accountability mechanisms. Community-based organizations, local governments, and local user groups will play central roles in identification, prioritization, designing, planning, implementing, monitoring, and maintaining adaptation interventions.

Local operation and maintenance mechanisms

This approach reduces transaction costs, accelerates implementation, strengthens local institutions, and enhances ownership and accountability. By relying on local systems and local institutions rather than parallel project structures, the project improves implementation efficiency and contributes to long-term institutional sustainability.

Long-Term Economic Efficiency and Fiscal Savings

The project is designed to generate long-term cost savings by reducing climate-induced losses and future expenditures related to disaster response, infrastructure rehabilitation, ecosystem degradation, and livelihood disruption. Investments in upstream ecological restoration, disaster risk reduction, resilient urban systems, and sustainable natural resource management will help reduce recurring costs associated with floods, droughts, landslides, water scarcity and heat stress. By strengthening local adaptive capacity and integrating adaptation into local governance systems, the project also reduces future dependency on external humanitarian assistance and emergency recovery financing.

The project will utilize existing government coordination structures, public financial management systems, procurement procedures, and local institutional arrangements wherever feasible, thereby avoiding the creation of parallel systems and strengthening long-term institutional capacities.

Implementing Arrangements

I. *Project Steering Committee (PSC):* A Project Steering Committee (PSC) will be established at the federal level under the leadership of the Ministry of Infrastructure Development (MOID), and the Ministry of Agriculture, Forest and Environment (MoAFE), in collaboration with other relevant ministries, municipalities, Implementing Entity and Executing Entities. The PSC will provide strategic guidance, policy oversight, intergovernmental coordination, and technical support to ensure effective implementation and alignment with national and sub-national priorities.

II. *Project Management Unit (PMU)*: A Project Management Unit (PMU) will be established in Kathmandu to serve as the central coordination and management body for the project. The PMU led by Implementing Entity together with Executing Entity will oversee technical supervision, Financial management, Monitoring and evaluation, Knowledge management, Procurement and safeguards compliance, Coordination with provincial and local governments, and Reporting and quality assurance.

   The PMU will work closely with municipalities/local governments, provincial institutions, community organizations, and relevant stakeholders to ensure efficient and inclusive implementation.

III. *Field Offices (FOs):* Field Offices (FOs) will be established strategically within the project areas to support operational coordination and field-level implementation. Under the supervision of the PMU, the FOs will facilitate:

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- Local coordination and stakeholder engagement;
- Monitoring and supervision of activities;
- Technical support to municipalities and communities;
- Mobilization of local resources and community participation; and
- Documentation and reporting of field-level progress and lessons learned.
- The field-level implementation model prioritizes decentralized decision-making, local ownership, and community participation to ensure efficient delivery, sustainability and scalability of adaptation interventions.

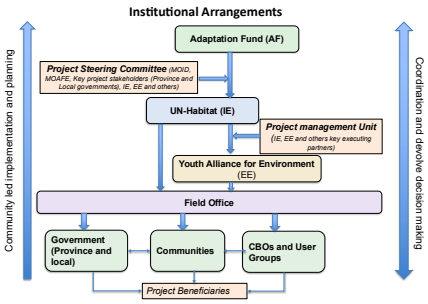

Figure 4: Implementation arrangement of the project

D. Consistency with national or sub-national development programmes

The project translates Nepal's national and local climate policies and adaptation priorities into concrete, community-driven actions of ecologically vulnerable and socio-economically marginalized communities, who are often under-prioritized despite their high vulnerabilities and exposure to risks. The project is aligned with the priority adaptation technologies identified in Nepal's Technology Needs Assessment (TNA) and Technology Action Plan (TAP) particularly in relation to water resource management, watershed and ecosystem restoration, climate-resilient agriculture, disaster risk reduction, hydrological monitoring, and climate information systems. The details are provided on the table below:

Table 5: Alignment of proposed project technologies with Nepal's Technology Needs Assessment (TNA) and Technology Action Plan (TAP)

TNA/TAP priority adaptation technology area	Proposed project technology / intervention	Relevant project output
Integrated water resource management and water conservation	Spring source protection, recharge pond construction, infiltration trenches, water-source conservation, and watershed rehabilitation	Outputs 1.2 and 3.2
Watershed and ecosystem restoration	Forest restoration, slope stabilization, riparian plantation, bioengineering measures, and ecosystem-based adaptation	Outputs 1.2 and 3.2
Climate-resilient agriculture and sustainable land management	Climate-resilient agricultural practices, soil and moisture conservation, and community-based land restoration measures	Output 3.2
Flood, landslide, and erosion risk reduction technologies	Nature-based slope stabilization, riverbank protection, sediment management measures, and climate-resilient local infrastructure	Outputs 2.2, 3.2, and 3.3
Hydrological and meteorological monitoring technologies	Hydro-meteorological stations, discharge measurement systems, rainfall monitoring, and watershed monitoring systems	Output 3.3
Climate information and early warning systems	Community-based climate information dissemination, local early warning systems, and municipal climate risk information platforms	Outputs 2.2 and 3.3
Community-based adaptation technologies	Participatory climate risk assessment, LAPA, community adaptation planning, and community-led adaptation investments	Outputs 1.1, 1.2, and 3.2
Institutional and technological capacity strengthening	Municipal capacity building on climate-resilient planning, technology management, watershed governance, and multi-level coordination for scaling adaptation technologies	Outputs 2.1 and 2.3

The project contributes to national and local efforts to maintain climate resilience into development planning, strengthen ecosystem management, and empower local communities and governments to address growing climate risks based on Locally Led Adaptation (LLA) principles. The specific policies, strategies, and frameworks supported by the project are outlined below:

National Adaptation Plan (NAP) 2021–2050: The project supports Nepal's NAP by integrating climate risk assessments, participatory vulnerability analysis, and Locally Led Adaptation Plans in line with the revised LAPA Framework (2019). Activities such as participatory climate risk assessments, territorial risk mapping, climate trend analysis, and adaptation planning under Component 1, contribute directly to the NAP's priority thematic areas including agriculture, water resources, forests and biodiversity, disaster risk reduction, urban settlements, and resilient infrastructure. The project also advances the NAP's emphasis on locally led, inclusive, and ecosystem-based adaptation approaches.

16th Periodic Plan (2024/25–2028/29): The project aligns with Nepal's 16th Periodic Plan by mainstreaming climate change adaptation into local and provincial planning and governance systems. Activities under Components 2 and 4 strengthen institutional capacities for climate-responsive planning, budgeting, implementation, and climate finance mobilization while promoting sustainable and resilient development pathways. The project supports the Plan's goals of inclusive economic growth, poverty reduction, environmental sustainability, green development, and resilience-building for vulnerable communities.

Sustainable Development Goals (SDGs): The project contributes to multiple SDGs, particularly:

- SDG 1 (No Poverty): through climate-resilient livelihoods, social protection mechanisms, and support to marginalized communities;
- SDG 5 (Gender Equality): by strengthening leadership and participation of women and marginalized groups in climate governance and livelihood activities;
- SDG 6 (Clean Water and Sanitation): through integrated water resource management and conservation;
- SDG 11 (Sustainable Cities and Communities): through climate-resilient urban planning and ecosystem-based urban adaptation;
- SDG 13 (Climate Action): by implementing climate adaptation, disaster risk reduction, and resilience-building interventions;
- SDG 15 (Life on Land): through forest restoration, biodiversity conservation, watershed management, and sustainable ecosystem management; and
- SDG 17 (Partnerships): through multi-stakeholder collaboration, territorial approach and promoting policy coherence.

National Climate Change Policy (2019): The project strongly supports Nepal's National Climate Change Policy (2019) by promoting community-based adaptation, disaster risk reduction, ecosystem conservation, and climate-resilient development. Activities such as capacity building for local governments and communities on Locally Led Adaptation (LLA), climate finance mobilization, ecosystem-based adaptation, and climate-resilient infrastructure under project components 2 and 3 directly contribute to the Policy's focus on equitable adaptation and resilience-building for vulnerable populations.

Local Adaptation Plans for Action (LAPA) Framework (2019): The project operationalizes the revised LAPA Framework through participatory and bottom-up adaptation planning processes that integrate scientific evidence with local and Indigenous knowledge systems. Activities related to climate risk assessments, vulnerability mapping, and development and integration of Locally Led Adaptation Plans and Actions into municipal planning systems strengthen local ownership, accountability, and institutionalization of adaptation planning. The project also reinforces the LAPA framework's emphasis on inclusion of women, Indigenous Peoples, youth, Dalits, persons with disabilities, and marginalized groups in adaptation decision-making.

National Urban Development Strategy: The project aligns with Urban Development strategy by integrating climate risk information, ecosystem conservation, and urban ecosystem-based adaptation approaches into local planning systems. Through activities under Components 1 and 2, the project supports climate-sensitive land-use zoning, urban risk assessments, green infrastructure planning, and the integration of adaptation priorities into municipal land-use and urban development plans. The project further promotes risk-informed settlement planning, protection of environmentally sensitive areas, improved urban drainage systems, and ecosystem-based urban resilience measures to strengthen sustainable and climate-resilient urban development

Tarai Arc Landscape (TAL) Strategy: The project supports the objectives of the Tarai Arc Landscape (TAL) Strategy through ecosystem restoration, biodiversity conservation, watershed management, sustainable forest management, and promotion of nature-based solutions in ecologically sensitive landscapes, including *Chure* hill. Activities such as forest restoration, community-based conservation, and habitat protection contribute to ecological connectivity, biodiversity conservation, and climate-resilient livelihoods for local and Indigenous communities.

Nationally Determined Contributions (NDCs) and UNFCCC Commitments: The project contributes directly to Nepal's NDCs under the Paris Agreement by addressing adaptation priorities in agriculture, forests and biodiversity, water management, urban resilience, and disaster risk reduction. Activities such as climate-smart agriculture, forest fire management, water source protection, ecosystem restoration, sustainable forest management, and climate-resilient infrastructure under component 3, support Nepal's commitments under the UNFCCC to strengthen resilience, reduce vulnerabilities, and promote sustainable low-carbon and climate-resilient development.

Disaster Risk Reduction and Management Policies and Frameworks: The project aligns with Nepal's Disaster Risk Reduction and Management Act and National DRRM Strategic Action Plan through implementing ecosystem-based

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disaster risk reduction interventions such as slope stabilization, bioengineering, flood mitigation, watershed conservation, early warning systems, and resilient infrastructure development support in strengthening preparedness, reduce disaster risks, and enhancing the resilience of vulnerable communities and ecosystems.

Provincial and Local Development Plans: At the sub-national level, the project aligns with climate resilience, sustainable agriculture, disaster management, green investment, and environmental conservation priorities of Lumbini Province and participating municipalities. By integrating adaptation priorities into municipal periodic plans, annual work plans and budgets, land use plans, urban development plans, and local climate governance frameworks, the project strengthens institutional coordination and the mainstreaming of climate resilience into local development processes. Additionally, based on the project's focus areas, whenever applicable, the following sector-specific standards are likely to apply.

Table 6: Relevant standards and guidelines potentially applicable in the project

National Standard/Policy	Relevant Project Components and Activities	Alignment with National Standards	Compliance with Adaptation Fund ESP Principles
Environment Protection Act (2019) and Environment Protection Rules (2020) Mandate environmental screening, Initial Environmental Examination (IEE), and Environmental Impact Assessment (EIA) for projects with potential environmental impacts.	**Component 1: Locally Led Risk and Need Assessment** - Activity: Participatory hazard mapping and vulnerability assessments - Activity: Climate trend analysis and future climate projection - Activity: GIS-based ecosystem and risk mapping **Component 3: Execution of Community-Driven Locally Led Adaptation Solutions** - Activity: Watershed conservation and ecosystem restoration - Activity: Bioengineering and slope stabilization - Activity: Forest restoration and biodiversity conservation	Conduct environmental and climate risk assessments prior to implementation and integrate nature-based solutions and ecosystem restoration approaches consistent with national environmental safeguard requirements. Environmental screening and mitigation measures will be incorporated into all applicable infrastructure and ecosystem-based interventions.	**Principle 1: Compliance with the Law-** Ensures compliance with Nepal's environmental laws and safeguard requirements. **Principle 9: Protection of Natural Habitats-** Promotes restoration and protection of forests, watersheds, and biodiversity. **Principle 10: Conservation of Biological Diversity-** Supports sustainable ecosystem management and minimizes environmental degradation.
Disaster Risk Reduction and Management Act (2017) Requires disaster risk assessments, preparedness, and resilience-building measures.	**Component 1:** Output 1.1: Climate Risk and Vulnerability Assessments - Activity: Multi-hazard risk assessments - Activity: Hazard and vulnerability mapping **Component 3:** - Activity: Early warning systems and ecosystem-based disaster risk reduction - Activity: Flood and landslide mitigation measures **Component 4:** - Activity: Community awareness and preparedness programs	Integrates multi-hazard risk assessments, disaster preparedness, ecosystem-based disaster risk reduction, and resilient infrastructure planning to reduce vulnerability and strengthen preparedness of local communities and governments.	**Principle 6: Core Labour Rights** – Ensures safe working conditions during implementation. **Principle 11: Climate Change** – Addresses climate-induced disaster risks through adaptation and preparedness measures.
National Climate Change Policy (2019) Promotes climate-resilient development, ecosystem conservation, and inclusive adaptation planning.	**Component 1:** - Activity: Participatory adaptation planning with vulnerable groups **Component 2:** - Activity: Capacity building on Locally Led Adaptation (LLA) and climate governance - Activity: Climate-responsive planning and budgeting **Component 3:** - Activity: Climate-smart agriculture and nature-based adaptation interventions	Supports community-based adaptation, climate-resilient livelihoods, ecosystem conservation, and integration of adaptation into local governance and planning systems in line with national climate policy priorities.	**Principle 2: Access and Equity** – Promotes equitable participation and access to adaptation resources. **Principle 5: Gender Equality and Women's Empowerment** – Ensures inclusion and leadership of women and marginalized groups.
Local Adaptation Plan of Action (LAPA) Framework (2019) Promotes participatory and	**Component 1:** - Activity: Participatory climate risk and vulnerability assessments - Activity: Preparation and integration of LLAPs into municipal systems	Operationalizes the revised LAPA Framework through inclusive adaptation planning processes integrating scientific evidence with local and Indigenous	**Principle 2: Access and Equity-** Strengthens inclusive and participatory adaptation planning. **Principle 7: Indigenous**

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bottom-up adaptation planning.	**Component 2:** - Activity: Capacity building of local governments and communities on LAPA implementation	knowledge systems while strengthening local ownership and institutionalization of adaptation actions.	**Peoples-** Integrates Indigenous knowledge and participation into adaptation planning.
National Urban Policy (2024) Promote risk-sensitive land use planning, zoning, and sustainable urban development	**Component 1:** - Activity: Assessment of urban drainage systems, land use zoning, waste management, and water supply systems - Activity: GIS-based climate risk and vulnerability mapping **Component 2:** - Activity: Facilitate integration of urban ecosystem-based adaptation priorities into Land Use and Development Plans **Component 3:** - Activity: Climate-resilient urban infrastructure and green infrastructure interventions	Strengthens climate-informed land use planning and promotes integration of ecosystem-based adaptation, hazard mapping, green infrastructure, and risk-sensitive zoning to inform municipal land use and urban development planning systems.	**Principle 9: Protection of Natural Habitats-** Promotes environmentally sensitive land use planning and ecosystem conservation. **Principle 11: Climate Change-** Integrates climate risk reduction and resilience into urban planning systems. **Principle 2: Access and Equity-** Supports inclusive urban planning processes benefiting vulnerable communities.
GEDSI Strategy and Action Plan (2020–2030) Promotes gender equality, disability inclusion, and social inclusion in development processes.	**Component 1:** - Activity: Inclusive vulnerability assessments and consultations **Component 2:** Output 2.3: Enhanced capacity of provincial and federal governments for multi-level coordination on scaling locally led nature-based adaptation approaches and climate-resilient infrastructure - Activity: Leadership and advocacy training for women and youth **Component 4:** Output 4.3: Strengthened Climate Advocacy and Leadership among Youth and Women Climate Champions	The project ensures meaningful participation, leadership, and equitable benefit-sharing for women, Indigenous Peoples, youth, persons with disabilities, and marginalized groups through targeted inclusion measures, livelihood support, and climate advocacy initiatives.	**Principle 3: Marginalized and Vulnerable Groups** – Prioritizes vulnerable groups in planning and implementation. **Principle 5: Gender Equality and Women's Empowerment-** Strengthens women's leadership and participation. **Principle 7: Indigenous Peoples-** Recognizes and respects Indigenous knowledge and rights.
Local Government Operation Act (2017) Emphasizes strengthening local governance, participatory planning, and service delivery.	**Component 2** - Activity: Climate-responsive planning and budgeting training - Activity: Multi-stakeholder coordination mechanisms - **Component 4:** - Activity: Integration of adaptation priorities into municipal plans and budgets	Strengthens capacities of local governments to integrate climate resilience into local planning, budgeting, infrastructure development, and governance systems while enhancing participation of communities and local institutions.	**Principle 2: Access and Equity-** Enhances participation in local governance and climate finance processes.
National Adaptation Plan (NAP) 2021–2050 and NDC Commitments Promote sectoral adaptation, resilience-building, and climate-resilient development.	**Component 3:** - Activity: Climate-smart agriculture - Activity: Water resource management and ecosystem restoration - Activity: Disaster resilience and green livelihoods **Component 4:** - Activity: Knowledge management and policy dissemination	Contributes to Nepal's adaptation priorities under the NAP and NDCs through ecosystem-based adaptation, resilient livelihoods, water management, biodiversity conservation, and climate-resilient infrastructure interventions.	**Principle 11: Climate Change-** Enhances climate resilience and adaptive capacity. **Principle 10: Biodiversity Conservation-** Supports ecosystem restoration and sustainable natural resource management.
National Land Use Policy (2019)	**Component 1:** - Activity: Spatial vulnerability assessment - Activity: Local adaptation action planning **Component:2:** - Activity: Climate-responsive municipal planning and budgeting	Contributes to implementation of risk informed planning and investment, while not directly though through hazard mapping, green infrastructure, and risk-sensitive zoning to inform municipal land use and urban development planning systems.	**Principle 11: Climate Change-** Integrates climate risk reduction and resilience into urban planning systems. **Principle 2: Access and Equity-** Supports inclusive urban planning processes benefiting vulnerable communities.

The project adopts the Unidentified Sub-Project (USP) approach under Component 3 to maintain flexibility and responsiveness to locally identified climate risks, vulnerabilities, and adaptation priorities. At the current stage, certain interventions are intentionally left undefined to allow Vulnerability and Risk Assessments (VRAs) and LAPAs to guide the identification and prioritization of context-specific adaptation measures. This approach ensures that community-

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specific vulnerabilities, local and Indigenous knowledge systems, and evolving climate risks are fully integrated into project design and implementation. By avoiding prescriptive, top-down interventions, the USP approach minimizes the risk of maladaptation and promotes locally led, evidence-based, and inclusive adaptation solutions. All unidentified sub-projects will be subject to stepwise screening, compliance, monitoring, and approval process to ensure adherence to national technical standards, environmental and social safeguards, gender requirements, quality assurance mechanisms, and accountability frameworks.

At the Full Proposal Stage, a detailed mapping of applicable standards for each USP category (e.g., agriculture, infrastructure, ecosystem restoration, water supply) will be conducted in coordination with the relevant ministries (Federal and Provincial) and local governments. If additional sectoral technical standards or local codes are identified during further consultations, the following process will be applied.

- Comprehensive review of all relevant national, provincial, and local standards during project preparation.
- Consultations with Line Ministries and local governments to validate applicable standards and secure concurrence

Authorization and Institutional Roles

The clear institutional roles and responsibilities will be established at the federal, provincial, and local levels to ensure compliance with national regulations, safeguard requirements, and technical standards.

- The Ministry of Infrastructure Development (lead) and the Ministry of Agriculture, Forests, and Environment will serve as the national coordinating authority, providing overall policy guidance, strategic oversight, coordination support, and necessary approvals and clearances in accordance with national environmental and climate policies. The Ministries will also facilitate alignment of project interventions with national adaptation priorities, policies, and regulatory frameworks.
- Relevant provincial ministries and agencies will support coordination, technical facilitation, monitoring, and implementation oversight at the provincial level, ensuring alignment with provincial development priorities, climate adaptation strategies, and sectoral policies.
- Municipalities will play a lead role in local-level implementation by facilitating site-specific approvals, environmental and social screening, integration of adaptation priorities into local planning systems, technical endorsement of sub-projects, and coordination with local stakeholders and communities.
- Implementing Entities (IEs) and Executing Entity (EE) will ensure that all project interventions comply with national laws, technical standards, environmental and social safeguard requirements, and the Environmental and Social Policy (ESP) of the Adaptation Fund. They will be responsible for securing required no-objection letters, permits, environmental clearances, certifications, and technical approvals prior to initiation of any sub-project activities.
- Community institutions, user groups, civil society organizations, and local stakeholders will participate in planning, implementation, monitoring, operation and maintenance of project interventions to strengthen local ownership, transparency, accountability, and sustainability of adaptation actions.

E. Compliance with relevant technical standards and policies

The proposed project will comply with all relevant national technical standards such as Enviornmental and social screening and management, including IEE/EIA/BES and Enviornment and Social management Plans (ESMPs), policies, regulatory frameworks, and environmental and social safeguard requirements. All adaptation interventions, climate-resilient infrastructure investments, ecosystem restoration measures, and community-based activities will be implemented in accordance with national laws, technical standards, and the Environmental and Social Policy (ESP) of the Adaptation Fund. The project will also strengthen the capacities of local governments, community institutions, and other local stakeholders through LLA approach to understand, apply, and monitor compliance with these standards during planning, implementation, operation, and maintenance of project interventions. The following table outlines the project's technical standard compliance and capacity-building efforts.

Table 7: Project compliance with national standards and policies and adaptation fund ESP Principles

Sector	Relevant Standards/Guidelines	Compliance Approach
Agriculture and Livelihoods	Climate-Resilient Agriculture Strategy (MoALD, 2018), Good Agricultural Practices (GAP) guidelines, Pesticide Management Framework (MoALD)	Promote climate-resilient farming models, soil and water conservation, and pest management consistent with GAP; ensure no use of restricted agro-chemicals.
Water and Irrigation	Water Safety Plan Guidelines (DWSSM), National Water Resources Policy and Irrigation	Ensure design, operation, and maintenance meet water quality, hydraulic safety, and equitable access standards.

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	Standards	
Infrastructure (roads, buildings)	National Building Code (NBC), Climate-Resilient Infrastructure Guidelines, Rural Road and Slope Stabilization Standards	Apply standards for slope protection, drainage, and disaster-resistant design; ensure engineering drawings are approved before construction.
Forestry and Ecosystem Restoration	Forest Act (2019), Community Forestry Guidelines (DoFSC) and National Biodiversity Strategy and Action Plan	Secure necessary approvals for plantation, harvesting, or resources collection; promote native species and biodiversity-friendly restoration.
Environmental and Social Safeguards	Environment Protection Act (2019), Environment Protection Rules (2020), Adaptation Fund Environmental and Social Policy (ESP)	All sub-projects and interventions will undergo environmental and social screening to identify and mitigate potential risks. The project will apply safeguard measures to ensure environmental sustainability, gender equality, social inclusion, protection of vulnerable groups, and prevention of maladaptation

F. Duplication with other funding sources

The proposed project focuses on highly climate-vulnerable municipalities of Kapilvastu District (Banganga, Buddhabhumi, and Shivaraj Municipalities) and Arghakhanchi District (Shitaganga Municipality) in Nepal. The project has been developed through a comprehensive review of past, ongoing, and planned climate adaptation, disaster risk reduction, biodiversity conservation, and resilience-building initiatives in the proposed project areas to ensure complementarity and avoid duplication of efforts and financing.

The assessment confirmed that there are currently no overlapping projects funded by the Adaptation Fund, Global Environment Facility (GEF), Least Developed Countries Fund (LDCF), or other major bilateral and multilateral climate financing mechanisms directly operating within the proposed municipalities. However, some broader regional and provincial climate resilience initiatives are being implemented including the GCF-funded Clean Cooking Stoves Project and the British Embassy Kathmandu-supported RAIN (Resilience, Adaptation and Inclusion in Nepal) Programme operating in parts of Lumbini Province, these initiatives overlap with geographical coverage but do not overlap programmatically with the proposed project interventions.

The project will review and also build upon the adaptation interventions prioritized through the RAIN and other Programme. Additionally, the local governments of the four target municipalities are the principal stakeholders and implementing partners for both the RAIN Programme and the proposed project, which provides a strong institutional mechanism for avoiding duplication of investments. It is because the same municipalities are responsible for local adaptation planning, project coordination, and investment prioritization, they maintain records of completed, ongoing, and planned adaptation interventions. The coordination systems across municipal, provincial and national governments will be integrated across project activities rather than standalone activity, to avoid any duplication and overlap.

