ADAPTATION FUND

AFB/PPRC.38/50
20-21 October 2026

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

Agenda Item 10 c)

PROPOSAL FOR ADAPTATION FUND CLIMATE INNOVATION ACCELERATOR (AFCIA) PROGRAMME II
UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

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Background

1. At its thirtieth meeting, having considered document AFB/B.30/5/Rev.1, the Adaptation Fund Board (the 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. At its thirty-first meeting, the Adaptation Fund Board discussed document 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)

4. Accordingly, a Call for Expressions of Interest was issued to MIEs in August 2018 (see Annex 1), requesting such submissions of expressions of interest to be submitted by the Deadline of September 17th, 2018, to the Adaptation Fund Board secretariat. The Call for Expressions of Interest provided a background to the initiative, as well as the objectives, provisional criteria, and guidance on the learning aspect of the initiative.

5. At its thirty-second meeting, having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To select and invite both the United Nations Development Programme and United Nations Environment Programme to serve as the multilateral implementing entity (MIE) aggregator(s) for small grants for innovation;

(b) To request the secretariat to prepare a joint announcement of the initiative in conjunction with the twenty-fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change;

(c) To request the secretariat to develop guidance to the MIE aggregators for preparing proposals for small grant programmes for innovation;

(d) To establish a task force that would advise the secretariat on the development of the guidance; and

(e) To invite the two MIE aggregators to prepare respective proposals for the consideration of the Board.

(Decision B.32/5)

6. The two programmes were developed in tandem and launched jointly as Adaptation Fund Climate Innovation Accelerator (AFCIA), the initiative first announced by the Adaptation Fund at the United Nations Climate Change Conference (COP25) in Madrid in December 2019, and subsequently announced as operational in November 2020 by the Fund together with UNDP and UNEP/Climate and Technology Centre and Network (CTCN). Since then, AFCIA has been topped up by a contribution from the European Commission of EUR 10 million.

7. The Adaptation Fund Board, through Decision B.39/61, approved the Fund's second and current Medium-Term Strategy (MTS II) for the 2023 – 2027 period. In its implementation it will continue to build on the work carried out under the previous MTS (2018-2022), which included the implementation of AFCIA. As part of MTS II, the Fund also seeks to further enhance and expand its support for locally-led adaptation (LLA) by fostering innovation and creating a portfolio of diverse and locally appropriate innovation projects and programmes, and thus contribute to its

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mission of accelerating effective adaptation action, innovation and learning in developing countries.

8. The expected results (ERs) for the innovation pillar under MTS II have been defined as follows:

(i) New innovations and risk-taking encouraged and accelerated – Development of innovative adaptation practices, tools and technologies encouraged and accelerated, including solutions with high impact potential even if it comes with a higher risk of failure.

(ii) Successful innovations replicated and scaled up – Innovative adaptation practices, tools and technologies that have demonstrated success in one country spread to new countries/regions or are scaled up from smaller to larger scales.

(iii) Access and capacities enhanced for designing and implementing innovation – Access and capacities enhanced, knowledge generated, and awareness raised, for implementing entities and non-accredited actors to design and implement innovative adaptation solutions.

(iv) Evidence base generated and shared (linkage with learning and sharing pillar) – Evidence on the conditions that lead to successful innovation generated and shared, and partnerships, iteration, learning, and adaptive management encouraged. Evidence of effective, efficient adaptation practices, products and technologies generated as a basis for implementing entities and other funds to assess scaling up.

9. In line with the MTS II and following consultations with the members of the Innovation Task Force of the Board, the secretariat issued a Call for Expressions of Interest (EOI) with a view of the continuation and expansion of AFCIA to include additional multilateral and regional implementing entities (IEs) with capacity to administer small innovation grants in vulnerable regions and in relevant sectors.

10. Subsequently, the secretariat circulated the Call for Regional and Multilateral Implementing Entities to express their interest in applying for funding to support and expand AFCIA on the 20th of January 2023. IEs were invited to submit expressions of interest to the AFB Secretariat no later than the deadline of February 20, 2023. By the deadline, the secretariat had received five submissions, which were presented in document AFB/PPRC.31/58.

11. The secretariat also presented Document AFB/PPRC.31/59 concerning the ‘Operational Policy and Guidance to Adaptation Fund Climate Innovation Accelerator (AFCIA) Implementing Entities’, in line with the Medium-term Strategy (MTS II) 2023-2027.