A detailed review of existing and ongoing programs indicates that the proposed project interventions and climate-resilient activities do not duplicate any current initiatives in the target municipalities. Instead, the project is specifically designed to fill critical gaps and address unmet needs in locally led adaptation planning, climate-resilient infrastructure, ecosystem restoration, climate finance mobilization, inclusive governance, and implementation of community-prioritized adaptation actions in underserved and highly climate-vulnerable communities. The project will further coordinate and collaborate with relevant government agencies, development partners, and ongoing regional initiatives to enhance synergies, promote knowledge sharing, and maximize overall adaptation impacts. Relevant and complementary initiatives supported by multi-lateral and bi-lateral agencies and other development partners are summarized in the table below.

Table 8: List of ongoing projects from other donors/ partners in the four target municipalities

SN	Proposed Rural/Municipalities	Project	Donor/Implementing Agency	Duplication/Synergies
1	Buddhabhumi, Shivaraj and Banganga Municipalities	Clean Cooking Solutions Project	Funded by Green Climate Fund (GCF) and implemented by Alternative Energy Promotion Centre (AEPC)	No duplication as the "Clean Cooking Solutions" project primarily focuses on promotion of clean cooking technologies and renewable energy access. Although there is geographic overlap, the proposed LLA project is sectorally and thematically distinct, focusing on climate risk assessment, ecosystem-based adaptation, resilient livelihoods, and local adaptation planning. Coordination with AEPC and local governments will help create synergies, share lessons, and enhance sustainability of adaptation interventions.
2	Buddhabhumi, Shivaraj, Banganga and Shitaganga Municipalities	RAIN (Resilience, Adaptation and Inclusion	Supported by the British Embassy Kathmandu	The proposed project avoids duplication with the RAIN (Resilience, Adaptation and Inclusion in Nepal) Programme, as RAIN primarily focuses on implementation of selected anticipatory action, adaptation and resilience interventions and is scheduled to conclude in 2026. The proposed project will build upon the lessons learned, community

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		in Nepal) Programme		structures, coordination mechanisms, and resilience approaches established under the RAIN Programme while addressing remaining gaps related to locally led adaptation planning, ecosystem-based adaptation, climate-resilient infrastructure, institutional strengthening, and long-term sustainability of adaptation actions. Several rounds of consultations and coordination meetings have been conducted with the RAIN Programme team and relevant stakeholders to ensure complementarity, avoid overlap, and identify opportunities for collaboration. Potential synergies exist in knowledge sharing, inclusive adaptation approaches, resilience-building practices, capacity strengthening of local governments and communities, and coordinated implementation with municipal and provincial stakeholders.
3	Banganga, Buddhabhumi and Shivaraj Municipalities	Terai Arc Landscape (TAL) Programme	Government of Nepal with support from WWF Nepal and development partners	No duplication exists as TAL mainly focuses on biodiversity conservation, protected areas, wildlife corridors, and in the Terai Arc Landscape. The proposed project complements TAL by integrating community-based climate adaptation, climate-resilient livelihoods, watershed management, and ecosystem restoration in vulnerable settlements and production landscapes.
4	Banganga, Buddhabhumi, Shivaraj and Shitaganga Municipalities	Agriculture and Livelihood Support Programmes	Supported by MoALD, PMAMP, cooperatives, NGOs, and development partners	Existing agricultural support programmes mainly focus on productivity enhancement and commercialization. The proposed project complements these initiatives by integrating climate-smart agriculture, agroecology, water-efficient technologies, ecosystem restoration, climate risk management, and resilient livelihood diversification for vulnerable households.

To avoid duplication and maximize synergies, the project will establish strong coordination and collaboration mechanisms at local, provincial, and national levels. These mechanisms will include:

- Coordination with federal ministries, provincial ministries, municipalities, and relevant sectoral agencies to align project interventions with existing policies, programs, investment plans, and development priorities.
- Mapping and periodic review of ongoing and planned adaptation, disaster risk reduction, biodiversity, infrastructure, and livelihood projects within target municipalities and provinces to identify complementarities, gaps, and opportunities for collaboration.
- Establishment of multi-stakeholder coordination platforms and the proposed Urban Climate Alliance to facilitate information sharing, technical coordination, joint planning, and consolidation of lessons and good practices across sectors and institutions.
- Integration of project-supported LLA Plans and Actions, ecosystem-based adaptation priorities, and climate resilience actions into municipal periodic plans, Annual Work Plans and Budgets (AWPBs), Land Use and Development Plans, and LAPA to ensure harmonization with government systems and avoid fragmented implementation.
- Promotion of cross-sectoral collaboration among sectors such as forestry, agriculture, water resources, urban development, disaster risk reduction, biodiversity conservation, and local governance to generate integrated and mutually reinforcing adaptation outcomes.
- Use of common monitoring, learning, and knowledge management system to document experiences, track progress, disseminate lessons learnt and promote replication / scaling of successful adaptation practices.

The proposed project is distinct in its strong focus on locally led and community-driven adaptation interventions implemented through local governments, community institutions, and multi-stakeholder partnerships. Unlike many existing programs that primarily emphasize sectoral, infrastructure-focused, or top-down approaches, this project prioritizes community empowerment, participatory planning, institutional capacity strengthening, climate-responsive local governance, and nature-based adaptation solutions. The project further promotes integration of Indigenous and local knowledge systems, inclusive decision-making, and flexible context-specific interventions in alignment with the Adaptation Fund's Updated Guidance on Projects with Unidentified Sub-Projects (2022). Through its LLA approach, the project ensures that adaptation priorities are identified, designed, and implemented based on locally identified risks, vulnerabilities, and community priorities.

G. Learning and knowledge management component

The project incorporates a comprehensive learning, communication, and knowledge management component to systematically capture, document, disseminate, and institutionalize lessons learned, innovations, best practices, and evidence generated throughout project implementation. Even though the project has a dedicated Component 4 on knowledge management and documentation, knowledge generation and learning processes will be embedded across all project components, activities, and sub-activities to ensure continuous reflection, learning, and improvement throughout the project cycle.

The project will establish multi-level knowledge-sharing and learning mechanisms that facilitate collaboration and exchange among communities, local governments, provincial and federal institutions, civil society organizations, academic institutions, private sector actors, and development partners. Key learnings, innovations, and implementation experiences will be regularly documented, analyzed, and transformed into various knowledge products such as technical manuals, policy briefs, training modules, fact sheets, case studies, success stories, research papers, visual documentation, and audio-visual materials. Dissemination will take place through multiple communication channels including social media platforms (Facebook, LinkedIn, Twitter, YouTube), project websites, online learning platforms, workshops, knowledge forums, scientific articles and journals and community outreach events to ensure wider accessibility and replication of good practices.

At the community level, the project will prioritize participatory and culturally sensitive learning approaches to strengthen awareness, local ownership, and adaptive capacities, particularly among smallholder farmers, women, youth, Indigenous Peoples, and marginalized communities. Participatory videos, storytelling, thematic discussions, community film screenings, local exhibitions, role-plays, and visual materials in local languages will be used to ensure that knowledge products are accessible and relevant across diverse educational and cultural contexts. Gender-responsive and socially inclusive communication approaches that use simplified language, pictorial guides, and audiovisual tools will further ensure the meaningful engagement of women, persons with disabilities, elderly populations, and marginalized groups.

To strengthen climate resilience in agriculture, water resources, biodiversity conservation, ecosystem management, and climate-resilient livelihoods, the project will promote local innovation, demonstration, experimentation, and transfer of knowledge through Farmers Field Schools, demonstration plots, community-to-community learning exchanges, learning transects, field observations, simulations, reflective learning sessions, and community experimentation processes and reflective learning sessions. These activities will be implemented primarily through Activity 4.1.3, which includes awareness campaigns, exposure visits, training, and practical learning on locally led adaptation and nature-based solutions, and Activity 4.1.4, which establishes community learning networks and communities of practice to facilitate continuous peer learning, experimentation, and adaptive management. Community-to-community learning exchanges will be delivered through Activities 4.1.3 and 4.1.4, while the documentation and dissemination of traditional and Indigenous knowledge, case studies, success stories, and best practices will be undertaken through Activity 4.1.5, with all Indigenous knowledge documentation conducted under FPIC. Multi-stakeholder knowledge exchange, policy learning, and dissemination of lessons for replication will be implemented through Activities 4.2.2 and 4.2.4 under the Urban Climate Alliance. Together, these activities establish a structured knowledge management and learning system that captures lessons from participatory planning, community-led adaptation implementation, and institutional innovations, and feeds them back into municipal planning, policy development, and scaling processes. The project will include quantitative targets and indicators for key knowledge-management activities, including the number of Farmers Field Schools established, demonstration sites supported, community learning networks formed, learning exchanges conducted, Indigenous knowledge practices documented, knowledge products produced, policy dialogues organized, and municipalities adopting documented locally led adaptation practices for replication and scaling during full proposal stage. These approaches will integrate scientific knowledge with local practices to generate practical, hybrid, and context-specific adaptation solutions suitable for replication and scaling in similar ecological and socio-economic settings. Traditional and Indigenous knowledge systems will be respected, protected, documented, and integrated throughout the project. Indigenous leaders, elders, traditional practitioners, women knowledge holders, and local communities will actively participate in co-designing and implementing adaptation solutions, particularly in areas such as climate-resilient agriculture, biodiversity conservation, natural resource management, water management, disaster risk reduction, and ecosystem restoration. Traditional forecasting systems, indigenous farming techniques, customary resource governance systems, and culturally rooted adaptation practices will be documented and integrated with scientific and technical knowledge to strengthen locally appropriate adaptation responses. Documentation and dissemination of Indigenous knowledge will be undertaken with Free, Prior and Informed Consent (FPIC), recognizing community ownership, intellectual contributions, and cultural values.

The project is also designed as a learning and demonstration platform where innovative technologies, nature-based solutions, ecosystem-based adaptation approaches, and locally led practices will be piloted, tested, documented, and scaled. Component 3 specifically supports implementation and demonstration of innovative adaptation technologies and practices, which will be systematically documented to support replication and upscaling in similar geographical and ecological regions of Nepal. Lessons learned and evidence generated through monitoring, evaluation, and implementation processes will be continuously shared with stakeholders and integrated into adaptive project management and policy processes.

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In addition, the project will document and disseminate stories, experiences, and leadership examples from women, youth, Indigenous Peoples, and marginalized communities to demonstrate inclusive climate action and strengthen climate justice narratives. Video documentaries, photo stories, community testimonies, and lesson-learned reports will be produced and disseminated widely to inspire replication, strengthen advocacy, and enhance public awareness. Through these integrated approaches, the project aims not only to disseminate knowledge and lessons learned but also to institutionalize local capacities, strengthen community ownership, and build long-term resilience and adaptive capacity across multiple governance levels

H. Stakeholder consultations

This concept note has been developed through a strong collaborative and locally led process, ensuring a bottom-up, co-creation approach with the active participation and consensus of key stakeholders. Comprehensive consultations were carried out at federal, provincial, and local levels, with meaningful engagement of duty bearers, rights holders, and communities most vulnerable to climate change. (Annex 2)

At the local level, the project team held numerous meetings, conducted dedicated field visits (20 – 24 May 2026), and engaged in in-depth discussions directly with communities and their representatives in the target municipalities. These engagements included local farmers, who provided critical insights into climate impacts on agriculture and traditional coping mechanisms; water user groups and forest user groups, who shared experiences related to natural resource management, water scarcity, and forest degradation; and representatives from Indigenous and minority ethnic communities, including Tharu, Madhesi and other Indigenous Peoples, whose traditional knowledge systems and distinct vulnerabilities were central to identifying localized risks and appropriate adaptation solutions. Women's groups and youth representatives were actively engaged to ensure that gender-differentiated, age-specific, and intergenerational perspectives were fully integrated into project design. These grassroots-level consultations were instrumental in identifying climate-related challenges and adaptation priorities, thereby directly shaping context-specific, demand-driven interventions. The process strongly emphasized devolving decision-making power to the lowest appropriate level, enabling local institutions and communities to actively define, prioritize, design, and influence the implementation, monitoring, and evaluation of adaptation actions.

Further consultations were conducted with relevant provincial ministries, including the Ministry of Forest and Environment, the Ministry of Infrastructure Development, as well as with local governments in all target municipalities. This multi-level engagement ensured strong alignment with national and sub-national climate policies, development plans, and adaptation strategies, while reinforcing vertical coordination and policy coherence. The initial consultation process confirmed a strong sense of urgency for climate action and demonstrated significant local ownership and a willingness to adopt locally led adaptation approaches, including traditional knowledge systems and low-cost, locally appropriate technologies. Local governments also expressed strong commitment to integrating adaptation priorities into planning and budgeting processes, strengthening the foundation for long-term sustainability. Consent letters from provincial and local governments (Annex 3), along with meeting minutes and their translations (Annex 2), provide additional documentation of the consultative process.

In line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy, the overall project has been preliminarily categorized as Category ~~C, indicating no significant adverse environmental and social impacts~~ B2 expected to generate primarily low to moderate environmental and social risks that are site-specific, manageable, and can be avoided or mitigated through appropriate planning, screening and safeguard measures. The consultative approach explicitly addressed potential gender-based, economic, and social inequalities by ensuring meaningful participation of women, Indigenous Peoples, youth, and other marginalized groups, and by creating space for them to actively contribute to and influence adaptation decision-making processes. A detailed Gender Analysis and Gender Action Plan will be further developed at the full proposal stage, building on this inclusive and participatory foundation.

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I. Justification for funding requested

The funding request seeks to cover full cost of implementation, as the selected municipalities have high to very high risk to climate change based on the national VRA assessment, while these municipalities have not received adequate technical and financial support to implement the prioritized adaptation interventions identified through local adaptation planning processes.

The communities are exposed to multiple climate risk such as flood, heat, landslide and erosion and with low adaptive capacity as almost 60% of population belonging to indigenous, marginalized and minority groups, with higher

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dependency on natural resources. Communities and households cannot bear the cost of adaptation without support.

The four municipalities are contiguous, with shared natural resources and climate risks, that require a territorial approach. However, these municipalities cannot meet the increasing adaptation costs, with limited technical capacity to make initial investments and have not been able to mobilize vertical climate financing to take deliberate and integrated adaptive actions. The project will finance climate-specific investments required to reduce climate risks, including watershed restoration, spring source protection, climate-resilient water infrastructure, nature-based disaster risk reduction, climate information systems, locally led adaptation financing mechanisms, and institutional capacity strengthening for adaptation planning and implementation. Without the requested financing, these climate-specific adaptation measures would not be implemented at the required scale, and vulnerable communities would remain exposed to increasing climate risks.

The project delivers additional and incremental adaptation benefits by integrating LLA principles, nature-based solution, and climate-resilient infrastructure into local planning, budgeting, and implementation systems. These interventions go beyond business-as-usual development by explicitly addressing climate risk information gaps, institutional capacity constraints, weak climate-responsive planning systems, and limited access to adaptation finance at the local level. Without this support, vulnerable municipalities would remain unable to systematically identify, prioritize, and implement climate adaptation measures in a coordinated and evidence-based manner.

Therefore, the requested funding will directly support the municipalities in technical capacity building, demonstration of context specific adaptation technologies and knowledge production that would help them to mobilize other financing means to institutionalize and implement community-led climate adaptation models. This funding request is thus requested, beyond the regular budget of the municipality, to support them in mainstreaming and demonstrating climate adaptation for future resource mobilization to protect lives and livelihoods of the most vulnerable and marginalized communities, to ensure that adaptation measures target the most at-risk population.

The adaptation intervention seeks to generate co-benefits with protection of housing and public infrastructure investments and continuity of basic services with reduction of recurring cost on emergency response and recovery, along with direct contribution to national adaptation targets, aligned with implementation of NAP and NDC. At the full proposal stage, the project will provide: (i) a clearer baseline assessment of existing government and development partner investments; (ii) a detailed delineation between baseline development expenditures and the incremental costs of adaptation measures financed by the project; and (iii) adaptation effectiveness indicators measuring improvements in water security, watershed resilience, disaster risk reduction, ecosystem restoration, institutional adaptive capacity, and resilience outcomes for vulnerable households and communities.

J. Sustainability of project outcomes

Sustainability has been embedded as a core principle throughout the project design to ensure that adaptation benefits, institutional systems, governance structures, and community capacities remain functional and effective beyond the project lifecycle, without continued dependence on external donor support. The project is grounded in a LLA approach that prioritizes local ownership, inclusive participation, and empowerment of vulnerable and marginalized groups, including women, youth, children, persons with disabilities, Indigenous Peoples, and socially excluded communities. Through direct engagement of communities and local institutions in planning, decision-making, implementation, monitoring, and maintenance, the project strengthens communities as active leaders of long-term resilience rather than passive recipients of external assistance.

A strong process-oriented approach will guide all phases of implementation, ensuring continuous engagement of key stakeholders to build ownership and long-term institutional sustainability. At the community level, awareness raising and capacity building will be closely linked with practical climate actions, including operation and maintenance of infrastructure and nature-based solutions, thereby strengthening local skills and ensuring sustained functionality. Lessons from participatory assessments and social accountability mechanisms, including social audits, will be systematically integrated to improve implementation quality and outcomes. At the municipal level, local governments will be supported to institutionalize participatory planning within regular budgeting and planning cycles, alongside strengthened technical capacity to identify, prioritize, design, implement, and monitor climate resilience interventions. Enhanced municipal financial management systems will further enable access to innovative climate finance and co-financing opportunities for long-term resource mobilization. At the national level, continuous review of best practices and implementation challenges will help identify policy entry points to incentivize local climate action and scale nature-based solutions. Strong multi-ministerial coordination will further facilitate resource mobilization from development partners and international financial institutions, while also supporting improved intergovernmental fiscal

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transfers.

To ensure long-term continuity of adaptation efforts, the project will strengthen and institutionalize existing local governance and community-based institutions, including forest user groups, water user committees, farmer organizations, women's groups, youth networks, cooperatives, and disaster risk management committees. Municipal environment and disaster management structures will be reinforced to sustain climate awareness, education, planning, and implementation beyond the project period. Continuous engagement across federal, provincial, and local governments will enhance institutional ownership and ensure alignment with national climate adaptation policies and frameworks.

The project's sustainability strategy is based on three complementary pillars: (i) institutional sustainability, (ii) financial sustainability, and (iii) technical and operational sustainability. Institutional sustainability will be achieved by integrating locally led adaptation priorities into the statutory municipal planning and budgeting process through the revised LAPA Framework (2019), strengthening municipal technical capacity, and formalizing community management arrangements for adaptation investments.

Financial sustainability is a key pillar of project design. It will be promoted through municipal budget allocations, cooperative-based financing mechanisms, local resource mobilization, and partnerships with provincial and federal programmes. Technical sustainability will be supported through capacity building for municipalities, community-based organizations, and user groups responsible for operation and maintenance. The project will strengthen community adaptation financing mechanisms linked to existing cooperative and municipal financing structures, thereby improving financial sustainability while avoiding the creation of parallel financial institutions. The financing sustainability mechanisms will be explicitly linked to activities under Outputs 2.1 and 3.2 via these following mechanisms:

Cooperative-based financing mechanisms will be supported under Activity 2.1.5 (Support diversified financing mechanisms for adaptation interventions), which will strengthen local financial mechanisms for sustaining adaptation investments, including partnerships with local cooperatives and community organizations. Community institutions, including water user groups, community forest user groups, farmer organizations, women's groups, youth networks, and other eligible community organizations, will be strengthened under Activity 2.1.3 (Capacity building for local institutions and community organizations) and Activity 2.2.3 (Strengthening community implementation and management systems). These activities will support institutional strengthening, governance, financial management, operation and maintenance, and participatory monitoring of adaptation investments.

Public–private–community partnerships (PPCPs) will be promoted under Activity 2.1.4 (Strengthening municipal adaptation financing and partnership mechanisms), which will support municipalities in developing partnerships for climate-resilient water management, ecosystem restoration, local enterprise development, and operation and maintenance of selected adaptation investments.

All community adaptation sub-projects under Output 3.2 will be required to meet sustainability criteria before approval. The sub-project appraisal process will include assessment of (i) long-term climate resilience benefits; (ii) operation and maintenance arrangements; (iii) community ownership and participation; (iv) financial viability; (v) institutional responsibility after project completion; (vi) environmental and social sustainability; and (vii) integration with municipal development and adaptation plans. Each approved sub-project will include a sustainability and operation and maintenance plan.

The hydro-meteorological stations and discharge measurement system under Output 3.3 will be owned and operated by the participating municipalities, with technical support from the Department of Hydrology and Meteorology (DHM) and other relevant technical agencies where applicable. During project implementation, municipal technical staff will receive training on operation, maintenance, data management, and routine monitoring. Municipalities will commit to allocating resources for operation and maintenance through their annual budgets, while the generated hydrological and climate information will be integrated into municipal disaster risk management and water resource management systems.

The project also emphasizes the use of low-cost, locally appropriate, and ecosystem-based adaptation solutions that can be managed using local skills, materials, and institutional arrangements. This approach reduces long-term maintenance costs while strengthening local ownership and technical self-reliance.

The exit strategy will be developed and implemented under Activity 2.1.2 and 2.1.3 (Institutionalization and

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sustainability planning for locally led adaptation at municipal and community levels). The exit strategy will be prepared during the first year of project implementation, with responsibility led by the Executing Entity in partnership with the participating municipalities, provincial governments, and relevant federal agencies. Community organizations and local stakeholder platforms will participate in the preparation of municipal sustainability and transition plans. The exit strategy will include: (i) transfer of responsibilities for operation and maintenance; (ii) municipal budget integration of adaptation investments; (iii) institutionalization of community management arrangements; (iv) long-term financing and partnership strategies; (v) knowledge transfer and capacity retention measures; (vi) operation and maintenance plans for hydro-meteorological stations and hydrological monitoring systems; and (vii) post-project monitoring and follow-up arrangements. A dedicated budget allocation for exit and sustainability planning will be included under Component 2 (Institutional Strengthening). The full proposal will specify the budget allocation, timeline, institutional responsibilities, and monitoring framework for implementation of the exit strategy.

Knowledge management and scaling are fully integrated into the project to ensure that lessons learned, indigenous knowledge systems, and successful adaptation practices are systematically documented, shared, and replicated. These will be mainstreamed into local extension systems and developed into practical knowledge products such as training manuals, case studies, policy briefs, and digital learning tools. Demonstration sites, peer-to-peer learning exchanges, and small-scale innovation grants will further support replication and scaling across similar ecological and socio-economic contexts.

Overall, through a combination of inclusive governance, institutional strengthening, sustainable financing mechanisms, ecosystem-based approaches, policy integration, and deep community ownership, the project is designed to ensure that local governments and communities are fully capable of independently sustaining, financing, and scaling climate adaptation actions well beyond the project implementation period. The full proposal will provide a detailed sustainability framework, operation and maintenance arrangements for all infrastructure investments, institutional responsibilities, and post-project follow-up mechanisms.

K. Environmental and social impacts and risks

The proposed project will fully adhere to and comply with applicable national and international laws, policies, and safeguard frameworks in accordance with Principle 1: Compliance with the Law under the Adaptation Fund Environmental and Social Policy (ESP). Compliance with legal, environmental, social, and institutional requirements forms a prerequisite for the assessment and management of environmental and social risks throughout the project cycle.

At the national level, Nepal's legal and policy framework provides a strong basis for identifying, assessing, and managing environmental and social impacts associated with development and climate adaptation interventions. The project will comply with all relevant provisions, standards, and procedures outlined in the following key policies and legal instruments:

- National Environment Policy, 2019: Provides the national framework for sustainable development, environmental protection, biodiversity conservation, pollution control, ecosystem management, and climate change adaptation.
- Environment Protection Act (EPA), 2019: Serves as the primary legal framework governing environmental protection in Nepal and requires environmental assessment processes such as Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) for projects that may generate environmental or social impacts.
- Environment Protection Regulation (EPR), 2020: Establishes detailed procedures and criteria for environmental screening, public consultation, environmental assessment approval, monitoring, mitigation measures, and compliance processes for development interventions.

Based on preliminary field observations and consultations with local governments, communities, and relevant stakeholders, several potential adaptation interventions have been identified under the project. These may include the construction of check dams, embankments, retention walls, recharge ponds, climate-resilient water systems, bioengineering structures, the restoration and revival of existing water bodies, ecosystem restoration measures, and other small-scale climate-resilient infrastructure. However, the exact nature, scale, and locations of many interventions have not yet been finalized and may evolve based on local priorities, climate risks, and participatory planning outcomes. In recognition of this, the project adopts the Unidentified Sub-Project (USP) approach in line with the Adaptation Fund's Updated Guidance on Projects and Programmes with Unidentified Sub-Projects (2022). Under this approach, some adaptation interventions are considered partially unidentified because their broad thematic

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scope has been defined, while precise sites and technical specifications will only be determined after completion of the Vulnerability and Risk Assessments (VRAs) and preparation of Local Adaptation Plans of Action (LAPAs). The USP approach allows the project to remain flexible and responsive to evolving climate risks, local priorities, Indigenous knowledge, and community-led adaptation needs while ensuring compliance with environmental, social, and gender safeguards. It also helps avoid top-down or maladaptive interventions by enabling site-specific and evidence-based planning processes.

To ensure proper management of environmental and social risks, a comprehensive Environmental and Social Management Framework (ESMF) will be developed during the Full Proposal stage. The ESMF will establish detailed procedures for environmental and social screening, risk categorization, mitigation planning, stakeholder engagement, grievance redress mechanisms, monitoring, reporting, and compliance management for all future sub-projects and interventions. The project will apply a structured Environmental and Social Management Framework (ESMF) and Environmental and Social Management Plan (ESMP) for the identification, assessment, approval, implementation, and monitoring of all Unidentified Sub-Projects (USPs), consistent with the Adaptation Fund's updated guidance on USPs. The project uses a partially unidentified USP approach, where the types of adaptation interventions are defined but the exact locations and community-level investments will be selected during implementation through participatory municipal and community planning processes. No USP will be approved or implemented until its environmental and social risks have been identified, assessed, and appropriate management measures have been established.

Each USP will undergo a stepwise review process consisting of: (i) environmental and social screening against the 15 Environmental and Social Policy principles; (ii) assessment of identified risks and anticipated impacts; (iii) preparation of appropriate safeguard instruments and mitigation measures, including site-specific ESMPs where required; (iv) stakeholder consultation and application of gender-responsive and inclusive approaches, including Free, Prior and Informed Consent (FPIC) where applicable; (v) review and approval by the responsible municipal and project safeguard authorities; and (vi) implementation, supervision, monitoring, and reporting. The ESMP will be updated throughout implementation to incorporate the risks, assessments, consultations, and management measures for each USP, ensuring that unidentified sub-projects are subject to the same safeguard standards as fully identified project activities. Municipalities and community organizations will be responsible for first-level implementation and monitoring, while the Executing Entity will provide safeguard oversight, capacity building, quality assurance, and reporting to ensure compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy.

All Unidentified Sub-Projects (USPs) will undergo stepwise environmental and social screening prior to approval and implementation. Depending on the nature and scale of interventions, appropriate safeguard instruments such as Initial Environmental Examination (IEE), Environmental Impact Assessment (EIA), Environmental and Social Management Plans (ESMPs), and Gender Action Plans will be prepared in accordance with national laws and Adaptation Fund requirements. Sub-projects with potentially significant adverse environmental or social impacts will be excluded from financing.

The project also integrates strong Gender Equality and Social Inclusion (GESI) considerations throughout the safeguard process. Environmental and social assessments will specifically examine potential impacts on women, Indigenous Peoples, persons with disabilities, youth, landless households, and marginalized communities to ensure equitable participation, benefit sharing, and risk mitigation. Free, Prior, and Informed Consent (FPIC) principles will be respected where relevant, particularly in relation to Indigenous communities and traditional knowledge systems. In addition, the project will strengthen the capacity of local governments, community institutions, and implementing partners to understand and comply with environmental and social safeguards, climate-resilient planning standards, and inclusive adaptation approaches. Continuous monitoring, stakeholder consultations, and adaptive management mechanisms will ensure that environmental and social risks remain low and effectively managed throughout project implementation.

The preliminary Environmental and Social Safeguards Screening (ESSS) has classified the proposed project as Category B2. The project is expected to generate primarily low to moderate environmental and social risks that are site-specific, manageable, and can be avoided, minimized, or mitigated through appropriate planning, screening, and safeguard measures. Potential environmental and social risks may arise from small-scale civil works and locally led adaptation interventions, including watershed restoration, slope stabilization, water management infrastructure, ecosystem restoration, and other unidentified sub-projects to be selected during project implementation. The preliminary screening has identified the need for further assessment and management of potential risks related to Indigenous Peoples, labor and working conditions, physical and cultural heritage, public health and safety, pollution prevention and resource efficiency, and the climate resilience of infrastructure.

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~~The checklist has clearly separated (i) identification of potential environmental and social risks from (ii) the corresponding mitigation and management measures, and has removed the current mixing of risk identification, justification, and mitigation. The risk ratings are revised to reflect the project context. Indigenous Peoples, Core Labour Rights, Human Rights, Climate Change, Pollution Prevention and Resource Efficiency, Public Health, Physical and Cultural Heritage, and Involuntary Resettlement are treated as principles requiring further assessment and management. Indigenous Peoples is no longer be rated as "No Risk, given that a substantial proportion of the target population consists of Indigenous communities.~~

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Table 9: List of environmental and social principles triggered by the project

Environmental and Social Principles	No Further Assessment Required for Compliance	Potential Impacts and Risks – Further Assessment and Management Required for Compliance	Justification and Mitigation Measures
Compliance with the Law		**Low Risk:** Potential non-compliance with relevant national and local environmental, forestry, water, labour, and municipal regulations during implementation of small-scale infrastructure and nature-based interventions.	**Justification:** Project interventions are small-scale, nature-based, and implemented through municipal authorities in alignment with national and local government frameworks. **Mitigation Measures:** • Ensure compliance with all applicable national and international laws and regulations • Obtain all required permits and approvals prior to implementation of activities
Access and Equity		**Low Risk:** Risk of elite capture, unequal access to project benefits, or exclusion of poorer and remote households.	**Justification:** Participatory, community-led baseline assessments and transparent selection criteria will guide beneficiary selection. **Mitigation Measures:** • Establish clear, transparent beneficiary selection criteria • Ensure equitable geographic and social representation in project activities
Marginalized and Vulnerable Groups		**Low Risk:** Risk of exclusion of women, Indigenous Peoples, Dalit communities, persons with disabilities, elderly people, and landless households due to social, economic, language, or accessibility barriers.	**Mitigation Measures:** • Schedule activities at accessible times and locations • Ensure translation of materials into local languages • Use inclusive communication methods (visuals, local facilitators, community outreach)
Human Rights		**Moderate Risk:** Potential inequitable benefit distribution, inadequate consultation, labour exploitation, or restrictions on access to natural resources.	**Mitigation Measures**: • Establish transparent and inclusive beneficiary selection criteria with clear public disclosure mechanisms. • Ensure equal pay for equal work and compliance with national labor laws and international labor standards. • Establish accessible, culturally appropriate, and gender-responsive grievance redress mechanisms (GRM). • Consultation with affected populations •
Gender Equality and Women's Empowerment		**Low Risk**: Women may face barriers to participation, leadership, access to adaptation finance, and equitable benefit sharing.	**Justification:** The project explicitly supports women's leadership and allocates resources to women-led green enterprises and adaptation actions. **Mitigation Measures:** • Schedule meetings and training at times suitable for women's participation • Promote women's leadership in decision-making bodies • Ensure gender-responsive benefit-sharing mechanisms
Core Labour Rights		**Moderate Risk:** Occupational health and safety risks, informal labour practices, underpayment, discrimination, and child labour during small civil works.	**Justification:** Small-scale infrastructure and fieldwork may involve limited construction-related hazards. **Mitigation Measures:** • Comply with ILO conventions and national labor laws • Conduct OHS risk assessments before work begins

			• Enforce child labor prohibition and fair wage standards • Provide PPE and safety training for workers
Indigenous Peoples		**Moderate Risk:** Potential impacts on Indigenous communities, customary resource use, traditional knowledge systems, and culturally significant sites.	**Justification**: Activities may affect Indigenous Peoples' traditional resource use, customary institutions, or cultural practices if FPIC and culturally appropriate consultation are not applied **Mitigation Measures:** • Apply Free, Prior and Informed Consent (FPIC) where required. • Conduct culturally appropriate consultations. • Ensure equitable benefit sharing. • Respect Indigenous knowledge and customary institutions. • Include Indigenous representatives in project governance.
Involuntary Resettlement	**No Risk:** Physical works utilize existing public lands or voluntary leasehold agreements, with no physical or economic displacement.		
Protection of Natural Habitats		**Low Risk:** Potential localized disturbance to riparian areas, forests, wetlands, and watershed ecosystems during implementation.	Mitigation Measures: • Avoid activities in critical or legally protected habitats. • Apply environmental screening before implementation. • Restore disturbed areas after construction. • Implement erosion control and habitat restoration measures.
Conservation of Biological Diversity		**Low Risk:** Potential introduction of invasive species or localized impacts on native biodiversity.	**Justification:** The project prioritizes native species and ecosystem restoration approaches. **Mitigation Measures:** • Apply biodiversity-sensitive species selection guidelines • Promote native species and community forestry standards • Implement green procurement practices
Climate Change		**Moderate Risk:** Infrastructure may not be climate-resilient or may increase emissions if not designed efficiently.	**Mitigation Measures:** • Use energy-efficient and climate-resilient designs • Promote renewable/clean energy options where feasible • Integrate low-carbon criteria into technical guidelines
Pollution Prevention and Resource Efficiency		**Low Risk:** Construction waste, sediment runoff, contamination of water sources, and inefficient use of materials and energy.	**Mitigation Measures:** • Implement construction waste management plans. • Prevent sediment runoff and protect water sources. • Promote efficient use of materials, water, and energy. • Restore construction sites after completion.
Public Health		**Low Risk:** Construction-related safety risks, water contamination, vector-borne disease risks, and community health and safety concerns.	**Mitigation Measures:** • Implement community health and safety protocols. • Protect drinking water sources during construction. • Ensure sanitation facilities for workers. • Conduct community awareness on safety and disease prevention. • Prepare emergency response procedures for construction sites.
Physical and Cultural Heritage		**Low Risk:** Potential disturbance to cultural sites, sacred landscapes, traditional water sources, and archaeological resources.	**Mitigation Measures:** • Conduct site screening before implementation. • Avoid known cultural and heritage sites. • Apply chance-find procedures for archaeological or cultural discoveries. • Consult affected communities and Indigenous groups regarding culturally significant sites.

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Land and Soil Conservation		**Low Risk:** Risk of erosion, slope instability, sedimentation, and soil disturbance associated with small infrastructure and watershed restoration activities.	Mitigation Measures: • Apply bioengineering and soil conservation measures. • Stabilize slopes and control erosion during construction. • Minimize vegetation clearance and soil disturbance. • Monitor sedimentation and restore degraded sites after implementation.

Alignment with the Adaptation Fund Updated Strategic Results Framework (2025)

The concept note includes a Project Results Framework and a Strategic Results Framework (SRF) Alignment Table consistent with the Adaptation Fund Updated Strategic Results Framework (2025) and the Adaptation Fund SRF alignment template. The alignment table maps all project outcomes and outputs to the relevant Adaptation Fund outcomes, outputs, and indicators, including the Locally Led Adaptation (LLA) outcome and indicators.

Table 10. Alignment with the Adaptation Fund Strategic Results Framework (2025)

Project Outcomes	Project Outcome Indicator	Fund Outcome	Fund Outcome Indicator	Budget USD
Outcome 1: Local and territorial adaptation planning and decision-making strengthened through integrated climate risk and vulnerability assessments	• Number of vulnerability assessments conducted. • Number of LAPAs developed/updated and integrated into municipal planning. • Percentage of vulnerable groups participating in adaptation planning.	**Outcome 2:** Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses. **Outcome 3:** Strengthened awareness and ownership of adaptation and climate risk reduction processes	**Indicator 2:** Institutions with strengthened capacity to understand and better address climate risks and resilience. **Indicator 3B:** People implementing new or improved adaptation actions	370,000
Outcome 2: Improved institutional readiness, inclusive decision-making, and mainstreaming of LLA into development systems through multi-level collaboration and investments.	• Number of municipalities integrating LLA into planning and budgeting. • Number of local institutions receiving support • Number of provincial/federal institutions engaged in coordination mechanisms.	**Outcome 2:** Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses.	**Indicator 2:** Institutions with strengthened capacity to understand and better address climate risks and resilience.	450,000
Outcome 3: Reduced climate vulnerability and strengthened resilience of the most at-risk populations through the implementation of locally led nature-based adaptation solutions.	• Number of climate-resilient interventions completed. • Area restored or sustainably managed. • Number of households adopting resilient livelihood practices. • Number of people benefiting from reduced climate risk.	**Outcome 1:** Reduced exposure to climate-related hazards and threats. **Outcome 4:** Increased adaptive capacity within relevant development sector services and infrastructure assets. **Outcome 5:** Increased ecosystem resilience in response to climate change. **Outcome 6:** Diversified and strengthened livelihoods. **Outcome 8:** Innovation for effective, long-term adaptation to climate change accelerated,	**Indicator 1:** People using climate-related threat and hazard information. **Indicator 4: (Core Indicator 3)**: Physical assets improved or constructed to withstand climate variability and change **Indicator 5 (Core Indicator 4):** Ecosystems and natural resources brought under protection. Restoration in response to climate variability and change **Indicator 6A:** People adopting climate-resilient livelihoods. **Indicator 6B (Core Indicator 5):** Households with increased income. **Indicator 8A:** Innovations successfully reaching scale up that demonstrate local innovation participation and/or local innovation benefit	2,950,000
Outcome 4: Locally led adaptation solutions and process adopted, dissemi nated and replicated through enhanced stakeholder collaboration and knowledge sharing at the national and sub-national levels	• Number of knowledge products developed • Number of municipalities adopting documented adaptation practices • Number of local institutions and communities participating in adaptation decision-making, climate adaptation planning,	**Outcome 3**: Strengthened awareness and ownership of adaptation and climate risk reduction processes	**Indicator 3A:** People with strengthened awareness of climate change risks and how to better address them.	399,428

	advocacy, and decision-making processes. • Number of knowledge products (technical guidelines, case studies, policy briefs, digital learning resources, IEC materials) developed and disseminated. • Number of multi-stakeholder meetings, policy dialogues, and coordination forums conducted.			
Project Outputs	**Project Output Indicator(s)**	**Fund Output**	**Fund Output Indicators**	**Budget USD**
Output 1.1: Climate risk and vulnerability assessments conducted and validated within target municipalities using a system approach following the existing Local Adaptation Plans for Action (LAPA) framework	# Number of assessments completed	**Output 1.1**: Risk and vulnerability assessments conducted and updated **Output 3.1** Targeted population groups participating in adaptation and risk reduction awareness activities **Output 3.3** Increased ownership of adaptation and climate risk reduction	**Indicator 1.1**: Risk and vulnerability assessments conducted or updated **Indicator 3.1**: people participating in activities to improve awareness of climate risks and how to address them. **Indicator 3.3**: Number of local institutions and/ or communities responsible for decision-making over how adaptation solutions are defined, prioritized, designed, and/or implemented	150,000
Output 1.2: Local Adaptation Plans for Action (LAPA) developed/updated, aligning with the principle of locally led adaptation and integrating nature-based adaptation solutions	# Number of LAPA developed/updated	**Output 2.1:** Strengthened capacity of institutions to understand and better address climate risks.	**Indicator 2.1:** Institutions supported to strengthen capacity.	70,000
Output 1.3: Territorial-level climate risks and prioritized ecosystem-based adaptation solutions consolidated for addressing shared vulnerabilities.	# Number of territorial-level climate risk and ecosystem assessment reports prepared and validated across the target municipalities	**Output 2.1:** Strengthened capacity of institutions to understand and better address climate risks.	**Indicator 2.1:** Institutions supported to strengthen capacity.	150,000
Output 2.1: Context-appropriate tools and mechanisms selected, adapted, and developed where necessary to support participatory municipal planning and climate finance mobilization for locally led adaptation	# Number of institutions trained and supported	**Output 2.1:** Strengthened capacity of institutions to understand and better address climate risks.	**Indicator 2.1:** Institutions supported to strengthen capacity.	150,000
Output 2.2: Comprehensive technical guideline developed for nature-based adaptation technologies and infrastructure incorporating indigenous knowledge and decision-support tools with enhanced capacities for implementation at the local level	# Number of guidelines developed	**Output 2.1:** Strengthened capacity of institutions to understand and better address climate risks.	**Indicator 2.1:** Institutions supported to strengthen capacity.	100,000
Output 2.3: Enhanced capacity of provincial and federal governments for multi-level coordination on scaling locally led nature-based adaptation approaches and climate-resilient infrastructure		**Output 2.1:** Strengthened capacity of institutions to understand and better address climate risks.	**Indicator 2.1:** Institutions supported to strengthen capacity.	200,000
Output 3.1: Environmental Impact Assessment (EIA), Initial Environmental	#Number of environmental and social screening frameworks/guidelines developed and operationalized	**Output 2.1:** Strengthened capacity of institutions to	**Indicator 2.1:** Institutions supported to strengthen capacity	100,000

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Examination (IEE), and/or Brief Environmental Study (BES) frameworks adopted and operationalized for environmental risk screening and impact assessment of nature-based climate adaptation interventions	#Number of nature-based LLA interventions screened using approved environmental and social safeguard procedures	understand and better address climate risks. **Output 3.3:** Increased ownership of adaptation and climate risk reduction processes	to understand and address climate risks and resilience **Indicator 3.3:** Number of local institutions and/ or communities responsible for decision-making over how adaptation solutions are defined, prioritized, designed, and/or implemented	
Output 3.2: Locally Led Adaptation actions implemented in alignment with NAP and NDC 3.0 priorities across key thematic areas	# Number of community adaptation sub-projects implemented # Number of communities receiving direct adaptation support	**Output 2.2:** Increased capacity of national and sub-national entities to directly access and programme adaptation finance ~~Local institutions receiving funding or other direct support under the locally led adaptation modality~~ **Output 3.3:** Increased ownership of adaptation and climate risk reduction processes **Output 6.1** Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	**Indicator 2.2:** Local institutions receiving funding or other direct support under the locally led adaptation modality ~~**Output**~~ **Indicator 3.3:** Number of local institutions and/ or communities responsible for decision-making over how adaptation solutions are defined, prioritized, designed, and/or implemented~~Increased ownership of adaptation and climate risk reduction processes~~ **Indicator 6.1** People receiving targeted support for new and/or improved livelihoods to manage climate risk	2,050,000
Output 3.3: Systems and processes developed to enable use of local data and low-cost innovative technologies for evidence-based adaptation planning	# Number of hydro-meteorological stations installed # Number of discharge measurement systems established #Population covered by warning services	**Output 1.2** Targeted population groups covered by warning and advisory services for climate related hazards and threats	**Indicator 1.2A** (Core Indicator 2): Early warning systems established or improved **Indicator 1.2B**: People covered by new or improved early warning systems	800,000
Output 4.1: Enhanced awareness and capacity through knowledge development and dissemination on institutional innovations and locally led nature-based adaptation interventions	# Number of knowledge products and digital learning platforms	**Output 3.1** Targeted population groups participating in adaptation and risk reduction awareness activities **Output 3.2** Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning	**Indicator 3.1**: people participating in activities to improve awareness of climate risks and how to address them. **Indicator 3.2** Climate resilient knowledge products and/or tools developed and shared with stakeholders (# of products/tools)	100,000
Output 4.2: Established Urban Climate Alliance for multi-stakeholder coordination and knowledge generation	# Number of multi-stakeholder coordination and knowledge-sharing events	**Output 3.2:** Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning **Output 8.2** Innovation identified and piloted which builds the adaptation innovation evidence base and institutional capacity	**Indicator 3.2:** Climate resilience knowledge products and/or tools developed and shared with stakeholders **Indicator 8.2** Innovation-focused knowledge products disseminated and /or learning events facilitated that support and enable innovation capacity at local, national and /or regional level	99,428
Output 4.3: Capacity-building and engagement mechanisms established to strengthen climate advocacy and leadership among youth and women climate champions	# Number of youth and women climate champions mobilized and supported	**Output 3.3**: Increased ownership of adaptation and climate risk reduction processes **Output 8.2** Innovation identified and piloted which builds the adaptation innovation evidence base and institutional capacity	**Indicator 3.3**: Number of local institutions and/ or communities responsible for decision-making over how adaptation solutions are defined, prioritized, designed, and/or implemented **Indicator 8.2** Innovation-focused knowledge products disseminated and /or learning events facilitated that support and enable innovation capacity at local, national and /or regional level	200,000

Core Indicators	Target
Core Indicator 1: Number of Beneficiaries (Direct and Indirect Beneficiaries disaggregated by gender)	Direct Beneficiaries: Approximately 74,000 Indirect: 295,772 Gender: 50% Men and 50% Women

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Core Indicator 2: Early Warning System established or improved	Three System: Two hydro meteorological stations and One Discharge Measurement System will be established focusing mainly on flood.

Final proposal will include complete project-specific results framework with baselines, quantified targets, disaggregation categories, means of verification, responsible entities, monitoring frequency, and assumptions, fully consistent with AF Updated Strategic Results Framework (2025) and SRF alignment and monitoring templates.

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PART III: IMPLEMENTATION ARRANGEMENTS

A. Arrangements for project implementation.

The project will be implemented through stronger cooperation and partnerships between the national and sub-national governments for institutional ownership, and with structured arrangements of streeting committee and executing entities for smoot implementation, maximizing efficiency, value for money, and transparency, pooling technical expertise and collaboration to upscale efforts. All project activities are planned to be integrated into the government budget and programme at different levels through the on-budget on-treasury mechanism adopted by the Government of Nepal for similar projects. The project activities planning, implementation and fund management will be guided by the project's Standard Operating Procedure. UN-Habitat and executing entity may collaborate with the local NGOs and work closely with relevant departments of the government for field implementation of the activities and social mobilization. The project management structures and roles of different entities are explained below:

UN-Habitat, as Multilateral Implementation Agency (MIA), will have fiduciary responsibility and provide direct technical and financial oversight for compliance with Adaptation Fund requirements and alignment with the national priorities. UN-Habitat will manage the project funds and disbursements to the Executing Entity and, where applicable, directly to community organizations, with ensured quality assurance, fiduciary risk management, monitoring, reporting and evaluation.

Executing Entities (EE) will be onboarded by UN-Habitat through Agreement of Cooperation to execute designated project activities and clear roles and responsibilities, based on the project's needs, and outlined in the results framework and budget. **Youth Alliance for Environment (YAE)** is the Executing Entities, with robust technical expertise and as non-government organization (NGO) has strongly supported the Government of Nepal to prepare thematic position papers for COP and served as the Secretariat of COP. YAE has engaged in development of LAPA and NDC 3.0 and its implementation plan through diverse stakeholders, mainly with the municipalities, CSO and youth. YAE has established itself as a trusted technical partner to local governments, national ministries and international development agencies, demonstrating the ability to design, implement and monitor complex climate resilience initiatives aligned with national priorities and global climate commitments. YAE's technical backstopping, particularly in development of LAPA (output 1.2), capacity building (output 2.1 and 2.3), community mobilization and technical support (output 3.2 and 3.3) and outreach and advocacy (output 4.1 and 4.3) is a concrete value addition to the project for smooth implementation.

Project Steering Committee (PSC), chaired by the Joint Secretary of Ministry of Infrastructure Development (MOID), and Under Secretary from Ministry of Agriculture, Forests and Environment as deputy chair, to ensure sectoral integration and alignment with National Urban Policy and Climate Change Policy (NAP) throughout the implementation. The focal points from Ministry of Finance, Department of Urban Development and Building Construction, Department of Local Infrastructure, Provincial Planning Commission, Target municipalities and UN-Habitat will be members of the PSC, with Under Secretary of MOID as the Member Secretary.

At the local level, UN-Habitat, under **Community Implementation Agreements (CIAs)** modality will work directly with the active community organizations that include TDCs, Community forest users' groups, farmers' group, women's group, etc. to lead identification, prioritization, designing, implementation and monitoring of locally led adaptation interventions through effective community mobilization. UN-Habitat and the Executing Entity will provide technical support and oversight to foster LLA principles, ensuring transparency, accountability and especially targeting most vulnerable, socially and spatially marginalized communities.

The **target municipalities** will play key role in providing direct oversight to local/community level actions. The municipalities will dedicate a focal point for stronger coordination and further with financial commitment for upscaling demonstrated local level action at the municipal level. By combining UN-Habitat's fiduciary role, YAE's technical expertise, and community-led implementation with a structured national level steering mechanism, the project's governance model is both robust, transparent and inclusive that demonstrates sustainable, locally led replicable models across 753 municipalities in Nepal.