12. Having considered the recommendations of the Project and Programme Review Committee concerning documents AFB/PPRC.31/58 and AFB/PPRC.31/59, the Adaptation Fund Board (the Board) decided:

(a) To invite the Pacific Community (SPC) to develop a programme proposal for an amount of up to US$ 5,000,000;

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(b) To invite the Secretariat of the Pacific Regional Environment Programme (SPREP) to develop a programme proposal for an amount up to US$ 5,000,000;

(c) To invite the United Nations Environment Programme (UNEP) to develop a programme proposal for an amount up to US$ 10,000,000;

(d) To invite the United Nations Industrial Development Organization (UNIDO) to develop a programme proposal for an amount up to US$ 10,000,000;

(e) To invite the United Nations World Food Programme (WFP) to develop a programme proposal for an amount up to US$ 10,000,000;

(f) To invite the implementing entities (IEs) to prepare a programme proposal using the process elaborated in document AFB/PPRC.31/59 for the consideration of the Board at its forty-first meeting;

(g) To invite UNEP, UNIDO and WFP to submit a proposal on extending coordination services to the Adaptation Fund Climate Innovation Accelerator (AFCIA) partnership for consideration by the Project and Programme Review Committee at its thirty-second meeting;

(h) To request the selected IEs to indicate acceptance by letter to the Chair of the Board by no later than two weeks following the date of the official invitation notification;

(i) To request the secretariat to increase the outreach to IEs regarding the AFCIA partnership.

(Decision B.40/57)

13. Pursuant to decision B.40/57 subparagraph (h), all selected IEs indicated acceptance following the official invitation notification.

14. In June 2025, the Adaptation Fund Board Secretariat issued a second Call for Expressions of Interest from Regional Implementing Entities (RIEs) and Multilateral Implementing Entities (MIEs) with the capacity to serve as small grant aggregators and strengthen innovation efforts in climate change adaptation. RIEs and MIEs were invited to submit expressions of interest to the AFB Secretariat no later than that cutoff date of 10th August, 2025.

15. By the deadline, EOIs proposals were submitted by the following Regional and Multilateral Implementing Entities of the Fund: Development Bank of Latin America (CAF); European Bank Official Use Only 4 for Reconstruction and Development (EBRD); International Fund for Agricultural Development (IFAD); World Bank (International Bank for Reconstruction and Development); UN Development Programme (UNDP); United Nations Human Settlements Programme (UN-Habitat); and United Nations Industrial Development Organization (UNIDO).

16. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

(a) To invite Development Bank of Latin America (CAF) to develop a programme proposal for an amount of up to US$ 8 million;

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(b) To invite European Bank for Reconstruction and Development (EBRD) to develop a programme proposal for an amount of up to US$ 15 million;

(c) To invite International Fund for Agricultural Development (IFAD) to develop a programme proposal for an amount of up to US$ 10 million;

(d) To invite the World Bank (International Bank for Reconstruction and Development) (IBRD) to develop a programme proposal for an amount of up to US$ 15 million;

(e) To invite the United Nations Development Programme (UNDP) to develop a programme proposal for an amount of up to US$ 15 million;

(f) To invite the United Nations Human Settlements Programme (UN-Habitat) to develop three regional programme proposals for up to US$ 5 million each for the Asia-Pacific, Arab and African States, and to consider submitting them under the Large Grants for Innovation funding window;

(g) To request the implementing entities invited under subparagraphs (a)–(f) above to indicate acceptance of the invitation to join the Adaptation Fund Climate Innovation Accelerator partnership;

(h) To invite the implementing entities to prepare programme proposals, in line with the full cost of adaptation principle, using the process elaborated in document AFB/PPRC.31/59, for the consideration of the Board at its forty-sixth meeting.

(Decision B.45/44)

17. Pursuant to decision B.45/44 subparagraph (h), United Nations Development Programme (UNDP) indicated acceptance the official invitation notification.

18. The following fully-developed proposal document titled “UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2” was submitted by United Nations Development Programme (UNDP), which is a Multilateral Implementing Entity of the Adaptation Fund.

19. This is the sixth submission of the fully developed project proposal, using the one-step submission process.

20. The current submission was received by the secretariat in time to be considered in the forty-seventh Board meeting. The secretariat carried out review of the project proposal, assigned it the Project ID number AF00000491, and completed a review sheet.

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

22. 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 change.

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ADAPTATION FUND BOARD SECRETARIAT
TECHNICAL REVIEW OF PROJECT PROPOSAL FOR
"UNDP- ADAPTATION FUND CLIMATE INNOVATION ACCELERATOR PHASE 2"

Project Title	UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2
Project ID	AF00000491
Category	MIE aggregator project for innovation
Type	MIE aggregator project for innovation
Stage	Fully-developed project
Country	Global
Implementing Entity	UNDP
Financing Requested	USD 15,000,000.00
Reviewer	Naoki Uozawa

Co-reviewer(s)

IE Contact Person	**Samar Taha,Missale Woldegiorgis,Nancy Bennet,Radhika Dave,Robin Merlier,Siriboon Ketphichai,Wirunpat Meebungprav**

Secretariat's Overall Comment

The first technical review raised some key areas requiring further clarification and strengthening – such as the Environmental and Social Policy (ESP), Results Framework, Implementing Entities (IE) and Executing Entities (EE) fee, detailed budget, and disbursement table. Additional attention is required to clarify the programme timeline, scaling pathways, as detailed in the Clarification Requests (CRs) and Corrective Action Requests (CARs) outlined below.