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

A. Record of endorsement on behalf of the government[30]

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:

Suman Subedi **Primary Contact Point** Under Secretary, Ministry of Agriculture, Forest and Environment, Government of Nepal	Date: 30 June 2026

B. Implementing Entity certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing Nepal's Development and Adaptation Plans (National Adaptation Plan, Climate Change Policy and Nationally Determined Contribution 3.0) and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
Raf Tuts Director, Global Solutions Division, UN-Habitat	
Date: 30/06/2026	Tel. +254-20-762-3736 and email: raf.tuts@un.org
Project Contact Person: Odicea Angelo Barrios, Programme Management Officer, Human Settlements, UN-Habitat Regional Office for Asia and the Pacific	
Tel. (81-92) 724-7121 And Email: odicea.angelobarrios1@un.org	

[30] 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.

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Annex 1: Initial Gender Assessment for the Project title "Building Resilient Communities through Locally Led Nature-based Climate- Action in Lumbini Province, Nepal"

1. Purpose

This Initial Gender Assessment (IGA) has been undertaken during project formulation to identify gender-specific climate vulnerabilities, barriers to participation, and opportunities for promoting gender equality and social inclusion through locally led adaptation. The assessment informs the design of project outputs and activities and aligns with the Adaptation Fund Environmental and Social Policy (ESP), Gender Policy, and Nepal's Gender Equality, Disability and Social Inclusion (GEDSI) framework.

The assessment draws on preliminary municipal demographic data, participatory consultations with local governments and communities, and secondary information from municipal profiles, climate vulnerability assessments, and national gender and social inclusion policies.
Since this is an initial gender assessment, a more comprehensive gender assessment will be carried out during the proposal formulation process based on AF's guidance. Additionally, community/ stakeholder consultation and free, prior, informed, consent (FPIC) process will be conducted with Indigenous communities in the project area.

2. Gender and social context in the project area

The four target municipalities are characterized by significant climate vulnerability associated with watershed degradation, declining spring discharge, water scarcity, landslides, flash floods, and climate-sensitive livelihoods. These risks affect women and marginalized groups disproportionately because of unequal access to resources, decision-making power, and public services.

With the population of 295,772 in the four target municipalities, it includes a high proportion (over 53%) of Indigenous Peoples, Dalit communities, and other marginalized groups. The intersectionality between gender and deep-rooted social construct makes women from these communities are relatively more vulnerable and they play a central role in water collection, agriculture, forest management, and household care, yet they often have limited control over productive assets and adaptation resources.

Table 104: Key attributes of the four target municipalities

Category	Attribute	Shitaganga Municipality	Banganga Municipality	Buddhabhumi Municipality	Shivaraj Municipality
Physiology	Area (sq. km)	610.43	233.37	366.67	284.07
	Ecological Zone	Chure/Siwalik (fragile)	Tarai plains (alluvial plains)	Tarai plains	Chure foothill + Tarai plains
	River Basin	Banganga River basin (upstream catchment)	Banganga River basin (Kothi & Koili tributaries)	Seasonal river systems	Seasonal rivers from Chure range

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Category	Attribute	Shitaganga Municipality	Banganga Municipality	Buddhabhumi Municipality	Shivaraj Municipality
Population	Total Population	37,691	96,714	76,507	84,810
	Male	17,752	45,407	36951	41,328
	Female	19,939	51,304	39,556	43,482
	Total Households	9,450	23,325	15,379	16,241
	Poverty rate 20.3% national	37%	15%	46%	45%
	Urbanization rate	100% rural	82.64% peri urban	53.44% peri urban	69.29% peri urban and urban
Ethnic Composition	Indigenous and socially marginalized Dalit groups	Indigenous communities (IPS) 43.61%, Dalit 19.95%	Indigenous communities 45.70%, Dalit 7.27%	Indigenous communities 44.66%, Dalit 6.05%	Indigenous communities 37.93%, Dalit 9.49%
	Major Group	IPS & Dalits 63.09%	IPS & Dalits 53.17%	IPS & Dalits 50.71%	IPS & Dalits 47.42%
Climate Vulnerability	Vulnerability Score	0.76	0.754	0.71	0.815
	Primary Hazards	Landslides, soil erosion, drought, forest fires, water scarcity	Floods, inundation, waterlogging, heat stress	Floods, inundation, heat stress, drought, water scarcity	Floods, landslides, riverbank erosion, drought, heat stress
	Flood Hazard Zone	N/A	Yes; low-lying riverbank settlements	Medium to high flood hazard zones	Yes, from Chure seasonal rivers
	Water Scarcity Risk	Yes, seasonal water stress	Yes, peak dry months	Yes, groundwater depletion	Yes, drinking water pressure in dry months
Livelihood & Economy	Livelihoods	Agriculture, natural resources	Agriculture, natural resources	Agriculture, natural resources	Agriculture, natural resources

3. Gendered climate vulnerabilities

Water insecurity and unpaid care work
Women and girls are primarily responsible for collecting water for domestic use, livestock, and household production. Spring depletion and seasonal water scarcity have increased the time required for water collection, reducing opportunities for education, income generation, community participation, and rest. During dry periods, women often travel longer distances to secure water, increasing physical burdens and safety risks.

Climate-sensitive livelihoods
Based on 2021 Census, 64% of the population dependent of agriculture. Hence, livelihoods based on agriculture and forest are highly sensitive to changing rainfall patterns, drought, pests, and soil erosion. In average, 32.5% of the households in the four municipalities are female headed. In this context, women

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farmers, particularly those in female-headed households, have additional vulnerability due to limited access to irrigation, extension services, credit, climate information, and agricultural inputs. Outmigration of men has increased women's responsibility for farm management without corresponding increases in access to resources or decision-making authority.

Disaster exposure

Landslides, floods, and erosion affect settlements, agricultural land, water sources, and local infrastructure. The Post Disaster Need Assessment conducted after 2015 earthquake, concretely presented disproportionate impact of disasters on women, elderly persons, persons with disabilities, and households with limited mobility. As they face greater challenges in evacuation, access to relief, responsibility of care and post-disaster recovery. Climate-related disasters also increase daily unpaid care responsibilities.

Participation and decision-making

Although women participate actively in community organizations, their influence over adaptation planning, infrastructure investments, and resource allocation remains uneven. Indigenous women, Dalit women, persons with disabilities, and landless households often face additional barriers due to intentionality between gender, caste, ethnicity, language, social norms, and limited institutional representation.

4. Structural inequalities affecting vulnerable groups

As per Initial Gender Assessment carried out during project formulation stage the following key results were identified:

I. Gender Roles and Division of Labor

a. Agriculture and Natural Resource Management: Women play a major role in subsistence farming, livestock rearing, and collection of forest products. However, land ownership and decision-making remain largely male-dominated. In Tharu and other Indigenous households, women are engaged in foraging and forest-based food systems yet lack recognition and control over resources.

b. Household and Care Work: Women bear the primary responsibility for unpaid domestic and caregiving tasks, averaging over twice as much time as men in daily reproductive labor. This limits their participation in paid work and local governance activities.

c. Income and Livelihoods: Women, particularly from marginalized groups, are concentrated in low-income, informal, or seasonal labor sectors. In project areas, women often engage in daily wage work or small trade with limited access to financial services, credit, and extension support.

II. Access to and Control over Resources

a. Women's land ownership is low below 20%, constraining access to agricultural inputs, loans, and government subsidies. Customary inheritance systems favor men, limiting women's control over productive assets.

b. Although local cooperatives and savings groups exist, women's access to credit and decision-making power in these institutions remains limited.

c. Literacy and technical skills among women are low that is 69.6% as compared to 83.9% for men. The literacy, especially Indigenous and Dalit groups, are further found to be significantly lower than men's, restricting their access to climate information, finances and agricultural extension services.

III. Participation and Decision-Making

d. Legal provisions for women's representation in local governments and user groups exist but often result in symbolic participation. Cultural barriers, lack of confidence, and workload burdens reduce their influence in decision-making.

e. In community forest user groups, water user committees, and farmers' cooperatives, leadership positions are typically dominated by men, while women's participation remains nominal.

f. Youth and people with disabilities (PwDs) face additional barriers, as disability inclusion and youth engagement are rarely prioritized in local climate

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or livelihood planning

IV. Gender-Differentiated Climate Vulnerabilities

g. Women and marginalized groups face higher exposure to climate shocks due to low literacy, limited mobility, and constrained access to assets and information. With higher proportion of indigenous Tharu and Muslim community, the socio-cultural aspects also influences vulnerability.
h. Women from Tharu communities spend longer hours collecting water and fuelwood with triple responsibility of agriculture, livestock and domestic works..
i. Women from Muslim communities are further disproportionately affected by disasters due to limited mobility, lower literacy rate limited access to information and exclusion from decision making process.
j. Women's lower access to land, credit, and technology limits their capacity to adopt climate-resilient practices. Social barriers reduce their participation in training, market linkages, and formal adaptation initiatives

V. Opportunities for Gender-Responsive Interventions

k. Targeted livelihood diversification and skill-building for women, Indigenous Peoples, and landless households.
l. Access to finance via women-led cooperatives, revolving funds, and micro-credit mechanisms tailored to women's needs.
m. Institutional capacity building to enhance women's leadership in local adaptation planning and resource management.
n. Inclusive data systems that disaggregate by sex, age, disability, and ethnicity to monitor participation and benefits.
o. Sensitization and behavioral change programs to address gender stereotypes and promote shared household responsibilities

VI. Risks and Challenges:

p. Women's participation constrained by workload and social norms
q. Risk of elite capture or exclusion of marginalized groups
r. Risk of Gender-based violence from shifting power relations
s. Tokenistic participation
t. Unequal access to project benefits

These vulnerabilities were further intensified among low-income households and households with elderly members or persons with disabilities, where women often assumed greater responsibility for caregiving and household management, increasing their exposure and workload during extreme weather and environmental stress.
The assessment identifies several structural constraints that influence adaptation capacity.

Table 2: Structural inequality among different vulnerable groups

Vulnerable group	Structural inequality and implication for adaptation capacity
Women	Disproportionate responsibility for water collection, agriculture, forest management, and unpaid care work; limited control over land, finance, irrigation, and adaptation investments reduces their ability to adopt climate-resilient practices and participate in decision-making.
Female-headed households	Limited access to credit, agricultural extension services, climate information, and productive assets constrain investment in climate-resilient livelihoods and infrastructure.

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Dalit communities	Unequal access to productive land, water infrastructure, forest resources, financial services, and local decision-making processes increases exposure to climate risks and limits access to adaptation benefits.
Indigenous Peoples	Dependence on climate-sensitive natural resources, erosion of traditional livelihoods, limited recognition of Indigenous knowledge systems, and uneven access to adaptation financing affect long-term resilience.
Persons with disabilities	Physical and communication barriers, inaccessible infrastructure, limited participation in consultations, and inadequate inclusion in disaster preparedness and recovery processes reduce adaptive capacity.
Elderly people	Mobility constraints, health vulnerabilities, social isolation, and limited access to climate information and emergency services increase sensitivity to floods, landslides, water scarcity, and extreme weather events.
Landless and near-landless households	Limited access to land-based adaptation measures, irrigation, ecosystem restoration benefits, and livelihood diversification opportunities restrict their capacity to invest in long-term resilience.
Youth	Limited access to climate-resilient employment opportunities, skills development, financial resources, and participation in local planning processes can contribute to migration and reduce local adaptive capacity.

5. Recommendations

Building on the findings of the initial gender assessment, the project will prioritize the integration of gender equality and women's empowerment across all interventions. It will examine community dynamics, strengthen the participation of women and marginalized groups, and promote social cohesion. Annex 1 presents gender-responsive strategies and activities, reflecting the findings of the Initial Gender Analysis (IGA).

Reflection of findings from IGA in project design

Gender and social inclusion finding	Project design response (outputs and activities)
Women spend significant time collecting water due to spring depletion and seasonal water scarcity.	Output 3.2: Spring restoration, watershed rehabilitation, climate-resilient water supply systems, community water-source protection to reduce women's unpaid care burden.
Female-headed households have limited access to irrigation, agricultural inputs, climate information, and adaptation finance.	Outputs 1.2 and 3.2: Vulnerability-based prioritization of adaptation investments; support for climate-resilient agriculture and water management; priority access through the Community Implementation Agreement (CIA) financing mechanism.
Dalit communities often face unequal access to water infrastructure, natural resources, and local decision-making processes.	Outputs 1.1 and 3.2: Participatory social mapping, household vulnerability assessment, transparent beneficiary selection criteria, and targeted inclusion of Dalit households in community adaptation investments.
Indigenous Peoples depend heavily on watershed ecosystems and traditional natural-resource management systems.	Outputs 1.1, 1.2, and 3.2: FPIC processes, integration of Indigenous knowledge into LAPA preparation, watershed restoration, and community-led ecosystem management.
Persons with disabilities face barriers in accessing	Outputs 1.1, 2.1, and 3.3: Accessible consultation methods, disability-inclusive municipal

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consultations, climate information, infrastructure, and disaster preparedness.	capacity building, accessible climate information dissemination, and inclusive early warning systems.
Elderly people face increased disaster risk and limited mobility during floods, landslides, and water shortages.	Outputs 2.2 and 3.3: Community-based disaster preparedness, accessible early warning systems and inclusion of elderly households in vulnerability assessments and emergency planning.
Women and marginalized groups have limited influence over local adaptation planning and resource allocation.	Outputs 1.1 and 2.1: Inclusive LAPA preparation, representation of women and marginalized groups in planning committees, and municipal capacity building on gender-responsive adaptation planning and budgeting.
Community organizations representing women, Indigenous Peoples, and marginalized groups have limited access to adaptation finance.	Output 3.2: Community adaptation financing window under the CIA modality with eligibility criteria prioritizing women-led, Indigenous, Dalit, and other vulnerable community organizations.
Climate information and adaptation technologies are not equally accessible to women and marginalized settlements.	Outputs 2.2 and 3.3: Local-language climate communication, community-based dissemination mechanisms, and targeted outreach to vulnerable households.
Limited municipal capacity to implement gender-responsive adaptation and safeguard measures.	Output 2.1: Training on GEDSI-responsive adaptation planning, environmental and social safeguards, inclusive budgeting, and participatory monitoring systems.

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Annex II: Attendance and Photographs of Focus Group Discussions

"स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन (Locally led Adaptation) परियोजना विकास सम्बन्धी छलफल तथा अन्तर्क्रयात्मक कार्यशाला गोष्ठीमा हामि तपसिलमा उल्लेखित सहभागिहरुको उपस्थितिमा जोखिमहरु तथा ती जोखिमहरु न्यूनिकरण गर्ने उपायका साथै महिला, जनजाति, र दलित समूहहरुका सवालहरुमा समेत व्यापक छलफल भयो । हामि सहभागिहरु छलफलका क्रममा उठेका सवालहरु र सहभागिहरुको तर्फबाट प्रदान गरीएका सुझावहरु समावेस गरी तयार गरीने प्रस्तावित कार्यक्रमहरु कार्यान्वयन गर्न सहमत भएको व्यहोरा सहित यस छलफल कार्यक्रमको समयमा लिएका तस्विर र सूचनाहरु संस्थाको तर्फबाट संस्थागत प्रयोगको लागि प्रयोग गर्न दिन पूर्णरुपमा सहमती प्रदान गरेका छौं ।

स्थान: बाणगङ्गा नगरपालिका मिति: २०८२/०२/०९

छलफल कार्यक्रममा सहभागिहरुको नामावली तथा हस्ताक्षर

क.सं.	सहभागिको नाम	पद/संस्था	लिंग म/पु	जात (एच्छिक)	सम्पर्क फोन/इमेल	हस्ताक्षर
१.	चक्रपाणी अर्याल	नगर प्रमुख	पुरुष		9857050931	चक्रपाणी
२.	रिता कुमारी चौधरी	नगर उपप्रमुख	महिला		9847192284	रीता
३.	सावित्रा वि.क	आमा समुह	महिला			सावित्रा
४.	सुकमिता चौधरी	"	"			[illegible]
५.	विष्णु गिरी	सामाजिक विकास समिति	पुरुष			[illegible]
६.	दिल बहादुर थापा	"	"			[illegible]
७	ईश्वरी अधिकारी	महिला समुह	महिला			ईश्वरी
८	रोशन घिमिरे	युवा क्लब	पुरुष		9868820072	[illegible]
९	खड़ानन्द गुसाल	"	पुरुष			K.Lagandra
१०	शान्ती आचार्य	महिला समुह	महिला		9857051094	[illegible]
११.	सुस्मिता चौधरी	"	महिला			सुस्मिता

Banganga Municipality

"स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन (Locally led Adaptation) परियोजना विकास सम्बन्धी छलफल तथा अन्तर्क्रयात्मक कार्यशाला गोष्ठीमा हामि तपसिलमा उल्लेखित सहभागिहरुको उपस्थितिमा जोखिमहरु तथा ती जोखिमहरु न्यूनिकरण गर्ने उपायका साथै महिला, जनजाति, र दलित समूहहरुका सवालहरुमा समेत व्यापक छलफल भयो । हामि सहभागिहरु छलफलका क्रममा उठेका सवालहरु र सहभागिहरुको तर्फबाट प्रदान गरीएका सुझावहरु समावेस गरी तयार गरीने प्रस्तावित कार्यक्रमहरु कार्यान्वयन गर्न सहमत भएको व्यहोरा सहित यस छलफल कार्यक्रमको समयमा लिएका तस्विर र सूचनाहरु संस्थाको तर्फबाट संस्थागत प्रयोगको लागि प्रयोग गर्न दिन पूर्णरुपमा सहमती प्रदान गरेका छौं ।

स्थान: बुद्धभूमि नगरपालिका मिति: २०८२/०२/०२

छलफल कार्यक्रममा सहभागिहरुको नामावली तथा हस्ताक्षर

क.सं.	सहभागिको नाम	पद/संस्था	लिंग म/पु	जात (एच्छिक)	सम्पर्क फोन/इमेल	हस्ताक्षर
१.	सुशील क चौधरी	वडा अध्यक्ष	पुरुष			Sushil Chaudhary
२.	मनिता यादव	महिला समुह	महिला			Manita
३.	पिंकी कुर्मी	महिला समुह	महिला		9811472613	Pinky
४.	उमा सापकोटा	महिला समुह	महिला		९८६६८४२०३४	उमा
५.	शिवानी गुप्ता	आमा समुह	महिला		9819421270	शिवानी
६.	नगेन्द्र यादव	युवा क्लब	पुरुष		9844716485	नगेन्द्र
७.	सन्दया यादव	आमा समुह	महिला		9848284090	सन्दया
८	राजेन्द्र यादव	युवा क्लब	पुरुष		9817429729	Rajendra
९.	जगदी प्र. यादव	शिक्षक	पुरुष		9867177538	[illegible]
१०.	राम सकलवर्दी	बु.भू. न.पा.	पुरुष		9860185548	Ram
११.	वलिरुद्र यादव	"	पुरुष		9811929494	वलिराम
१२.	प्यारी यादव	आमा समुह	महिला		9811929292	पियारी

Buddhabhumi Municipality

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स्थानः शिवराज नगरपालिका मितिः २०८३/०४/०८

छलफल कार्यक्रममा सहभागिहरुको नामावली तथा हस्ताक्षर

क.सं.	सहभागिको नाम	पद/संस्था	लिंग म/पु	जात (एच्छिक)	सम्पर्क फोन/इमेल	हस्ताक्षर
१.	नेमा कछै पञ्जुली	महिला समूह	महिला		९७५२१७१७३	[illegible]
२.	खेलिना परियार	महिला समूह	महिला		९७५७५३३५५१	खेलिना
३.	विना अधिकारी	महिला समूह	"		९७१६६३१०३	विना
४.	नैनकला देवी	"			९३५३१३०२५	[illegible]
५.	पार्वती थरु	थरु समूह	महिला			पार्वती
६.	राम चौधरी थरु	"	पुरुष		९७०५५२५३३३	[illegible]
७.	प्रेम कुमारी थरु	लाभ पुरुष	महिला			[illegible]
८.	कञ्चन लोहरी	युवा समूह	पुरुष			कञ्चन लोहरी
९.	सन्दीप	"	"		९८१३००२१०२	सन्दीप
१०.	सुन्दा थरु	थरु समूह	महिला		९८४६२५६५५५	सुन्दा थरु
११	जुना बबलाल	अग्रज समूह	"		९३५१३२६१६७	जुना
१२	दुर्गा थपलिया	"	"		९४६२१३३१५४	दुर्गा

Shivaraj Municipality

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Annex 2: Stakeholders engaged in consultation

Date	Stakeholder	Venue	Objective	Outputs
29 April 2026	Dr. Maheshwor Dhakal- Joint Secretary/Chief, Climate Change Management Division, Ministry of Agriculture, Forestry and Environment (MoAFE); Navaraj Pyakurel-Joint Secretary, Ministry of Infrastructure Development (MOID), Sanot Adhikari, Umesh basnet, Bhawana Bhusal (Youth Alliance for Environment), and Pragya Pradhan, Aruna Thapa Magar (UN-Habitat Nepal)	Office of Joint Secretary, Dr. Maheshwar Dhakal, Climate Change Management Division (CCMD), MOAFE	Sharing of the pre-concept note developed by UN-Habitat under the leadership of MoID and seeking guidance for further development and alignment together with YAE	• Application submission for Locally Led Adaptation under the Adaptation Fund (2026 cycle) by UN-Habitat together with YAE. • Initiation of approval process, with MoID submitting to MoAFE, followed by onward submission to MoF for necessary approvals. • The focus on urban and rural linkages with territorial approach of climate adaptation.
18 May 2026	Mayor, Ward chairs and Municipal officials from the Buddhabhumi Municipality Attendees: 13 (Male: 11; Female: 2) 	Buddhabhumi municipality, Municipal Executive Office	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the municipality, including the current challenges and needs of communities, preparation for community meetings, site observation.	• Discussed overview, key challenges, and needs of the municipality. • Recommendation for the project's focus on livelihoods improvement, pond/wetland restoration, river cutting, forest fire, heat stress, capacity-building, and climate-resilient agriculture.
19 May 2026	Mayor, Ward chairs and Municipal officials from Banganga Attendees: 20 (Male: 16; Female: 4) 	Mayor Office, Banganga Municipality	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the municipality, including the current challenges and needs of communities, site observation.	• Discussed overview, key challenges, and needs of the municipality. • Obtained information of climate-vulnerable settlements and their challenges and needs (e.g. infrastructure, livelihood, traditional water sources conservation and maintenance, EWS, and storm/wastewater management).

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20 May 2026	Deputy-Mayor, Ward chairs and Municipal officials from Shivaraj Municipality Attendees: 25 (Male: 19; Female: 6) 	Mayor Office, Shivaraj Municipality	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the municipality, including the current challenges and needs of communities, site observation.	• Discussed overview, key challenges, and needs of the municipality. • Obtained information of climate-vulnerable settlements and their challenges and needs (e.g. infrastructure, livelihood, traditional water sources conservation and maintenance, pond restoration, heat stress, climate-smart agriculture, storm/wastewater management).
21 May 2026	Senior Engineer, Ministry of Urban Development and Drinking Water and Environment section, Forest section of Ministry of Forest and Environment, Lumbini province	Ministry of Urban Development and Drinking Water and Ministry of Forest and Environment, Lumbini province	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the province, including the current challenges and needs of province.	• Discussed overview, key challenges, and needs of the province. • Recommendation for the project's focus on livelihoods improvement, pond/wetland restoration, river cutting, forest fire, heat stress, capacity-building, and climate-resilient agriculture.
22 May 2026	Mayor, Ward chair and Municipal officials from the Shitganga Municipality Attendees: 25 (Male:17; Female: 8) 	Municipal hall, Shitganga Municipality	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the municipality, including the current challenges and needs of communities, site observation.	• Discussed overview, key challenges, and needs of the municipality. • Discussed their key challenges and recommendations for the project to improve, such as agricultural irrigation, water access, agricultural techniques, landslide protection, ecotourism and green enterprises development, tree replantation.

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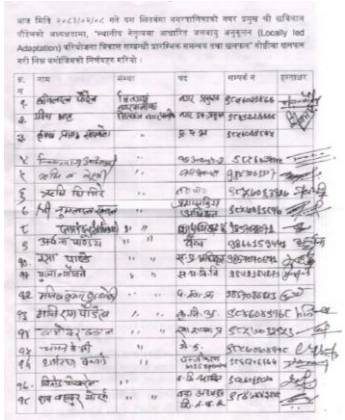
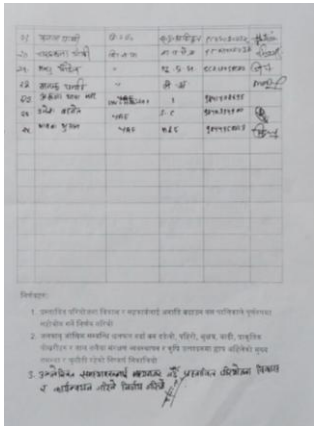
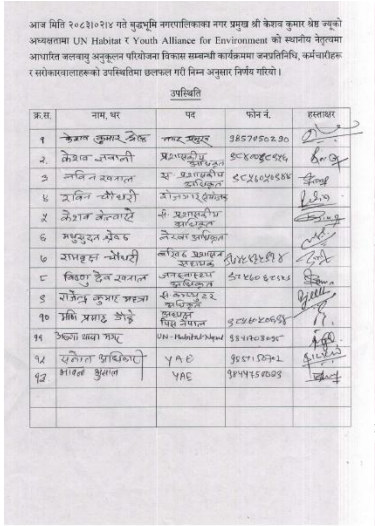
Meeting minutes





Sitganga Municipality



आज मिति २०८३।०२।०४ गते बुद्धभूमि नगरपालिकाका नगर प्रमुख श्री केशव कुमार थेङ्गको अध्यक्षतामा UN Habitat र Youth Alliance for Environment को स्थानीय नेतृत्वमा आधारित जलवायु अनुकूल परियोजना विकास समन्वयी कार्यक्रममा जनप्रतिनिधि, कर्मचारीहरू र सरोकारवालाहरूको उपस्थितिमा छलफल गरी निम्न अनुसार निर्णय गरियो।

उपस्थिति

क्र.स.	नाम, थर	पद	फोन नं.	हस्ताक्षर
१	केशव कुमार थेङ्ग	नगर प्रमुख	9857050290	
२	केशव लम्साली	प्रशासकीय अधिकृत	9840080424	
३	ललित रावतल	सा. प्रशासकीय अधिकृत	9841069884	
४	सुनिल चौधरी	योजना प्रशिक्षक		
५	केशव केनवारे	वि. प्रशासकीय अधिकृत		
६	मधुसूदन थेङ्ग	लेखा प्रशिक्षक		
७	साधना चौधरी	वडा नं. ६ प्रमुख	9816434918	
८	विष्णु हेम रावतल	जनस्वास्थ्य अधिकृत	9841604224	
९	राजेन्द्र कुमार भट्टा	वि. व्यवस्थापक अधिकृत		
१०	शंभु प्रसाद थेङ्गे	सहायक प्रशासकीय अधिकृत	9841020658	
११	[illegible]	UN-Habitat Nepal	9841703895	
१२	रमेश पाण्डेय	YAE	9841-[illegible]	
१३	भावना बुढाल	YAE	9844757093	

निर्णयहरू:

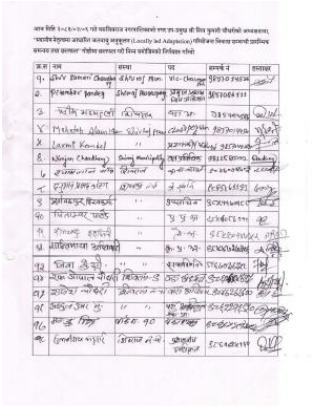
१. प्रस्तावित परियोजना विकास र सहकार्यलाई अगाडि बढाउने निर्णय गरियो।

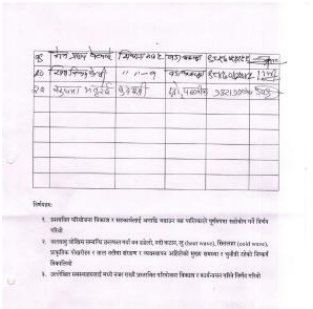
२. जलवायु जोखिम सम्बन्धित छलफल गर्दा वन डढेलो, नदी कटान, लु (heat wave), सितलहर (cold wave), प्राकृतिक पोखरीहरू र ताल तलैया संरक्षण र व्यवस्थापन अहिलेको मुख्य समस्या र चुनौती रहेको निष्कर्ष निकालियो।

३. उल्लेखित समस्याहरूलाई ध्यानमा राखी परियोजना विकास र कार्यान्वयन गरिने निर्णय गरियो।

Buddhabhumi Municipality

Banganga Municipality





Shivaraj Municipality

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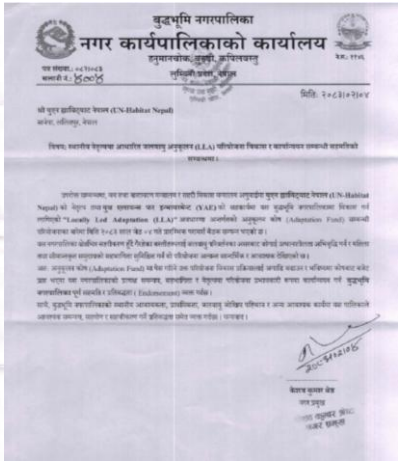
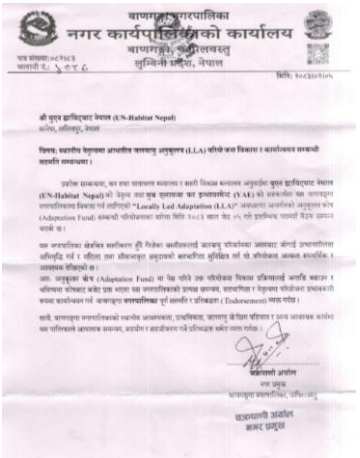
Support letter from four target municipalities

Sitganga Municipality



Buddhabhumi Municipality



Banganga Municipality

Shivaraj Municipality

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Attendance and Photographs of Community Consultations

"स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन (Locally led Adaptation) परियोजना विकास सम्बन्धी छलफल तथा अन्तर्क्रियात्मक कार्यशाला गोष्ठीमा हामि तपसिलमा उल्लेखित सहभागिहरुको उपस्थितिमा जोखिमहरु न्यूनिकरण गर्ने उपायका साथै महिला, जनजाति, र दलित समुहहरुका सवालहरुलाई समेत व्यापक छलफल भयो। हामि सहभागिहरु छलफलका क्रममा उठेका सवालहरु र सहभागिहरुको तर्फबाट प्रदान गरिएका सुझावहरु समावेश गरी तयार गरीने प्रस्तावित कार्यक्रमहरु कार्यान्वयन गर्न सहमत भएको व्यहोरा सहित यस छलफल कार्यक्रमको समयमा लिएका तस्विर र सुचनाहरु संस्थाको तर्फबाट संस्थागत प्रयोगको लागि प्रयोग गर्न दिन पूर्णरुपमा सहमती प्रदान गरेका छौं।

स्थान: बाराहठुवा बंगरपालिका मिति: २०८३/०२/०५

छलफल कार्यक्रममा सहभागिहरुको नामावली तथा हस्ताक्षर

क.सं.	सहभागिको नाम	पद/संस्था	लिंग म/पु	जात (एच्छिक)	सम्पर्क फोन/इमेल	हस्ताक्षर
१.	तुलसिराम गुरुङ	संयोजक बा.न.पा.	पुरुष		9851235646	
२.	तपेश्वर पंडित	सदस्य बा.न.पा.	पुरुष		9857052750	
३.	सबिता वि.क.	"	महिला			
४.	गीता कुमारी चौधरी	लमर समुदाय	महिला		9847192234	
५.	इन्दिरा आचार्य	न.पि.क. अधिकृत	"			
६.	सुशीला चौधरी	Save Nepal	"			
७.	केशवराज भट्टराई	बा.न.पा.	पुरुष		9857054380	
८.	शेरबहादुर अधिकारी	"	पुरुष		9570581094	
९.	आनन्द गजाधिनी	"	"		9570587311	
१०.	विष्णु गिरी	"	पुरुष		9857050320	
११.	रविन्द्र अधिकारी	शिक्षा संयोजक	पुरुष		9856037350	
१२.	बहादुर कुमाल		"			
१३.	विकास थेवा		"			
१४.	रोशन गिरि		"		9868820072	
१५.	चन्द्रमाली अधिकारी	लमर समुदाय	"		9852820921	
१६.	[illegible]	[illegible]	"		9857050380	
१७.	[illegible]	[illegible]	"			
१८.	[illegible]	[illegible]	"			
१९.	[illegible]	बा.न.पा.	"			
२०.	शक्तिराज अधिकारी	"	"			
२१.	सीता थापा	महिला सहकारी महिला				
२२.	रमना साह	सुदारु महिला समुह	"			
२३.	कविता चौधरी	लमर समुदाय महिला समुह	"			
२४.	वेका महतो	" " "	"			
२५.	पूजा ठाकुर	आमा समुह	"			
२६.	प्रतिमा ठाकुर	आमा समुह	"			
२७.	सविता चौधरी	युवा क्लब	"			
२८.	सुनीता थापा	एकता महिला समुह	"			
२९.	शिर्मकाठाकुर	एकता महिला समुह	"			
३०.	[illegible]	" " "	"			
३१.	भावना पटले	आमा समुह	"			

Banganga Municipality

"स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन (Locally led Adaptation) परियोजना विकास सम्बन्धी छलफल तथा अन्तर्क्रियात्मक कार्यशाला गोष्ठीमा हामि तपसिलमा उल्लेखित सहभागिहरुको उपस्थितिमा जोखिमहरु न्यूनिकरण गर्ने उपायका साथै महिला, जनजाति, र दलित समुहहरुका सवालहरुलाई समेत व्यापक छलफल भयो। हामि सहभागिहरु छलफलका क्रममा उठेका सवालहरु र सहभागिहरुको तर्फबाट प्रदान गरिएका सुझावहरु समावेश गरी तयार गरीने प्रस्तावित कार्यक्रमहरु कार्यान्वयन गर्न सहमत भएको व्यहोरा सहित यस छलफल कार्यक्रमको समयमा लिएका तस्विर र सुचनाहरु संस्थाको तर्फबाट संस्थागत प्रयोगको लागि प्रयोग गर्न दिन पूर्णरुपमा सहमती प्रदान गरेका छौं।

स्थान: बुद्धभूमि नगरपालिका मिति: २०८३/०२/०३

छलफल कार्यक्रममा सहभागिहरुको नामावली तथा हस्ताक्षर

क.सं.	सहभागिको नाम	पद/संस्था	लिंग म/पु	जात (एच्छिक)	सम्पर्क फोन/इमेल	हस्ताक्षर
१.	गिता अधिकारी	कृ.स. बु.न.पा.	महिला			
२.	राज बहादुर भट्ट	"	पुरुष			
३.	सुशील कु. चौधरी	"	"			
४.	गिता यादव	सदस्य बु.न.पा.	महिला		9779525956	गिता यादव
५.	व्यासी यादव		महिला		9779525242	
६.	आ यामलीला	बीडुल	महिला		9786742058	
७.	मिनाक्षी गुप्ता	शिक्षाविद्	"		9779427260	
८.	सीमा यादव	"	पुरुष		9779544727	
९.	जगनारायण	शिक्षक	"		9786266490	
१०.	बलेन्द्र यादव	"	"		9779525958	
११.	लेखन कुमार श्रेष्ठ	लमर समुदाय	पुरुष			
१२.	रामकान्त यादव		"			
१३.	सुरज प्रताप शाह		"			
१४.	निरुपिता आचार्य		"		9847051913	
१५.	पोइन श्रेष्ठ गौतम		"			
१६.	विनोद रवताल		"			
१७.	वसन्तकुमार चौधरी	कु.पु.न.पा.	"		9847276327	
१८.	योगेन्द्र कुमार यादव	कु.पु.न.पा.	"			
१९.	लाकुराम पोखरेल	कु.पु.न.पा.	"			
२०.	यादव प्रसाद घिमिरे	शिक्षक	"			
२१.	गीता चौधरी	आमा समुह	महिला			
२२.	रामजानकी यादव	" "	"			
२३.	नीरु शाह	" "	"			
२४.	गीता रवताल	भगुवा मञ्च	"			
२५.	पानुमाया साह	[illegible]	"			
२६.	सन्तोषी चौधरी	सहयोग पुकारुन	"			
२७.	गीता शर्मा गुरुङ	सहयोग बाल क्लब	"			
२८.	अन्जु रुजुला	" " "	"			
२९.	बीरेन्द्रबहादुर भट्ट	" " "	"			
३०.	सोमप्रसाद भट्ट	बाल क्लब	"			

Buddhabhumi Municipality

Official Use Only

"स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन (Locally led Adaptation) परियोजना विकास सम्बन्धी छलफल तथा अन्तर्क्रियात्मक कार्यशाला गोष्ठीमा हामि तपसिलमा उल्लेखित सहभागिहरुको उपस्थितिमा जोखिमहरु तथा ती जोखिमहरु न्यूनिकरण गर्न उपायका साथै महिला, जनजाति, र दलित समुहहरुका सवालहरुमा समेत व्यापक छलफल भयो । हामि सहभागिहरु छलफलका क्रममा उठेका सवालहरु र सहभागिहरुको तर्फबाट प्रदान गरीएका सुझावहरु समावेश गरी तयार गरीने प्रस्तावित कार्यक्रमहरु कार्यान्वयन गर्न सहमत भएको व्यहोरा साक्षित यस छलफल कार्यक्रमको समयमा लिएका तस्विर र सुचनाहरु संस्थाको तर्फबाट संस्थागत प्रयोगको लागि प्रयोग गर्न दिन पूर्णरुपमा सहमती प्रदान गरेका छौं ।

स्थान: शिवराज नगरपालिका

मिति: २०८१/०२/०६

छलफल कार्यक्रममा सहभागिहरुको नामावली तथा हस्ताक्षर

क.सं.	सहभागिको नाम	पद/संस्था	लिंग म/पु	जात (एच्छिक)	सम्पर्क फोन/इमेल	हस्ताक्षर
१.	हेम राज अधिकारी	नगर प्रमुख	पुरुष		–	
२.	पूर्णबहादुर विश्वकर्मा	जिल्ला अधिकृत	"		–	
३.	सविता चर्ती	नी शि अ. वि.	महिला		9862933355	सविता
४.	दुर्गा थापा	नी शि अ वि	"		9862933358	दुर्गा
५.	गुला बलवन्त	महिला समुह	"		9847325 4	[illegible]
६.	मुन्ना थारु	"	"		5286246445	[illegible]
७	तुलसीराम चौधरी	नी शि अ अ मु वि.	पुरुष		9827438351	Tulshiram
८.	कमल गुरु	नी. वि.	"		9829486420	[illegible]
९.	कमला पौडेल	महिला समुह	महिला		9825556360	कमला
१०	इन्दिरा सापकोटा	"	"			इन्दिरा
११.	[illegible]	[illegible] समुह	महिला		9845717823	[illegible]
१२	सुशिला [illegible]	[illegible] समुह	[illegible]		9849131852	सुशिला
१३	[illegible] प्रसाद	[illegible]	पुरुष		9867362474	[illegible]
१४.	[illegible]	"	पुरुष		9807348446	[illegible]
१५.	[illegible]	"	पुरुष		9827440240	[illegible]
१६	[illegible]	[illegible]	पुरुष			[illegible]
१७	[illegible]	"	पुरुष			[illegible]
१८.	[illegible]	"	"			[illegible]
१९.	[illegible]	"	"			[illegible]
२०.	बबिता चौधरी	महिला समुह	महिला			Babita
२१.	रिता चौधरी	महिला समुह	"			Rita
२२	[illegible] महतो	महिला समुह	"			Chanda
२३	[illegible]	महिला समुह	"			[illegible]
२४.	[illegible]	महिला समुह	"			[illegible]
२५	शान्ती महतो	[illegible] समुह	"			शान्ती
२६.	आरती ठाकुर	[illegible] समुह	"			आरती
२७.	राधिका [illegible]	[illegible] समुह	"			राधिका
२८.	[illegible]	[illegible] समुह	"			[illegible]

Shivaraj Municipality

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Government of Nepal

Ministry of Agriculture, Forests and Environment

P.O. Box No. 3987
Singh Durbar, Kathmandu

Ref. No. 452

Date: 30 June 2026

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

Subject: Endorsement for concept note on **Building Resilient Communities through Locally Led Nature-Based Climate Action in Lumbini Province, Nepal project**

In my capacity as designated authority for the Adaptation Fund in Nepal, I confirm that the above national project concept note is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Nepal.

Accordingly, I am pleased to endorse the above grant proposal with support from the Adaptation Fund. If approved, the project will be implemented by the United Nations Human Settlements Programme (UN-Habitat) and executed by the Government of Nepal and Youth Alliance for Environment (YAE).

Sincerely,

Mr. Suman Subedi
Primary Contact Point, Adaptation Fund
Under Secretary, Adaptation Section
Climate Change Management Division
Ministry of Agriculture, Forests and Environment
Singhadurbar, Kathmandu

ADAPTATION FUND

Revised PFG Submission Form[1] (additions in red)

Project Formulation Grant (PFG)

Submission Date:

Adaptation Fund Project ID:
Country: Nepal
Title of Project/Programme: Building Resilient Communities through Locally Led Nature-Based Climate Action in Lumbini Province, Nepal
Type of IE (NIE/RIE/MIE): MIE
Implementing Entity: United Nations Human Settlements Programme (UN-Habitat)
Executing Entity/ies: Youth Alliance for Environment

A. Project Preparation Timeframe

Start date of PFG	1 November 2026 (or immediately following endorsement of the concept note)
Completion date of PFG	28 February 2027

B. Proposed Project Preparation Activities ($)

The requested Project Formulation Grant (PFG) of USD 140,000 will support undertake comprehensive set of preparatory activities to undertake necessary consultation, assessments, data collection and validations to develop technically robust and full proposal for the Adaptation Fund's Locally Led Adaptation (LLA) funding window that is fully compliant with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy, and Results Framework. The PFG will finance community and stakeholder consultation, including FPIC, technical, socio-economic and gender analyses including validation, and field studies to understand granularity of the localized climate impacts and adaptation interventions needed across four targeted municipalities and the communities in Lumbini province. Through these preparatory activities, the PFG will generate the evidence base, stakeholder ownership, technical design, safeguard compliance, institutional arrangements, and implementation readiness - necessary to develop a robust full proposal for submission to the Adaptation board. The process will ensure that the proposed project is grounded in local realities, addresses the needs of the most climate-vulnerable populations, and delivers transformational adaptation benefits through nature-based locally led adaptation actions consistent with the Adaptation Fund's LLA modality, while promoting climate-resilient and inclusive development pathways.

List of Proposed Project Preparation Activities	Output of the PFG Activities	US$ Amount	Budget Note
1. Comprehensive stakeholders' consultation and workshop to ensure project alignment with local priorities and adaptation need	Detailed stakeholders' engagement plan and consultation report documenting the co-designed mechanisms for community decision making, transparent and accountability, validated locally identified adaptation priorities incorporating inputs and feedback	25, 000	Support local consultations, workshops, documentation, translation, logistics and travel

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

	from local government and communities		
2. Free, Prior and Informed Consent (FPIC) and related consultations to ensure compliance with the Environmental and Social Policy	FPIC process undertaken through targeted consultations with Indigenous Peoples, local communities, and other potentially affected vulnerable groups, as a mean to ensure fundamental safeguard measure and that communities are fully informed, their knowledge documented and meaningfully consulted in decision making and benefit sharing.	11,032	Support for community meetings, facilitation, documentation, and local coordination for culturally appropriate consultation aligned with AF ESP
3. Local context data collection and validation for strengthening and refining Results Framework and developing Monitoring and Evaluation (M&E) Plan	Refined and quantified climate rationale strengthened project components with verified field data to refine indicator and define targets with baselines. M&E Plan developed.	38,000	Supports localized assessment to design site specific analysis, community consultation to validate and analyze data and documentation necessary for AF appraisal standards. Logistics and travel
4. Gender, Environmental and Social Risk Analyses	Environmental and Social Management Plan (ESMP) and Gender Action Plan (GAP) developed and integrated into the full proposal	15,000	Supports for screening tools (ESMP and GAP), AF Policy alignment, stakeholder consultations, and report preparation.
5. Full proposal development, consolidation of consultations, internal review, and submission to AF.	Strengthened and complete project document, including stronger climate rationale, evidence backed project components, validated detailed activities, budget, refined implementation strategy, with detailed log frame, and supporting annexes	40,000	Consultancy and technical support from international and national experts for full proposal development including AF Results Framework; and technical inputs for NbS and value chain, including logistics, meetings, final editing.
Sub Total		129,032	
6. Implementing Entity (IE) Management Fee (8.5%)	Oversight, quality assurance, technical supervision, coordination and administrative lead throughout proposal development process	10,968	Supports project preparation through strategic oversight, technical quality control, fiduciary supervision, and coordination among key stakeholders.
Total Project Formulation Grant		**140,000**	

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

1. ***Comprehensive Stakeholder Consultations and Workshops to Ensure Project Alignment with Local Priorities and Adaptation Needs (US$ 25,000)***

This activity will support a comprehensive stakeholder engagement and co-design process to ensure that the full project is firmly grounded in local priorities, climate adaptation needs, and development aspirations across the target four municipalities of Lumbini Province. Consultations and participatory workshops will be conducted at provincial, municipal, ward, and community levels, engaging climate-vulnerable communities, local governments, community-based organizations, women's groups, Indigenous Peoples, youth, persons with disabilities, civil society organizations, private sector actors, and relevant government agencies.

The consultations and co-design sessions will identify and validate local climate risks, vulnerabilities, adaptation priorities, implementation challenges, and opportunities for collaboration, including mechanisms for community decision making, transparency and accountability. Particular emphasis will be placed on the meaningful participation of women, marginalized groups, and vulnerable households to strengthen the projects locally led, inclusive, and gender-responsive approach. Findings will directly inform project design, beneficiary targeting,

adaptation interventions, implementation arrangements, and sustainability mechanisms, while fostering stakeholder ownership and implementation readiness. The requested budget will cover consultation meetings and workshops, facilitation and documentation, venue and logistics, participant travel and refreshments, translations and the preparation of consultation reports to support the development of the full project proposal.

2. ***Free, Prior and Informed Consent (FPIC) and Related Consultations to Ensure Compliance with the Environmental and Social Policy (US$ 11,032)***

   This activity will ensure full compliance with the Adaptation Fund's Environmental and Social Policy through the implementation of a robust Free, Prior and Informed Consent (FPIC) process and targeted consultations with Indigenous Peoples, local communities, and other potentially affected vulnerable groups. The FPIC process will be undertaken as a fundamental safeguard measure to ensure that vulnerable communities are fully informed, meaningfully consulted, and able to participate in decision-making regarding project interventions that may affect their rights, livelihoods, resources, or well-being.

   Consultations will be conducted in culturally appropriate, inclusive, and gender-responsive ways, respecting local customs, traditional governance structures, and community decision-making processes. Communities will be provided with clear, accessible, and timely information on proposed activities, potential benefits, risks, and implementation arrangements, enabling them to make informed decisions and provide or withhold consent where applicable.

   The outcomes of the FPIC process and stakeholder consultations will directly inform project design, safeguard measures, risk mitigation strategies, and implementation arrangements, ensuring that the project is socially inclusive, rights-based, and responsive to community priorities. The requested budget will support community consultations, facilitation by trained personnel, preparation and translation of information materials, travel and logistics, documentation of consent processes, and the preparation of FPIC and consultation reports required for the full project proposal.

3. ***Local context data collection and validation for strengthening and refining Results Framework and developing Monitoring and Evaluation (M&E) Plan (US $ 38,000)***

   This activity supports collecting supplementary field data and validating existing information to ensure the results framework and targets reflect real local conditions. It is conducted in selected priority locations through short surveys, key informant interviews, and on-site observations with beneficiaries, service providers, and local authorities. It will involve collecting and validating data to better understand climate risks, vulnerabilities, housing conditions, health impacts, and socio-economic conditions. The activity will support the selection and prioritization of target communities based on their climate vulnerability, adaptive capacity, and readiness to participate. It will also verify local climate and microclimate risks, assess climate-related health challenges, and gather household and community-level information to refined and quantified climate rationale, strengthen project components with verified field data to refine indicator and define targets with baselines.

   A comprehensive Monitoring, Evaluation and Learning (MEL) framework will be developed to ensure robust tracking of project performance, outcomes, impacts, and lessons learned throughout implementation. Aligned with the Adaptation Fund Results Framework, the MEL system will establish a clear baseline, define output and outcome indicators, set measurable targets, and identify appropriate data sources and collection methodologies to support evidence-based reporting and adaptive management.

   The collected data is triangulated with existing reports and administrative records to identify gaps or inconsistencies. Based on this validation, adjustments are made to indicators, baselines, or targets to better reflect actual implementation conditions and improve the accuracy of the results framework and develop M&E Plan of the project. In addition, it will consolidate and validate climate, housing, health, and socio-economic information from both primary and secondary sources, providing a robust foundation for refining adaptation interventions, beneficiary selection criteria, and investment priorities. The resulting evidence will strengthen the project's climate rationale, improve the precision of its targeting approach, and enhance implementation planning while ensuring that the proposal remains responsive to local needs and aligned with the principles of Locally Led Adaptation. The budget is required for field surveys, data collection, climate data analysis, GIS-

based mapping, community consultations, technical experts, validation workshops, travel and report preparation.

4. ***Gender, Environmental and Social Risk Analyses and Development of Safeguard Instruments (US$ 15,000)***
   This activity will undertake comprehensive gender, environmental, and social safeguard analyses to ensure that the proposed project is equitable, inclusive, and environmentally sustainable, while fully complying with the Adaptation Fund's Environmental and Social Policy. It will also support the development of key safeguard instruments, including an Environmental and Social Management Plan (ESMP) and a Gender Action Plan (GAP), to systematically assess and manage risks and enhance positive outcomes. The analyses will assess potential impacts and risks related to ecosystems, biodiversity, natural resources, livelihoods, cultural heritage, social inclusion, and vulnerable populations, with particular attention to women, Indigenous Peoples, and marginalized groups. Based on this assessment, appropriate mitigation measures, safeguard actions, grievance redress mechanisms, and monitoring arrangements will be designed and embedded within the project framework to ensure risk-informed implementation.

   The requested budget will support technical experts, field assessments, stakeholder consultations, safeguard screening processes, preparation of ESMP and GAP documents, validation workshops, and finalization of safeguard instruments for submission as part of the full proposal.

5. ***Full proposal development, consolidation of consultations, internal review, and submission to AF. (US$ 40,000)***
   International and National Technical expertise will be mobilized to develop and finalize a high-quality, evidence-based full project proposal informed by field assessments, consultations, analyses and validations carried out during the PFG phase. This will include preparation of complete project narrative, results framework and M&E plan, implementation arrangements, detailed budget, risk mitigation and sustainability measures, and required technical annexes for submission to the Adaptation Fund. They will elaborate and strengthen project components, outputs, and activities to meet full proposal requirements, ensuring technical coherence and alignment with Adaptation Fund standards. In addition, the assignment will include expansion and alignment of the results framework with measurable indicators consistent with the Adaptation Fund Results Framework, preparation of a comprehensive log-frame, monitoring and evaluation framework, risk matrix, and a detailed, activity-based budget.

   The technical experts will ensure full compliance with the Adaptation Fund's Environmental and Social Policy and Gender Policy, while integrating Nature-based Solutions (NbS), ecosystem-based adaptation approaches, and climate-resilient livelihood interventions where appropriate. Throughout the process, the technical team will work closely with government counterparts and local stakeholders to ensure the proposal is technically robust, socially inclusive, and fully aligned with locally led adaptation priorities. The budget will support technical consultancy services, proposal drafting and refinement, technical reviews, coordination meetings, integration of stakeholder feedback, and finalization of the complete proposal package for submission to the Adaptation Fund.

6. ***Implementing Entity (IE) Fee (US$ 10,968)***
   The Implementing Entity will provide overall oversight, quality assurance, technical guidance, fiduciary management, and coordination throughout the project formulation process. The IE will ensure that all activities are conducted in compliance with Adaptation Fund requirements and that the full proposal meets the required technical, environmental, social, and fiduciary standards. The fee covers administrative and management costs associated with project formulation, review of deliverables, coordination with executing partners and stakeholders, and final submission support.

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:

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

The PFG will support targeted activities to strengthen locally led adaptation and devolve decision-making to the lowest appropriate level. Through participatory consultations and co-design workshops in selected municipalities and communities, community groups, women, Indigenous Peoples, youth, and other vulnerable groups will help identify climate risks, validate adaptation priorities, and shape project interventions. The PFG will also support the co-design of community-level governance, beneficiary selection, and accountability mechanisms, as well as validation of local data and evidence to inform adaptation planning. These activities will enable local actors to make informed decisions on how adaptation actions are defined, prioritized, designed, and implemented, ensuring that the full project is responsive to local needs and aligned with the Adaptation Fund's Locally Led Adaptation principles.

C. Implementing Entity

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

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Raf Tuts, Direct, Global Solution Divisions, UN-Habitat		06.30.2026	Odicea Angelo Barrios, Programme Management Officer, UN-Habitat	(81-92) 724-7121	odicea.angelobarrios1@un.org

Appendix 1. ESSS Screening Report

1. Brief Description of the Project/Programme

Topic	Explanation	Review E&S Officer
Name of the project/programme:	**Building Resilient Communities through Locally Led Nature-Based Climate Action in Lumbini Province, Nepal**	
Code/ID of the project/programme:	NA	
Location:	Four municipalities, namely Sitganga, Banganga, Buddhabhumi, Shivaraj, in Lumbini Province, Nepal	
Duration of project/programme activities:	Duration of the following phase (number of Months): • Overall Project Duration: 48 months (July 2027 – June 2031) • Construction period if applicable: 2 – 3 years • Operation (in years; beyond the project duration) : 5 years • Decommissioning (if applicable, describe and date): NA	
Scope:	Initial estimation of: • Size of the project/programme (in terms of cost – USD): 4,998,595 • Size of the area (km2/acres) potentially affected: The project covers approximately 1,494.54 sq. km (Sitganga: 610.43, Banganga: 233.37, Buddhabhumi: 366.67, Shivaraj: 284.07), with majority of land covered by forest. • Number of people affected positively: Total population of approximately 295,722 (64,395 households) in the four target municipalties, with 154,281(52.2%) female and 53.5% of population from indigenous and margnilized Dalit communities. • Number of people affected negatively: significant or permanent adverse impacts are anticipated; however, temporary, localized and reversible E&S impacts may occur and will be managed through sub-project screening, ESAP/ESMP, OHS measures, GRM, and monitoring • Application of Social Inclusion Issues: The four SII will all apply: SII 1: Human Rights SII 2: Gender SII 3: Children, Youth and Older persons SII 4: Disability • Application of Cross-cutting Thematic Areas: The two CCTAs will all apply: CCTA 1: Resilience CCTA 2: Safety	Suggestion from ESSS Officer incorporated on number of people affected negatively.
Main physical works, including those of associated facilities:	The project has physical works, as nature based and locally led interventions under Outcome 3, Output 3.2 with total budget allocated as USD 2.75 mil. The interventions will focus on four priority climate risk reduction areas i. Flood and Drought Risk Mitigation, ii. Landslide and Erosion Protection, iii. Extreme Heat and Forest Fire Mitigation, Livelihood	The concept note also mentioned embankments, retention walls, recharge ponds, climate-resilient water systems,

	Protection and Promotion. Indicative scale based on budget distribution: 1. Climate adaptation and resilience building through territorial water resource management and nature-based flood and drought risk mitigation (30%); 2. Landslide and erosion protection through slope stabilization, and integrated watershed management in catchment areas (30%); 3. Extreme heat, forests fire mitigation and biodiversity conservation through community forestry, afforestation, and ecosystem restoration (25%); 4. Climate-resilient livelihoods, particularly targeting youth, women, Indigenous Peoples, Dalits and other vulnerable groups, through green enterprises, skills development, and alternative livelihood opportunities (15%). Activities include installation of rainwater harvesting systems, small and medium scale irrigation schemes, bioengineering for slope stabilization, sedimentation control check dams, retention walls, riverbank protection and embankments, regeneration of ponds, bio-swales, infiltration trench and recharge ponds, rehabilitation of drainage networks, climate-resilient water systems, regreening of open spaces and pocket parks, installation of two hydrometeorological stations, and a discharge measurement system. At the local level, unlikely triggering environmental impact assessment studies as per Nepal regulations: regreening of the public lands, protection and revitalization of public spaces, and land conservation through bioengineering methods, ground water recharge, all implemented in consultation with the communities	small and medium irrigation rehabilitation, etc Incorporated suggestions in the list of interventions.
Type of project/programme:	Community based approach, inclusive participation in decision making process, capacity development, policy and technical advisory, livelihood diversification, and locally led nature-based solutions demonstration	
Additional information:	This project proposal is for submission to the Adaptation Fund Locally Led Adaptation funding window, where UN-Habitat will be the Implementing Entity, in cooperation with Ministry of Infrastructure Development and Ministry of Agriculture, Forest and Environment, together with Youth Alliance for Environment as Executing Entity. The project emphasizes a territorial approach across a continuous socio-ecological landscape with shared resources and risks. It will mobilize Community Implementation Agreements directly with local communities to implement nature based locally led climate adaptation interventions. The project deals with range of social and environmental issues, bringing positive outcomes for environment protection, with safety net through tenure security for the most vulnerable. Furthermore, a dedicated safeguard officer with M&E officer is responsible to assess all safeguard challenges before and during the project.	

Note: if information is not available or is unknown at this stage of the project/programme, please indicate so as “NA” (Not Available) and provide contextual analysis of the project site(s).

2. The Presence of Significant Biodiversity Value

List endangered species according to the IUCN Red List (https://www.iucnredlist.org/) and proximity to legally protected areas, or critical natural habitats, or potential impacts to ecosystem services.[1]

Topic	Explanation	Review E&S Officer
Assessment of Biodiversity and natural assets in the project area:	The project area covers the Chure-Tarai region, including the Chure Siwalik ecological zone (Sitganga), forest-dominated landscapes, and the Banganga, Kothi, and Koili river basins. Chure is the youngest and fragile mountain belt of Nepal that stretches 800 km across east-west stretch, as serves as crucial ecological buffer and watershed for the Tarai region. Sitganga Municipality, located from the Mahabharat Range down to Churia hills, serves as a major recharge zone and natural water tower for the wider landscape. The underground aquifers and seasonal river systems, including Banganga River system, originate from this upstream area. The agricultural productivity and drinking water security of Banganga, Buddhabhumi, and Shivraj municipalities are highly dependent on the forest cover, watershed, and soil stability of Sitganga. Climate-induced hazards in Sitganga have direct cascading impacts across the landscape. Intense and erratic rainfall in the upstream hills frequently triggers flash floods in the Tarai plains of Banganga, Buddhabhumi, and Shivraj. increase in built-up areas by double from 2.72% to 4.58% over an eight-year period, representing a 68% increase driven primarily by urbanization in Shivraj, Buddhabhumi, and Banganga municipalities, where cropland and water bodies are gradually being replaced by expanding settlements.	
Critical issues:	The project is expected to have high positive impact on local biodiversity and natural assets. Planned interventions focus heavily on nature-based solutions (NbS) and ecosystem-based adaptation, including community-based forest restoration, the plantation of climate-resilient native species, assisted natural regeneration, bioengineering, and the conservation of ecologically critical habitats, water bodies and protection of watersheds. At this stage, no significant negative impacts on ecosystem services are anticipated.	The succeeding steps in the project formulation should include actions to cover water-resource safeguards: downstream/upstream users, water allocation, ecological flow where relevant, water quality, community water rights, maintenance responsibilities, and conflict-sensitive water

[1] **Ecosystem services are the benefits provided by ecosystems that contribute to making human life both possible and worth living.** Examples of ecosystem services include products such as food and water, regulation of floods, soil erosion and disease outbreaks, and non-material benefits such as recreational and spiritual benefits in natural areas. The term 'services' is usually used to encompass the tangible and intangible benefits that humans obtain from ecosystems, which are sometimes separated into **'goods'** and **'services'.** Some ecosystem services involve the direct provision of material and non-material goods to people and depend on the presence of particular species of plants and animals, for example, food, timber, and medicines. Other ecosystem services arise directly or indirectly from the functioning of ecosystem processes. For example, the service of formation of soils and soil fertility that sustains crop and livestock production depends on the ecosystem processes of decomposition and nutrient cycling by soil micro-organisms. (http://uknea.unep-cmc.org/EcosystemAssessmentConcepts/EcosystemServices/tabid/103/Default.aspx)

	However, without proper environmental and social safeguarding to mitigate any potential negative impact of the project activities, may result in localized negative impact such as disturbance to local eco-system, disruption in access to natural resources, soil instability, and weak eco-system services.	governance. Incorporated in proposal for Project Formulation Grant

Note: if information is not available or is unknown at this stage of the project/programme, please indicate so as "NA" (Not Available) and provide contextual analysis at the country level.

3. The Presence of Social Groups or Community

List especially those that are considered as vulnerable groups and the potential of the occurrence of social impacts.

Topic	Explanation	Review E&S Officer
Estimated population in the project/programme area:	**Total: 295,722 people (64,395 households)** **Sitganga**: Pop 37,691 (female 19,939) **Banganga**: Pop 96,714 (female 51,304) **Biddhabhumi**: Pop 76,507 (female 39,556) **Shivaraj**: Pop 84,810 (female 43,482)	
Are there vulnerable groups potentially affected? **If yes, please specify which group (women, indigenous, poor, youth, persons with disabilities)?**	**Yes**. Approximately 60% of the population belongs to Indigenous, Dalit, Madhesi, Muslim, and other marginalized communities. Population of Indigenous Communities (IP) and Dalit communities: **Sitganga**: IP 43.61%, Dalit 19.95% **Banganga**: IP 45.70%, Dalit 7.27% **Biddhabhumi**: IP 44.66%, Dalit 6.05% **Shivaraj**: IP 37.93%, Dalit 9.49% Within these groups, the project targets women, youth, elderly, persons with disabilities, and landless. households living in hazard-prone areas relying on climate-sensitive agriculture and natural resources.	

Note: if information is not available or is unknown at this stage of the project/programme, please indicate so as "NA" (Not Available) and provide contextual analysis at the country level.

4. National Regulations and Donor Requirements

Topic	Explanation	Review E&S Officer
Does the country or any of the project/programme countries - have ESIA regulation?	**Yes**. Nepal has established national environmental regulations and safeguard frameworks: Environmental Impact Assessment (EIA), Initial Environmental Examination (IEE), and Brief Environmental Study (BES) frameworks. Environment Protection Regulation 2020 of Government of Nepal - that provides guidelines / requirements, based on set parameters for conducting	

	environment assessments of three levels (Study, Initial Environment Assessment, Environment Impact Assessment). The parameters are defined for following sectors, forest, health, tourism, road, energy, building and urban development, industry, education, and mine. For example- Relevant to regreening interventions. Regulations addressing native single species plantation: • areas 10 ha and less don't need an assessment • areas from 10 – 50 ha require environment study (level 1) • areas 50 – 500 ha and bigger require initial environmental assessment (Level 2) • areas above 500 ha require Environment Impact Assessment (Level 3)	
Does the regulation require that this type of project/programme develops an ESIA process?	**No**. The project is in compliance with the environment protection regulations and ensured to take measures to avoid any negative impacts to the environment and people. For e.g. the project interventions are of small scale in terms of physical construction at ward/community level and not on the industrial scale or heavy construction. However, for physical construction, the project will conduct the necessary assessment as per the requirement of the government if needed and will adhere to both planning and building bye-laws. Also, nature-based solutions will be prioritized and for regreening - native species, not exceeding 10 ha.	
Is an ESIA process required by the donor?	**No.** The project is designed in full compliance with the Adaptation Fund's Environmental and Social Risk Screening (ESRS) and Gender and Social Inclusion Analysis (GESI) requirements.	
Are there gaps between the ESSS and donor Environmental and Social requirements?	**No.** It is principally the same.	

Note: if information is not available or is unknown at this stage of the project/programme, please indicate so as "NA" (Not Available) and provide contextual analysis at the country level.

5. Conclusions

Topic	Conclusion	Explanation/Justification	Review E&S Officer
List of ESSS Safeguard Principles triggered by the project/programme: (see Annex 1A for the checklist of Safeguard Principles)	P 1: Labour and working conditions	P1: Worker's rights may be neglected/violated and The work could involve the use of child labour UN-Habitat will ensure that Community Implementation Agreements (CIAs) incorporate strict labour safeguard specifications to protect workers' rights with direct oversight of UN-Habitat, the Executing Entities, and target municipalities, on all Community Implementation Agreements (CIAs) to strictly monitored enforcement of zero-tolerance to child labour.	
	P3: Climate Change Resilience, Community Health, Safety P5: Biodiversity Conservation	P3 and P5: The project relies on Locally Led Adaptation (LLA) and Nature-based Solutions (NbS), meaning physical interventions are small-scale and community-driven, avoiding significant environmental harm. In fact, interventions such as bioengineering, community-based forest restoration, and riverbank protection are expected to protect habitats and provide highly positive outcomes for biodiversity (P5) and community climate resilience (P3). However, in case of an accident or emergency situation, the effect on the surrounding community or in the ecosystem could be significant. For addressing this issue, site specific ESSS and Action Plan will ensure safety and emergency procedures to immediate and corrective actions. Also, the project may impact natural habitats. Any minor localized impacts from physical works will be mitigated by promoting nature-	

		based solutions (NbS), bioengineering, and the planting of climate-resilient native species.	
	P6: Indigenous Peoples	The Chure region in project area serves as crucial ecological buffer and watershed for the Tarai region This will be further assessed during the full ESSS Scoping Report.P6: Indigenous peoples, landless households, and other vulnerable groups will positively benefit through targeted livelihood diversification and green enterprises. In presence of significant % of indigenous, marginalized, and landless population, the project will take additional step to ensure their participation in the process and identify land that do not put them in threat of eviction or displacement. FPIC process with Indigenous Peoples, local communities, and other potentially affected vulnerable groups.	
	P7: Cultural Heritage	The presence of localized cultural heritage sites (such as community temples or sacred natural sites) may be present, which will be assessed during the full ESSS Scoping Report and the participatory community social mapping phase with potential measures like procedure, cultural heritage screening checklist, sacred natural sites mapping, and access protection to be implemented	
	P8: Compliance with the Law	P8: The project is required to abide with environmental, building or other sectorial permits. The project will strictly adhere to the local regulation and all sectoral permits and adopt national environmental regulations, specifically the EIA, IEE, and BES	

	P9: Access and Spatial Justice	frameworks, for all physical works. P9: The project targets women directly. Therefore, targeted interventions will cater this need of vulnerable group that will be equity based on disaggregated data. While prioritizing women/girls, other vulnerable groups will benefit but may not be equally. Further, there would be transparent beneficiary selection criteria, spatial targeting logic, benefit-sharing measures, etc. to ensure that the most vulnerable groups have fair and differentiated access to project benefits.	
Social Inclusion Issues included in the project/programme: (see Annex 1A for the list of Social Inclusion Issues)	List all SII here. Please ensure that this aligns with the project document. SII 1: Human Rights SII 2: Gender SII 3: Children, Youth and Older persons SII 4: Disability	At the current status of the project, the triggered social inclusion issues are defined as 'No'. The project is in line with UN protocol guiding principles such as LNOB. Gender responsiveness is ensured as the core component of the project is designed to address structural inequalities (SII 1). Gender mainstreaming is ensured through targeted participation in decision making process, support for women-led green enterprises and leadership development (SII 2). The project explicitly mobilizes youth as climate champions and advocacy leaders (SII 3) and commits to making consultation processes and interventions accessible to persons with disabilities (SII 4). Disaggregated data collection (by sex, age, disability, and ethnicity) will be conducted.	
Cross-Cutting Thematic Areas included in the project/programme: (see Annex 1A for the list of Cross-Cutting Thematic Areas)	*List all CCTA here. Please ensure that this aligns with the project document.* CCTA 1: Resilience	At the current status of the project, the triggered resilience is 'No' as the project will positively impact through participatory planning methods to ensure community cohesion and	

	CCTA 2: Safety	strengthen inclusive process to build community agency and further their resilience. Resilience (CCTA 1) is the core objective of the project, which will be achieved by implementing locally led, nature-based adaptation solutions, climate-smart agriculture, and early warning systems. Safety (CCTA 2) is addressed by protecting highly vulnerable, underserved settlements from climate-induced hazards like floods, landslides, and heat stress, directly securing lives and livelihoods.	
Risk Category of the project/programme: (see Annex 1B, for instructions for Risk Categorization)	B2	The project engages with vulnerable, marginalized communities across an interconnected socio-ecological landscape and includes physical interventions (such as water harvesting systems, bioengineering, and the installation of hydrometeorological stations). While environmental and social risks may exist, they are not of industrial scale and their negative impacts are expected to be local, reversible, and easily minimized. Strict adherence to national EIA/IEE/BES regulations and the development of an Environmental and Social Action Plan (ESAP) will ensure all risks are effectively mitigated and monitored.	
Proposed next steps in the process such as Development Impact Plan for D1 projects, Scoping Report for A-C and E categories), Environmental and Social Impact Assessment: (see Annex 1B, for recommendations according to each category) etc.	ESSS Scoping Report, Environmental and Social Action Plan (ESAP)	UN-Habitat will prepare the Scoping and ESAP, in the first 6 months of the project to readily integrate the findings in project planning/ implementation. Impacts identified can be easily minimized by ESAP and occurrence of unexpected impact could be monitored by E&A Monitoring Plan. For human resources,	

		a dedicated full-time project officer also Monitoring the project will be on-boarded (budgeted in Project core team 48 months), who will further assess safeguard and environmental challenges before and during the project, to prepare the scoping report and ESAP to support ESSS monitoring, during the inception phase (initial six months).	

Note: if information is not available or is unknown at this stage of the project/programme, please indicate so as "NA" (Not Available) and provide contextual analysis at the country level. As well as of the Risk Categorization of the Project/Programme, explaining and justifying the information in the third column.

6. Approvals

Topic	Name, Designation, Signatures and Dates
1. Screening Report author [typically a member of the project/programme development team in partnership with stakeholders as per the Stakeholder Engagement Plan]	Zion Choi Zion Choi Climate Change and Land Governance Associate 4 June 2026
2. Reviewer 1 [typically a programme manager such as Habitat Programme Managers or Chief Technical Advisors at country level, HSO at regional level or Section Chief in HQ]	Pragya Pradhan Habitat Programme Manager for Nepal 4 June 2026
3. Endorser 1 [typically a Branch Coordinator, HSO (if project is approved at R-PRC) or Regional Representative]	Odicea Angelo Barrios Programme Management Officer 5 June 2026
4. Endorser 2: ESSS Officer [or designated/rotating member of the ESSS Core Team]. Projects and programmes categorized as A or B may be referred to a second reviewer (including outside of UN-Habitat)	Maria Adelaida Cea ROAP Climate Change Initiatives Coordinator/Technical Advisor 4 June 2026
5. Endorser 3 [Chair of the PRC Working Group for projects/programmes above USD 500,000 – or Regional Representative or Division Director for projects not presented to HQ PRC. The PRC can request a second opinion on the ESSS review.	Kazuko Ishigaki Regional Representative 5 June 2026

7. Additional Comments by the ESSS Officer

Topic	Comments
Any additional comments on the ESSS process and rating.	*For ESSS Officer Only* The ESSS Screening Report and the Concept Note are generally aligned, and the proposed B2 categorization under UN-Habitat ESSS guidelines is well founded, given the presence of physical works with expected localized, reversible, and manageable environmental and social impacts. Please consider and apply the suggested edits made in track change to strengthen the justification and measures to be applied. It is advised to be clear that explicit that no physical works should proceed until site-specific screening and required safeguard instruments are completed and approved.

Annex 1A: Checklist of Safeguard Standards

The following list includes 9 Principles (P), 4 Social Inclusion Issues (SII) and 2 Cross-Cutting Thematic Areas (CCTA).

To complete the Checklist, first identify if the project/programme may be a source of risks and impacts listed in the second column. Fill column three with "yes" or "no". If information is not available or is unknown at this stage of the project/programme, consider performing a "Contextual Analysis" of the E&S Principles and conclude accordingly. Provide arguments and any supporting information in column four ("Explanation/Justification") that would support the conclusion provided ("yes" or "no"). If information is not available or unknown, also include in column four the results of the Contextual Analysis. In column five identify any measures to avoid, minimize or mitigate possible risks and impacts that may be triggered by the project/programme.

Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
P 1: Labour and working conditions	Worker's rights may be neglected/violated	Yes	Labour Act will be applicable for the project, including the Community Implementation Agreement(CIA) agreement and the local government to carry out any labor-intensive physical construction work. The project will take measures to avoid any violation of labour rights. In the infrastructure to be constructed by the municipality, with co-funding support from the project, clause must be incorporated in the agreement, to avoid violation of the labour rights. The project will create job opportunities for local labourers, masons, artisans, and contractors.	UN-Habitat will ensure that Community Implementation Agreements (CIAs) incorporate strict labour safeguard specifications to protect workers' rights. Furthermore, a transparent, accessible, and culturally appropriate Grievance Redress Mechanism (GRM) will be established at the community level for workers to safely raise any concerns.
	The work could involve the use of child labour	Yes	The Children Act ensures to protect the rights and interest of children and their physical, mental, and intellectual development and prohibits a child below 14 years to	Through the direct oversight of UN-Habitat, the Executing Entities, and target municipalities, all Community Implementation Agreements (CIAs) will be strictly monitored to enforce a zero-

APPENDIX 1. ESSS SCREENING REPORT

Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
			engage in any kind of labour work. In the infrastructure to be constructed by the municipality with co-funding support from the project, clause must be incorporated in the agreement, to avoid engage child labour	tolerance policy against child labour.
	The work could involve the use of forced labour	No	Labour Act will be applicable for the project, including the Community Implementation Agreement (CIA) agreement and the local government to carry out any labor-intensive physical construction work. The project will take measures to avoid any violation of labour rights.	
	Freedom of workers' organisations or collective bargaining may be neglected.	No	Rather than neglecting worker's organizations, the project explicitly seeks to mobilize, strengthen, and support local community-based institutions, including forest user groups, water user committees, farmers' cooperatives, and youth and women advocacy networks.	
	May particularly affect the safety to live, work and participate in urban life for persons in vulnerable situations.	No	Rather than negatively affecting safety, the project is explicitly designed to improve the safety, living conditions, and livelihoods of highly vulnerable populations (including women, youth, Indigenous Peoples, Dalits, persons with disabilities, and landless households). These groups currently live in hazard-prone areas and face severe exposure to climate-induced disasters like floods, landslides, and heat stress.	The project includes specific safety-enhancing interventions such as the installation of early warning systems, hydrometeorological stations, riverbank protection, and slope stabilization. Furthermore, through Community Implementation Agreements (CIAs) and Local Adaptation Plans of Action (LAPAs), the vulnerable groups themselves will actively lead the planning process to ensure their specific safety needs are prioritized and addressed.

APPENDIX 1. ESSS SCREENING REPORT

Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
			The project will actively secure their environments through locally led disaster risk reduction (DRR) and nature-based solutions.	
P 2: Zero-carbon development, pollution prevention and resource efficiency	During construction or operation, it generates pollutants or waste, which could affect human health or the environment	No	The physical interventions planned are localized, community-led, and predominantly nature-based (e.g., bioengineering, check dams, micro-irrigation, and early warning systems), which are not of an industrial scale and are not expected to generate significant pollutants or waste.	All urban climate adaptation investments will undergo rigorous environmental risk screening (using national EIA, IEE, and BES frameworks) prior to implementation. This screening will ensure that any minor, localized impacts are identified and that mitigation actions are integrated into the design, implementation, and monitoring phases.
	During construction or operation, hazardous materials or pesticides, which could affect human health or the environment, may be used	No	The project does not involve the use of hazardous materials. Furthermore, regarding agricultural interventions, the project specifically aims to implement organic farming and agroecology, which inherently minimizes or eliminates the use of chemical pesticides.	The project will actively implement climate-responsive initiatives and provide capacity building on nature based solutions, local materials and indigenous technologies, sustainable farming practices to enhance resilience without relying on harmful agrochemicals.
	Requires a significant amount of water and/or energy, which implies competition with host communities (for instance, water for human consumption or economic activities)	No	Rather than competing with host communities for water or energy, the project is explicitly designed to address seasonal water scarcity, groundwater depletion, and drought to improve the overall water security of the targeted communities.	To enhance local water availability, the project will implement a variety of water-related adaptation measures, including the installation of rainwater harvesting systems, the protection and revival of spring sources, drip and micro-irrigation systems, and watershed conservation activities.
	Does the project consider technologies and/or materials in support of a low/zero carbon development.	Yes	The project heavily promotes low-carbon development by prioritizing nature-based solutions (NbS) and ecosystem-based adaptation over conventional, carbon-intensive infrastructure. The project	The project will develop comprehensive technical guidelines for these locally led, nature-based technologies. It will also build the capacity of municipal engineers, planners, and community institutions to apply these green guidelines and prioritize

APPENDIX 1. ESSS SCREENING REPORT

Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
			specifically promotes the use of local materials and indigenous technologies to minimize reliance on cost-heavy concrete solutions and reduce transport-related emissions. Additionally, planned ecosystem restoration will naturally improve carbon sequestration.	low-carbon, climate-smart infrastructure.
P 3: Climate change resilience, community health, safety and security	Does the project adversely affect the resilience of eco-systems, urban systems, infrastructure or communities?	No	Rather than adversely affecting resilience, the core objective of the proposed project is to explicitly enhance the climate resilience of urbanizing municipalities, ecosystems, and at-risk populations in the Lumbini Province. It is designed to reduce vulnerability to climate-induced hazards like floods, landslides, drought, and heat stress, which currently threaten these communities.	The project will achieve this by implementing locally led nature-based adaptation solutions (NbS), climate-smart agriculture, ecosystem restoration, and disaster risk reduction infrastructure (such as slope stabilization and early warning systems).
	Activities, machinery or infrastructure associated to the project/programme could have adverse impact on the community' health and safety	Yes/limited	The project involves physical works, but these are localized, community-led, and nature-based (e.g., bioengineering, micro-irrigation, riverbank protection, and rainwater harvesting). They are not large-scale industrial activities and are not expected to adversely impact community health and safety. Conversely, these activities actively address existing public health concerns in the target municipalities, such as heat-related illnesses and seasonal water scarcity.	All urban climate adaptation investments will undergo national environmental risk screening (EIA, IEE, and/or BES) prior to implementation to define the scope for mitigating any possible localized risks. Furthermore, interventions will be executed through Community Implementation Agreements (CIAs), ensuring that local communities themselves provide direct oversight of the implementation.
	In case of an accident or emergency situation, the effect on the surrounding community or in the	Yes but limited	The project does not involve hazardous materials, complex	The project actively improves the communities' emergency preparedness by

APPENDIX 1. ESSS SCREENING REPORT

Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
	ecosystem could be significant.		machinery, or large-scale risky infrastructure that would cause significant negative effects in the event of an accident. The interventions are fundamentally focused on disaster risk reduction and restoring degraded ecosystems. Most works are small-scale, but accidents may occur during construction of water infrastructure, embankments, bio-engineering that could affect nearby users, workers, water quality or local ecosystems.	installing early warning systems and hydrometeorological stations, strengthening the local capacity to monitor hydrological data and respond effectively to natural climate disasters. Site specific ESSS and Action Plan will ensure safety and emergency procedures to immediate and corrective actions.
P 4: Displacement and involuntary resettlement	Involves displacement, physical or economic, and/or involuntary resettlement	No	The project explicitly targets highly vulnerable, low-income, and landless households that are structurally pushed into high-risk, hazard-prone zones (such as riverbanks and steep slopes) and face heightened exposure to flash floods and landslides. However, the project's core objective is to protect these communities in place through locally led disaster risk reduction (DRR), slope stabilization, and riverbank protection. Involuntary resettlement will not be part of the project.	All adaptation interventions will be led by the communities themselves through Community Implementation Agreements (CIAs) and Local Adaptation Plans of Action (LAPAs). Any potential relocation to avoid extreme, unmitigable climate hazards would be strictly voluntary and community-driven, fully avoiding forced displacement.
P 5: Biodiversity conservation, and sustainable management of living natural resources	May adversely impact the marine ecosystem	No	Marine ecosystem is not applicable in Nepal.	
	May adversely impact natural habitats	Yes	The project is located in the fragile Chure Siwalik ecological zone and the Banganga, Kothi, and Koili river basins. Rather than adversely impacting these habitats, the project is explicitly designed to	Any minor localized impacts from physical works will be mitigated by promoting nature-based solutions (NbS), bioengineering, and the planting of climate-resilient native species.

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Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
			restore and conserve them. However, construction may cause occasional impact on existing native species, which are taking advantage of currently existing land where construction of public space take place.	
	May adversely impact critical habitats	Yes/May be	The project area is in the Chure region that serves as crucial ecological buffer and watershed for the Tarai region and the critical habitat. While the project targets degraded watersheds to restore, the specific boundaries of defined critical habitats within the four municipalities are not detailed at this stage	This will be further assessed during the full ESSS Scoping Report.
	May adversely impact legally protected areas (by national or international regulations)	NA	No legally protected areas within the municipality while is bordering with the national part, separated by river.	
P 6: Indigenous peoples	May adversely impact the rights, lands, resources and territories of the indigenous peoples	No	The target municipalities have a high population of Indigenous communities. The project is specifically designed to empower these groups. Rather than adversely impacting them, the project actively seeks to FPIC with Indigenous Peoples, local communities, and other potentially affected vulnerable groups. Also,,document and integrate indigenous and local knowledge into nature-based adaptation solutions and technologies. The project will take additional steps to ensure their participation in	The project mandates inclusive participation, ensuring meaningful engagement and decision-making roles for Indigenous Peoples in the participatory development of Local Adaptation Plans of Action (LAPAs) and Community Implementation Agreements (CIAs). Further, the project will ensure full compliance with the Adaptation Fund's Environmental and Social Policy through the implementation of a robust Free, Prior and Informed Consent (FPIC) process and targeted consultations with Indigenous Peoples, local communities, and other potentially affected vulnerable groups. The FPIC process will be undertaken as a

APPENDIX 1. ESSS SCREENING REPORT

Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
			the process and identify land that does not put them in threat of eviction or displacement.	fundamental safeguard measure to ensure that communities are fully informed, their knowledge documented and meaningfully consulted in decision making and benefit sharing. FPIC process will be part of the project formulation process.
P 7: Cultural Heritage	May adversely impact cultural heritage properties and sites of archaeological, historical, cultural, artistic, and religious significance. May adversely impact intangible heritage (uses and traditions...)	Yes/May be	Not sites for World Heritage. Some of the municipalities may be the location of significant temples, historical palaces, archaeologically important areas	The presence of localized cultural heritage sites (such as community temples or sacred natural sites) will be assessed during the full ESSS Scoping Report and the participatory community social mapping phase with potential measures like procedure, cultural heritage screening checklist, sacred natural sites mapping, and access protection to be implemented
	In case the project/programme uses cultural heritage, access and use by stakeholder is secured.	NA	The projects site itself may not be in cultural heritage sites, while it depends upon the intervention site selected by the community	If local cultural heritage sites are identified near the physical adaptation works, the project will ensure that community access to these sites is fully secured and maintained.
P 8: Compliance with the Law	Application to environmental, building or other sectorial permits is a requirement by the local regulation	Yes	The project includes physical climate adaptation interventions (such as check dams, riverbank protection, and bioengineering). To implement these, the project must adhere to national environmental regulations and safeguard frameworks, including the National Environment Policy (2019), the National Forest Policy (2018), and the National Water Resource Policy (2020).	The project explicitly mandates the adoption and operationalization of Nepal's Environmental Impact Assessment (EIA), Initial Environmental Examination (IEE), and/or Brief Environmental Study (BES) frameworks. All urban climate adaptation investments will undergo this environmental risk screening to define scopes for mitigation.
	Activities, machinery or infrastructure associated to the project/programme do not imply/involve any violation of local regulations	Yes	No activities, infrastructure, or machinery will be pursued that violate local regulations. The project is designed in full	The project will develop standardized environmental screening and impact assessment guidelines aligned with national laws. Furthermore, capacity

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Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
			compliance with Nepal's national policies and the Adaptation Fund's Environmental and Social Policy.	building will be provided to municipal staff and community-based organizations on safeguard compliance procedures to ensure strict adherence.
P 9: Access and Spatial Justice	The equal distribution of project/programme benefits is not guaranteed	No	Rather than unequal distribution, the project explicitly targets the most socio-economically marginalized and underserved communities in the province. Low-income and marginalized groups—including Indigenous Peoples, Dalits, Madhesis, Muslims, and landless households—have been structurally pushed into high-risk, hazard-prone zones like riverbanks and steep slopes. By centering these specific populations in the adaptation planning, the distribution of benefits is fundamentally designed to achieve spatial justice and correct existing inequalities.	To ensure fair access to benefits, the project mandates the collection of disaggregated data (by sex, age, disability, and ethnicity). It also implements Community Implementation Agreements (CIAs) to ensure climate finance directly reaches and empowers the frontline at-risk communities.
	May adversely result in any form of discrimination in the access to the project/programme benefits	No	The project is designed with a strong Gender Equality, Disability, and Social Inclusion (GEDSI) focus to ensure no one is left behind. An Initial Gender Assessment was already conducted during the formulation stage to identify and address systemic barriers and structural inequalities faced by women, youth, and persons with disabilities.	The project will implement affirmative actions such as participation quotas, tailored training, and leadership opportunities for vulnerable groups. Furthermore, an accessible, culturally appropriate, and gender-responsive Grievance Redress Mechanism (GRM) will be established to allow individuals to safely raise concerns and seek redress against any form of exclusion. Further, there would be transparent beneficiary selection criteria, spatial targeting logic, benefit-sharing measures, etc. to ensure that the most vulnerable groups have fair and differentiated access to project benefits.

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Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
SII 1: Human Rights	May result in the violation of any human right	No	The project is firmly rooted in the principles of climate justice and "Leaving No One Behind" (LNOB). Rather than violating human rights, the project explicitly aims to protect the fundamental rights to life, safety, and sustainable livelihoods for the most structurally marginalized populations (including Indigenous Peoples, Dalits, Madhesis, Muslims, and landless households).	The project embeds a human-rights-based approach through decentralized, community-led decision-making (using Community Implementation Agreements and Local Adaptation Plans of Action). Additionally, a transparent, accessible, culturally appropriate, and gender-responsive Grievance Redress Mechanism (GRM) will be established to allow individuals and groups to safely raise concerns and seek redress.
SII 2: Gender	May especially have negative impacts on girls and women	No	The project is specifically designed to have a highly positive impact on women by improving their adaptive capacity and economic standing and their meaningful participation in the decision making process at the community and municipal levels.	The project integrates targeted interventions to address these disparities, including specific support for women-led green enterprises, inclusive financing mechanisms, leadership capacity-building programs, and the formation of women-led climate advocacy networks.
	May adversely involve any form of discrimination against girls and women	No	Gender equality will be fully mainstreamed across all project components to prevent any form of discrimination. The project is designed in full compliance with the Adaptation Fund's Gender Policy and explicitly addresses the systemic barriers that limit women's access to opportunities, resources, and decision-making.	To actively prevent discrimination and ensure equitable outcomes, the project mandates the collection of sex-disaggregated data. It also enforces affirmative actions, such as mandatory participation quotas and representation for women in consultations, adaptation committees, and implementation mechanisms. The established Grievance Redress Mechanism (GRM) will also be highly gender-responsive to handle any potential issues safely.
SII 3: Children, Youth and Older persons	May especially have negative impacts on children, youth and/or older persons	Yes	The project identifies children, youth, and older persons as highly vulnerable to climate-induced hazards due to insecure housing and limited access to climate-resilient services, recognizing the	To ensure no age-based discrimination occurs and to actively address specific vulnerabilities, the project mandates the continuous collection of age-disaggregated data to monitor equitable outcomes and establishes an accessible, culturally
	May involve any form of discrimination against children, youth or older persons	No		

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Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
			structural inequalities that historically limit their opportunities and inclusion in local climate planning. Rather than negatively impacting or discriminating against them, the project is firmly rooted in the principle of "Leaving No One Behind" (LNOB) and explicitly aims to reduce their vulnerability, reverse existing exclusions, and actively empower them.	appropriate Grievance Redress Mechanism (GRM) for all age groups to safely raise concerns. Furthermore, the project features a dedicated output (Output 4.3) to establish youth-led climate advocacy networks, conduct leadership capacity-building programs, and mobilize youth as "climate champions" in local decision-making.
SII 4: Disability	May especially have negative impacts on persons with disabilities	No	The project acknowledges that persons with disabilities are disproportionately affected by climate hazards and historically face limited inclusion in local climate governance. The project is designed to have a positive impact by actively bringing them into the center of the adaptation planning and decision-making processes.	To prevent discrimination and map specific vulnerabilities, the project mandates the collection of disability-disaggregated data and implements affirmative actions, such as mandatory participation quotas and tailored training, to ensure persons with disabilities are meaningfully represented in adaptation committees. Additionally, the project explicitly commits to adapting all communication materials, training approaches, and consultation processes to ensure full accessibility, while dedicating GEDSI staffing to oversee continuous compliance and providing a highly accessible Grievance Redress Mechanism (GRM) to safely seek redress against any exclusionary practices.
	May involve any form of discrimination against persons with disabilities	No	The project is designed with a strong Gender Equality, Disability, and Social Inclusion (GEDSI) focus to actively eliminate systemic barriers and structural inequalities. Discrimination against persons with disabilities is strictly prevented through compliance with the Adaptation Fund's overarching Environmental and Social Policy.	
CCTA 1: Resilience	May affect the protective factors and/or the adaptive capacity of environmental systems	No	The core objective of the project is to enhance the climate resilience of urbanizing municipalities and their vulnerable ecosystems. Rather than negatively affecting protective factors, the project actively restores	The project will conduct territorial-level climate risk assessments to map shared natural resources and implement ecosystem-based adaptation solutions (such as community-based forest restoration, bioengineering, and watershed

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Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
			them by implementing Locally Led Adaptation (LLA) and nature-based solutions (NbS).	conservation). Furthermore, environmental screening (EIA/IEE/BES) will be operationalized for all physical investments to ensure no adverse impacts occur.
	May affect the protective factors and/or the adaptive capacity of social (including urban, community and governance) systems.	No	The project is designed to significantly strengthen the adaptive capacity and resilience of social and municipal governance systems. It moves away from isolated projects to embed inclusive, participatory climate-responsive urban planning directly into local development systems.	The project applies the Local Adaptation Plans of Action (LAPA) framework to prioritize community-identified adaptation needs. It explicitly empowers local institutions, user groups, and establishes youth and women-led climate advocacy networks to ensure sustainable, locally-owned adaptation actions that maximize community cohesion.
CCTA 2: Safety	May affect the safety to live, work and participate in cities and human settlements.	No	The project directly addresses the climate-induced hazards that currently threaten the safety of living and working in the four target municipalities (floods, landslides, riverbank erosion, and extreme heat stress). By implementing disaster risk reduction (DRR), the project positively secures lives and livelihoods.	The project will install early warning systems, hydrometeorological stations, riverbank protection, check dams, and slope stabilization. These will be securely implemented and overseen through Community Implementation Agreements (CIAs) to ensure they meet the direct safety needs of the community.
	May particularly affect the safety to live, work and participate in urban life for persons in vulnerable situations.	No	Vulnerable populations (including low-income, landless households, Indigenous Peoples, Dalits, women, and persons with disabilities) are structurally pushed into high-risk, hazard-prone zones like steep slopes and riverbanks. The project is explicitly designed to secure their safety through targeted, climate-resilient infrastructure and nature-based adaptation.	Guided by a human-rights-based and "Leaving No One Behind" (LNOB) approach, the project mandates inclusive participation. Specific safety-enhancing interventions are targeted to the most vulnerable. Additionally, an accessible, culturally appropriate Grievance Redress Mechanism (GRM) will be established to ensure continuous safety, dialogue, and redress for these groups.
	May in any form risk non-compliance with the United Nations principle of zero tolerance vis-à-vis	No	The project is designed in full compliance with the Adaptation	Strict adherence to UN-Habitat and Adaptation Fund safeguard frameworks is

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Safeguard Standards	Potential risks and impacts	Is it a risk from the project/programme (yes/no)	Explanation/Justification	Measures
	Sexual Exploitation and Abuse		Fund's Environmental and Social Policy (ESP) and Gender Policy. It adopts a strict human-rights-based approach and promotes the empowerment, safety, and leadership of women and girls, actively preventing any form of exploitation or abuse.	mandated. The project will deploy dedicated ESSS officer to oversee continuous compliance, alongside the establishment of a transparent and gender-responsive Grievance Redress Mechanism (GRM) to safely handle any potential issues. PSEA orientation will be provided to the communities, EE and local government at the start of the project.

Annex 1B: Project/Programme Risk Categorization

Category	Criteria for Categorization	Next step for the E&S assessment process
Category A or high-risk project/programme	• The project/programme: – Produces significant quantities of greenhouse gases (i.e. large operational project with construction technology, building materials that typically result in a high degree of GHG emissions and high energy use during operations [2]. – Requires a significant amount of water and/or energy. – Involves displacement and/or involuntary resettlement. – May adversely impact critical habitats. – May adversely impact the rights, lands, resources and territories of indigenous peoples, women and girls, vulnerable groups, and/or youth. – May adversely impact cultural heritage sites or practice of historical, cultural, artistic and/or religious significance. • The project/programme is developed in a country where labour rights and working conditions are not regulated or not guaranteed. • The project/programme needs an environmental license before its implementation and, because of the level of risks and or type of project/programme, it requires a full ESIA report.	<u>A scoping report is required</u> A full Environmental and Social impact assessment process, which should include: • E&S Scoping report; and • ESIA full report, with detailed and extended: project/programme description, baseline studies, impact assessment, and management and monitoring plans.

[2] To obtain reference values for GHGs emitted, refer to national commitments as per the NDC or other policies and use national or city-level GHG accounting guidelines, alternatively use the Greenhouse Gas Protocol for Cities.

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Category	Criteria for Categorization	Next step for the E&S assessment process
Category B1 or high to medium-risk project/programme	• Projects with physical interventions. Risk and/or impacts (as listed in Category A) are less adverse because they are: – Limited in extension and/or duration; – Site-specific; and/or – Reversible. • The project/programme needs an environmental license before its implementation and, because of the level of risks and or type of project/programme, it requires a full ESIA report.	A Scoping Report is required A full Environmental and Social impact assessment process, which should include: • E&S Scoping report; and • ESIA full report, with detailed and extended: project/programme description, baseline studies, impact assessment, and management and monitoring plans.
Category B2 or medium risk project/programme	• Projects with physical interventions (housing, infrastructure etc.) with medium level environmental and social risks and/or impacts; • The impacts are easily minimized by an Environmental and Social Management Plan (ESMP) and the occurrence of unexpected impact could be monitored by an E&S Monitoring Plan. • When these specific impacts are completely discarded: – Involuntary resettlement impacts. – Effect on critical or protected by law. – Is not expected to have impacts on indigenous people. • Does not affect cultural heritage properties and sites of archaeological, historical, cultural, artistic, and religious significance. • An environmental license is not required.	A Scoping Report is required ESAP or ESSS Action Plan is required. However, it might be the case that, because of the type of project/programme, local regulations require an Environmental Impact Assessment (EIA) Report. In that case an ESIA need to be prepared.
Category C or low-risk project/programme	• Projects with limited physical intervention • It has negligible or no adverse environmental and social risks and/or impacts; • The impacts are easily minimized by an Environmental and Social Management Plan (ESMP). • When these specific impacts are completely discarded at this stage of the project/programme: – Involuntary resettlement impacts. – Effect on critical or protected by law areas and/or people. – Impacts on indigenous people. – Impact on cultural heritage properties and sites of archaeological, historical, cultural, artistic, and religious significance. • Typically small scale community interventions in a very limited number of sites. Retrofitting activities (e.g. hurricane strapping or solar panels on roofs)	A Scoping Report is required (completion can contain fairly basic information) ESAP or ESSS Action Plan is required. However, it might be the case that, because of the type of project/programme, local regulations require an Environmental Impact Assessment (EIA) Report. In that case an ESIA needs to be prepared.
Category D1 or no-risk project/programme (with potential risks in the future)	• Within the specificity of the UN-Habitat projects and programmes, the following type of projects and programmes present no social or environmental risks: – Territorial / spatial plans. – Sectoral Plans.	Development Impact Plan (DIP) is required. These are considered as non-operational projects and programmes, which include activities that are likely to cause no or negligible negative impacts or have low level

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Category	Criteria for Categorization	Next step for the E&S assessment process
	– Some economic development plans. – Certain conferences/events where for example principle 1 (labour and working conditions or SII or CCTA related safeguards are triggered. • Typically "planning projects" without physical / infrastructure interventions where planning outcomes could however lead to environmental and social impacts and/or where early consideration of the Safeguards could minimize negative impacts and amplify positive impacts	of E&S risks. However, given their nature, these projects and programs may include, in later stages, the design and implementation of follow-up projects. Therefore, the preparation of a DIP is prescribed to assess possible future impacts/risks and to lay the groundwork for monitoring. Other specifications for E&S tasks may include E&S monitoring, management plans or the execution of a new screening assessment for the follow-up project.
Category D2 or no-risk project/programme	• Within the specificity of the UN-Habitat projects and programmes, the following type of projects and programmes present no social or environmental risks: – Preparation and distribution of documents and communication materials. – Organization of an event, workshop, or training. – Partnership coordination and management of networks, if this does not directly involve or impact city- or country level activities. • Projects and programmes with no city- or country-level activities (e.g., knowledge management, inter- governmental processes).	These are considered as non-operational projects and programmes, which include projects and programmes that are likely to cause no or negligible negative impact or have low environmental or social risks. No further E&S study, assessment or impact management is required.
Category E or emergency project/programme	• Projects and programmes that are designed to respond to an emergency/crisis or are part of a humanitarian action and are classified as such. • Projects where the next steps of the ESSS can adequately be covered during the implementation stage – but where a scoping report etc. would delay approval.	The ESSS should be incorporated through the project design and implementation. Timing and sequence of the following ESSS' procedures and tasks should be adjusted, considering the urgency: (i) risk categorization other than "E", screening report as necessary, ESSS AP / ESAP. Depending on the project realities but latest when the situation transitions to stages of early recovery, rehabilitation and development, the ESSS procedures and tasks need to be updated.

Note: if only a contextual analysis is provided in template 1.1 – 1.5, the risk categorization should be upgraded to a higher risk category. Upon availability of more detailed information, 1.1 – 1.5 should be adjusted and risk categorization should be reconsidered.

Report on Stakeholder Consultation to Design

Building Resilient Communities through Locally Led Nature-Based Climate Action in Lumbini Province, Nepal

Background

UN-Habitat Nepal, in partnership with the Youth Alliance for Environment (YAE) and under the leadership of the Ministry of Infrastructure Development (MoID) and Ministry of Agriculture, Forests and Environment (MoAFE), is developing a project concept note for submission to the Adaptation Fund's Locally Led Adaptation (LLA) Window (2026 Cycle). The proposed project seeks to strengthen climate resilience of vulnerable communities through locally led, inclusive, and integrated adaptation measures that enhance livelihoods, ecosystem services, climate-resilient infrastructure, and institutional capacities.

To ensure that the project reflects the priorities and needs of stakeholders at different governance levels, a series of consultations were conducted with federal ministries, provincial government agencies, local governments, and communities. The consultation process aimed at ensuring ownership of the project by government stakeholders, validate climate risks and adaptation priorities, identify opportunities for collaboration, and gather technical recommendations for project design.

Objectives of the Consultations

The stakeholder consultations were undertaken to:

- Present conceptual framework of the project to obtain strategic guidance for refinement.
- Ensure alignment with national, provincial, and local climate adaptation priorities and development plans.
- Identify climate vulnerabilities, adaptation needs, and investment priorities in the proposed project areas.
- Understand institutional capacities, opportunities and challenges for strengthening collaboration during implementation.
- Promote a locally led adaptation approach by incorporating perspectives from government institutions and local authorities.
- Identify potential intervention through field observations.

Consultation Methodology

The stakeholder consultations adopted a participatory and collaborative approach to ensure meaningful engagement throughout the project preparation process. Prior to the field consultations, consultation questionnaires, discussion checklists, and formal

invitation letters were prepared in accordance with the requirements of the Adaptation Fund to facilitate a structured and inclusive consultation process. Consultation dates were finalized through close communication and coordination with the respective local governments to ensure the availability and participation of key stakeholders, including mayors, deputy mayors, ward chairs, municipal officials, and relevant technical staff.

The consultation process comprised stakeholder meetings, facilitated discussions, site observations and collection of local evidence on climate vulnerabilities, existing adaptation practices and priority interventions. This approach enabled stakeholders to share their experiences, identify local climate risks and development priorities, and provide recommendations for designing adaptation interventions that are responsive to local needs and aligned with municipal and provincial development priorities.

The four target municipalities in Kapilvastu and Arghakhanchi districts, namely Shitaganga, Shivraj, Banganga, Buddhabhumi, were selected through a consultative process engaging the Ministry of Infrastructure Development (MoID), the Ministry of Agriculture and Forestry and Environment (MoAFE), UN-Habitat Nepal, and the Youth Alliance for Environment (YAE). The selection was guided by the findings of Nepal's Vulnerability and Risk Assessment (VRA) report and further informed by the severity of climate change impacts, community vulnerability, local adaptation needs, degree of urbanization, interdependence and the potential to implement effective and scalable locally led adaptation interventions.

The stakeholder consultations were facilitated by UN-Habitat Nepal team with technical support from YAE. The consultations brought together a wide range of stakeholders, including Mayors, Deputy Mayors, Ward Chairs, elected representatives, Chief Administrative Officers, municipal officials and section heads, provincial government representatives, as well as community members. Their active participation provided valuable insights into local climate risks, existing adaptation initiatives, priority investment areas and opportunities for collaboration, ensuring that the proposed project is grounded in local needs and institutional priorities. The consultation process included:

- Presentation of the draft project concept and objectives.
- Interactive discussions on climate change impacts and local priorities.
- Identification of vulnerable settlements and adaptation needs.
- Review of existing development plans and climate initiatives.
- Site observations to understand environmental and socio-economic conditions.
- Collection of recommendations for project activities and implementation arrangements.

Summary of Stakeholder Consultations

The consultations included the local government officials and local stakeholders, with female participation ranging from approximately 15% to 32% across municipal consultations. Across all consultations, stakeholders consistently identified a common set of climate-related challenges affecting communities and local development. Increasing temperatures and prolonged heat stress were reported as emerging threats to public health, agriculture, and livelihoods. Seasonal water shortages have become more frequent and chronis, reducing access to water for domestic use and irrigation, while flooding and riverbank erosion continue to damage infrastructure, agricultural land, and settlements. Stakeholders also highlighted the growing incidence of forest fires, degradation of ponds and wetlands, and landslides, all of which are exacerbating environmental degradation and increasing community vulnerability. In addition, declining agricultural productivity due to changing rainfall patterns and extreme weather events, inadequate stormwater and wastewater management systems, and the ongoing loss of biodiversity and ecosystem services were identified as major concerns. These challenges underscored the need for integrated, locally led adaptation interventions that address both immediate climate risks and the long-term resilience of communities and ecosystems. The table below shows the stakeholders engaged in different consultations.

Key Findings on Priority Adaptation Interventions and Recommendations

Stakeholders consistently identified improved water resource management, risk reduction, climate-resilient agriculture, and livelihood diversification as priority adaptation interventions. They emphasized the restoration of ponds, wetlands, and traditional water sources, along with watershed management and riverbank protection, to enhance water security and ecosystem resilience. Nature-based solutions, heat adaptation measures, community-based disaster risk reduction, and Early Warning Systems were also recognized as essential for reducing climate risks and strengthening community resilience. In addition, stakeholders highlighted the importance of capacity building for local governments and communities to improve climate planning and implementation.

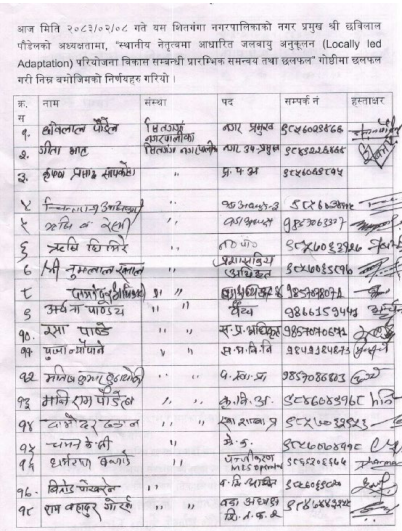
From an institutional perspective, stakeholders recommended that the project adopt a locally led adaptation approach, strengthen coordination among federal, provincial, and local governments, and align interventions with existing municipal and provincial development plans. They also emphasized the need for inclusive participation by women, youth, vulnerable groups, and local communities, while promoting an integrated urban-rural approach to build long-term climate resilience.

Conclusion

The stakeholder consultation process confirmed broad support for the proposed Locally Led Climate Adaptation project across all levels of government. Participants recognized the increasing impacts of climate change on communities, ecosystems, agriculture, and infrastructure, while emphasizing the need for integrated and locally driven adaptation solutions. The consultations generated valuable recommendations that have strengthened the project's technical design, improved alignment with national and subnational priorities, and reinforced the project's commitment to locally led adaptation, inclusive governance, and territorial resilience. These findings will directly inform the final project proposal for submission to the Adaptation Fund.

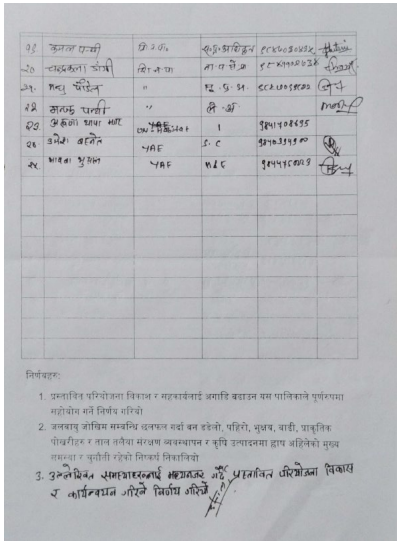
Date	Stakeholder	Venue	Objective	Outputs
29 April 2026	Dr. Maheshwor Dhakal- Joint Secretary/Chief, Climate Change Management Division, Ministry of Agriculture, Forestry and Environment (MoAFE); Navaraj Pyakurel-Joint Secretary, Ministry of Infrastructure Development (MOID), Pragya Pradhan, Aruna Thapa Magar (UN-Habitat Nepal) and Sanot Adhikari, Umesh Basnet, Bhawana Bhusal (Youth Alliance for Environment)	Office of Joint Secretary, Dr. Maheshwar Dhakal, Climate Change Management Division (CCMD), Ministry of Agriculture, Forestry and Environment	Sharing of the pre-concept note developed by UN-Habitat under the leadership of MoID and seeking guidance for further development and alignment together with YAE	• Application submission for Locally Led Adaptation under the Adaptation Fund (2026 cycle) by UN-Habitat together with YAE. • Initiation of approval process, with MoID submitting to MoAFE, followed by onward submission to MoF for necessary approvals. • The focus on urban and rural linkages with territorial approach of climate adaptation.
18 May 2026	Mayor, Ward chairs and Municipal officials from the Buddhabhumi Municipality Attendees: 13 (Male: 11; Female: 2) 	Buddhabhumi municipality, Municipal Executive Office	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the municipality, including the current challenges and needs of communities, preparation for community meetings, site observation.	• Discussed overview, key challenges, and needs of the municipality. • Recommendation for the project's focus on livelihoods improvement, pond/wetland restoration, river cutting, forest fire, heat stress, capacity-building, and climate-resilient agriculture.
19 May 2026	Mayor, Ward chairs and Municipal officials from Banganga Attendees: 20 (Male: 16; Female: 4) 	Mayor Office, Banganga Municipality	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the municipality, including the current challenges and needs of communities, site observation.	• Discussed overview, key challenges, and needs of the municipality. • Obtained information of climate-vulnerable settlements and their challenges and needs (e.g. infrastructure, livelihood, traditional water sources conservation and maintenance, EWS, and storm/wastewater management).

20 May 2026	Deputy-Mayor, Ward chairs and Municipal officials from Shivaraj Municipality Attendees: 25 (Male: 19; Female: 6) 	Mayor Office, Shivaraj Municipality	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the municipality, including the current challenges and needs of communities, site observation.	• Discussed overview, key challenges, and needs of the municipality. • Obtained information of climate-vulnerable settlements and their challenges and needs (e.g. infrastructure, livelihood, traditional water sources conservation and maintenance, pond restoration, heat stress, climate-smart agriculture, storm/wastewater management).
21 May 2026	Senior Engineer, Ministry of Urban Development and Drinking Water and Environment section, Forest section of Ministry of Forest and Environment, Lumbini province	Ministry of Urban Development and Drinking Water and Ministry of Forest and Environment, Lumbini province	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the province, including the current challenges and needs of province.	• Discussed overview, key challenges, and needs of the province. • Recommendation for the project's focus on livelihoods improvement, pond/wetland restoration, river cutting, forest fire, heat stress, capacity-building, and climate-resilient agriculture.
22 May 2026	Mayor, Ward chair and Municipal officials from the Shitaganga Municipality Attendees: 25 (Male:17; Female: 8) 	Municipal hall, Shitaganga Municipality	Consultation on the project's objectives, potential activities for locally led climate adaptation, and opportunities for collaboration with the municipality, including the current challenges and needs of communities, site observation.	• Discussed overview, key challenges, and needs of the municipality. • Discussed key challenges and recommendations for the project to improve, such as irrigation, water access, agricultural techniques, landslide protection, ecotourism and green enterprises development, tree replantation.



आज मिति २०८३/०२/०८ गते यस शितवंगा नगरपालिकाको नगर प्रमुख श्री छविलाल पौडेलको अध्यक्षतामा, "स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन (Locally led Adaptation) परियोजना विकास सम्बन्धी प्रारम्भिक समन्वय तथा छलफल" गोष्ठीमा छलफल गरी निम्न बमोजिमको निर्णयहरु गरियो ।

क्र. स	नाम	संस्था	पद	सम्पर्क नं	हस्ताक्षर
१.	छविलाल पौडेल	शितगंगा नगरपालिका	नगर प्रमुख	९८४६०२९६६८	
२.	जीवन भाट	शितगंगा नगरपालिका	उप-प्रमुख	९८४९२२६६६८	
३.	कृष्ण प्रसाद सापकोटा	"	प्र.फ.अ	९८४६०४९८५४	
४.	[illegible]	"	[illegible]	९८२६०३३९९८	
५.	[illegible]	"	[illegible]	९७४३०६३३७	
६.	[illegible]	"	[illegible]	९८४६०९३९४६	
७.	नुरुल्लान कमाल	"	प्रशासकीय अधिकृत	९८४६०९५५९६	
८.	[illegible]	"	[illegible]	९७५०४०२४१	
९.	अर्चना पाण्डेय	"	[illegible]	९८६६१९३५५५	
१०.	[illegible] पाण्डे	"	स.प्र.अधिकृत	९७६०४०६४१	
११.	[illegible]	"	स.प्र.नि.वि	९८५३१२५६२३	
१२.	[illegible]	"	प.स.प्र	९७३७०६८६३	
१३.	[illegible] पौडेल	"	[illegible]	९८४६०४३५६८	
१४.	[illegible]	"	[illegible]	९८४६०००४९३	
१५.	[illegible]	"	[illegible]	९८४६०४४५६८	
१६.	[illegible]	"	MEE officer	९८४६२०६६६	
१७.	विरेन्द्र पोखरेल	"	[illegible]	९८४६०६६०२	
१८.	राम बहादुर गौरङ्गे	"	[illegible]	९४६०४४३४४	

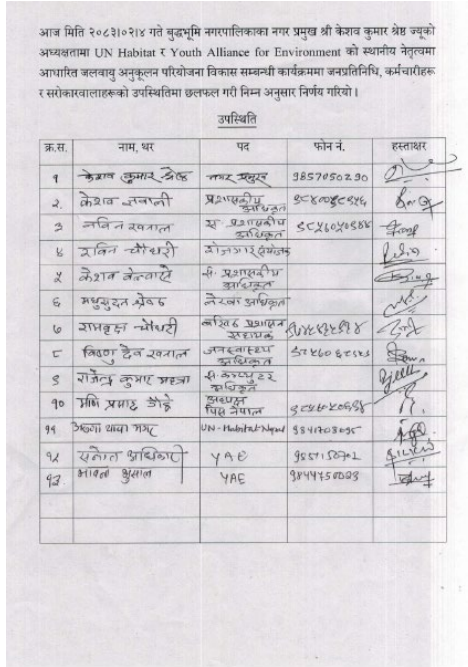


१९	कमला [illegible]	[illegible]	[illegible]	९८४६०३०४३८
२०	चन्द्रकला [illegible]	[illegible]	[illegible]	९८४४४४०३३८
२१	[illegible] पौडेल	"	[illegible]	९८४६०९९८००
२२	[illegible]	"	[illegible]	
२३	[illegible]	UN-Habitat	1	९४५१०४६९९
२४	[illegible]	YAE	[illegible]	९४०३१५१००
२५	भावना [illegible]	YAE	[illegible]	९४५४४८०८१९

निर्णयहरु:

1. प्रस्तावित परियोजना विकास र सहकार्यलाई अगाडि बढाउन यस पालिकाले पूर्णरूपमा सहयोग गर्ने निर्णय गरियो
2. जलवायु जोखिम सम्बन्धि छलफल गर्दा बन डढेलो, पहिरो, भुक्षय, बाढी, प्राकृतिक पोखरीहरु र ताल तलैया संरक्षण व्यवस्थापन र कृषि उत्पादनमा हाप अहिलेको मुख्य समस्या र चुनौती रहेको निष्कर्ष निकालियो
3. उल्लेखित समस्याहरुलाई ध्यानमा राखी प्रस्तावित परियोजना विकास र कार्यान्वयन गरिने निर्णय गरियो

Sitganga Municipality



आज मिति २०८३।०२।१४ गते बुद्धभूमि नगरपालिकाका नगर प्रमुख श्री केशव कुमार श्रेष्ठ ज्यूको अध्यक्षतामा UN Habitat र Youth Alliance for Environment को स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन परियोजना विकास सम्बन्धी कार्यक्रममा जनप्रतिनिधि, कर्मचारीहरू र सरोकारवालाहरूको उपस्थितिमा छलफल गरी निम्न अनुसार निर्णय गरियो ।

उपस्थिति

क्र.स.	नाम, थर	पद	फोन नं.	हस्ताक्षर
१	केशव कुमार श्रेष्ठ	नगर प्रमुख	९८५७५०२९०	
२.	केशव लम्साल	प्रशासकीय अधिकृत	९८४०४८९५६	
३	ललित रमजान	स.प्रशासकीय अधिकृत	९८४६०४०६६८	
४	रुबिना चौधरी	योजना तर्जुमा अधिकृत		
५	केशव खेतवारे	वि. प्रशासकीय अधिकृत		
६	मधुसुदन श्रेष्ठ	लेखा अधिकृत		
७	शान्तकुमा चौधरी	लेखा प्रशासन सहायक	९८४४२६९४	
८	विष्णु हेन रमजान	जनस्वास्थ्य अधिकृत	९८४६०६८४६	
९	राजेन्द्र कुमार महत्रा	वि.व्यवस्थापक अधिकृत		
१०	प्रभि प्रसाद भैरे	अध्यक्ष शिक्षा समिति	९८४४४०६९४	
११	[illegible]	UN-Habitat Nepal	९४५१०३०९८	
१२	[illegible]	YAE	९४५१४४७२	
१३	भावना [illegible]	YAE	९४५४५०८२३	

निर्णयहरु:

१. प्रस्तावित परियोजना विकास र सहकार्यलाई अगाडि बढाउने निर्णय गरियो ।

२. जलवायु जोखिम सम्बन्धि छलफल गर्दा बन डढेलो, नदी कटान, लु (heat wave), सितलहर (cold wave), प्राकृतिक पोखरीहर र ताल तलैया संरक्षण र व्यवस्थापन अहिलेको मुख्य समस्या र चुनौती रहेको निष्कर्ष निकालियो ।

३. उल्लेखित समस्याहरुलाई ध्यानमा राखी परियोजना विकास र कार्यन्वयन गर्ने निर्णय गरियो ।

Buddhabhumi Municipality

आज मिति २०८३।०२।१४ गते बङ्गङ्गा नगरपालिकाको नगर प्रमुख श्री [illegible] अध्यक्षतामा, "स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन (Locally led Adaptation) परियोजना विकास सम्बन्धी प्रारम्भिक समन्वय तथा छलफल" गोष्ठीमा छलफल गरी निम्न बमोजिमको निर्णयहरु गरियो

क्र.स	नाम	संस्था	पद	सम्पर्क नं	हस्ताक्षर
१.	Khagendra [illegible]	Banganga Mun.			
२	Bhakti[illegible] Maharjan				
३	Sanju Kumar Sarraf Nagar			९४१३४१९१	
४	Chhabilal Rasmi Nagar			९८५०२९१४	
५	Bahman Aryal	Banganga	Ward Chairperson	९८५०१२४१	
६	Narendra Prasad Chaudhary		"	९८५२०६३२२५	
७	Kamal Poudel				
८	Shivanda [illegible]				
९	Dhruba Raj Gyawali	Banganga	[illegible]	९४५०६०६२२	
१०	Kamal Prasad [illegible]		Ward officer	९४५०६०६१९२	
११	Keshab Raj Gautam		SAO	९८५०४४१०	
१२	Lesh Bahadur Rai	Banganga Mun	ASO	९४५३५२२४	
१३	Anita Nepal	"	Supervisor	९४५३०००३	
१४	Milan Pokharel	"	ITO	९८५०१७९९९	
१५	Sanju Dev Adhikari	"	A.f	९४८०५४४४	
१६	Yam Prasad [illegible]	"	Ward Chairperson	९८५०६२८४	
१७	Sanil Adhikari	YAE	[illegible]	९८१२०६३	

निर्णयहरु:

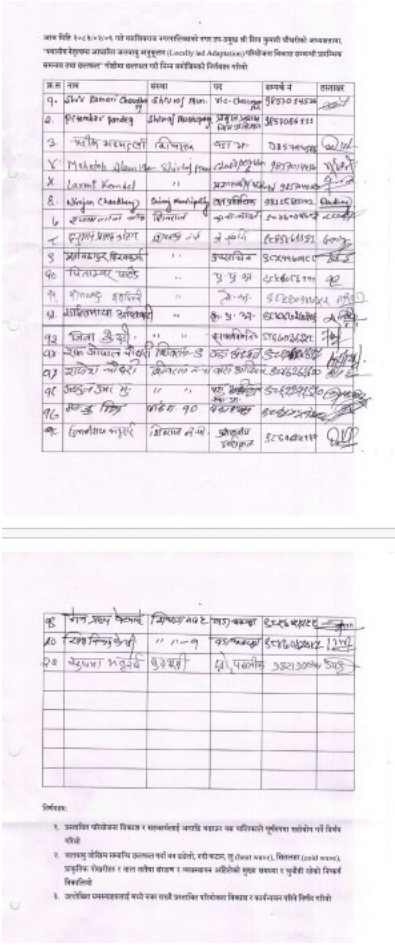
१. प्रस्तावित परियोजना विकास र सहकार्यलाई अगाडि बढाउन यस पालिकाले पूर्णरूपमा सहयोग गर्ने निर्णय गरियो

२. जलवायु जोखिम सम्बन्धि छलफल गर्दा बन डढेलो, नदी कटान, लु (heat wave), सितलहर (cold wave), प्राकृतिक पोखरीहर र ताल तलैया संरक्षण र व्यवस्थापन अहिलेको मुख्य समस्या र चुनौती रहेको निष्कर्ष निकालियो

३. उल्लेखित समस्याहरुलाई ध्यानमा राखी प्रस्तावित परियोजना विकास र कार्यान्वयन गरिने निर्णय गरियो

१५	Arun Raja Nepal	UN-Habitat	1	९४५१०४६९
१६	Umesh Bhandari	YAE		९४५०४०६९८

Banganga Municipality



आज मिति २०८३।०२।१५ गते शिवराज नगरपालिकाको नगर प्रमुख श्री [illegible] अध्यक्षतामा, "स्थानीय नेतृत्वमा आधारित जलवायु अनुकूलन (Locally led Adaptation) परियोजना विकास सम्बन्धी प्रारम्भिक समन्वय तथा छलफल" गोष्ठीमा छलफल गरी निम्न बमोजिमको निर्णयहरु गरियो

क्र.स	नाम	संस्था	पद	सम्पर्क नं	हस्ताक्षर
१.	[illegible] Raman Chaudhary	Shivaraj Mun.	Vice-Chairperson	९४१३०१५६३८	
२.	Prabhakar Pandey	Shivaraj Municipality	[illegible]	९४५०४६११	
३	[illegible]	[illegible]	[illegible]	९४५२४०९४	
४	Mahabub Alam	Shivaraj Mun	[illegible]	९४१२०१४६४	
५	Laxmi Kunwar	"	[illegible]	९४१२०१४६४	
६	Nirajan Chaudhary	Shivaraj Municipality	[illegible]	९४१५६१२०२	
७	[illegible]	[illegible]	[illegible]	९८४०४०४८२	
८	[illegible]	[illegible]	[illegible]	९८४६०६६१३१	
९	[illegible]	[illegible]	[illegible]	९८४४६०६८८	
१०	[illegible]	"	[illegible]	९८४६०६१११	
११	[illegible]	"	[illegible]	९८४६०४४४८	
१२	[illegible]	"	[illegible]	९८४६०४४४८	
१३	[illegible]	"	[illegible]	९८४६०४४४८	
१४	[illegible]	[illegible]	[illegible]	९८४६०४४४८	
१५	[illegible]	"	[illegible]	९८४६०४४४८	
१६	[illegible]	[illegible]	[illegible]	९८४६०४४४८	
१७	[illegible]	[illegible]	[illegible]	९८४६०४४४८	

निर्णयहरु:

१. प्रस्तावित परियोजना विकास र सहकार्यलाई अगाडि बढाउन यस पालिकाले पूर्णरूपमा सहयोग गर्ने निर्णय गरियो

२. जलवायु जोखिम सम्बन्धि छलफल गर्दा बन डढेलो, नदी कटान, लु (heat wave), सितलहर (cold wave), प्राकृतिक पोखरीहर र ताल तलैया संरक्षण र व्यवस्थापन अहिलेको मुख्य समस्या र चुनौती रहेको निष्कर्ष निकालियो

३. उल्लेखित समस्याहरुलाई ध्यानमा राखी प्रस्तावित परियोजना विकास र कार्यान्वयन गरिने निर्णय गरियो

Shivaraj Municipality