The second technical review raised some key areas requiring further clarification and strengthening – such as the IE and EE fees, and detailed budget. Additional attention is required to clarify the programme timeline, as detailed in the Clarification Requests (CRs) and Corrective Action Requests (CARs) outlined below.

The third technical review raised some issues concerning the Cost and Fee breakdowns and the Strategic Results Framework Alignment Table, as detailed in the Clarification Requests (CRs) and Corrective Action Requests (CARs) outlined below.

The fourth technical review raises a few minor issues concerning the SRF alignment based on recently updated guidance, cost and Fee breakdowns, as detailed in the Clarification Requests (CRs) and Corrective Action Requests (CARs) outlined below.

The fifth technical review finds that all CRs and CARs have been effectively cleared but a few inconsistencies remain such as between the technical summary in the platform e.g., Components 2 and 3 are reversed, the objective remains a placeholder, and USD 13,227,274 represents component/activity costS (project funds) and not the total project/programme cost, and the proposal document. Some other inconsistencies remain in the budget tables. Please see the last comment under "Disbursement schedule".

The sixth technical review finds the pending issues to be resolved.

Country Eligibility

Does the proposal include a mechanism that will ensure that the participating countries are party to the Paris Agreement and/or the Kyoto Protocol?

Response: No

Secretariat: Yes, but further clarification is needed.
CAR1: The proposal frequently refers to the Global South as the target of the programme. Please clarify how this aligns with the Adaptation Fund's eligibility criteria (countries that are Parties to the Paris Agreement and/or the Kyoto Protocol). See PART I, Project/Programme Information.
[January 22, 2026]

Response: Yes

Secretariat: CAR1: Cleared.
Further clarification on the alignment of the project with the Adaptation Fund's eligibility criteria has been provided (pp. 19, 31, 34, 41, and 49).
The evaluation criteria (Annex 2c. Selection Process and Evaluation Criteria – page 3) has been updated to note the Adaptation Funds eligibility criteria.
[March 2, 2026]

Does the proposal describe how the IE will involve the participation of developing countries particularly vulnerable to the adverse effects of climate change? Does it specify countries, a region, or two or more regions?

Response: Yes

Secretariat: The proposal explains that vulnerable developing countries will participate through a global open call and UNDP Country Office engagement. It does not specify individual countries, but covers multiple regions (Africa, Asia and the Pacific, Arab States, Latin America and the Caribbean, and Europe and Central Asia), with countries to be determined during implementation.

Please note the AF's eligibility criteria, which apply to countries that are Parties to the Paris Agreement and/or the Kyoto Protocol (See CAR1)
[January 22, 2026]

Response: Yes

Secretariat: Note: In some cases, the page numbers listed on the response sheet do not match the corresponding answers. It would be appreciated if the page numbers could be indicated based on the Track Changes version of the revised proposal.
[March 2, 2026]

Response: Yes

Secretariat: Note: Please check page numbers from Section III.E onwards.
[June 24, 2026]

Response: Yes

Secretariat: Page numbers have been reconciled from Section III onwards.

Project Eligibility

Does the proposal describe how it will source innovation small grant proposals, and screen them for the potential to support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience?

Response: Not Cleared

Secretariat: The proposal presents a well-structured programme comprising three components: Component 1 – catalytic grants to innovators (approx. USD 7.1 million), Component 2 – technical assistance (approx. USD 3 million), and Component 3 – knowledge management (approx. USD 3.1 million).

AFCIA 2 will continue to promote inclusive participation by targeting approximately 21 CSOs and NGOs as primary grantees, each receiving between USD 100,000 and USD 200,000, while also supporting 5–15 MSMEs with grants ranging from USD 40,000 to USD 140,000.

However, figures and tables are not numbered, and the proposal could benefit from some illustrations that could showcase the timelines and sequence across the various stages of the programme's intended work with the innovations.

CR1: Please include number figures and tables which would make it easier to reference and comment on the proposal. Furthermore, please be advised that the proposal would benefit from diagrams, illustrations, or tables showing the programme timeline (including, for example, open calls, selection, grant disbursement, and capacity-building activities) and scaling pathways during and after the programme.

The following clarifications relate to the sourcing approach and engagement with innovators:

AFCIA Phase II will focus on three priority thematic areas and source innovation proposals through a global, open call disseminated via UNDP's regional bureaus and country offices, as well as AIM partners and civil society, private-sector, and academic networks (p.54).

CR2: Please provide further clarification on how the sourcing approach under AFCIA 2 differs from AFCIA Phase 1, including whether the sourcing channels and outreach strategy remain the same or have been adjusted based on lessons learned from Phase 1.

CR3: The proposal refers to global open calls throughout the document. Please clarify how many global open calls are planned, as well as the indicative timeline and sequencing of these calls during the programme implementation period.

[January 22, 2026]

Response: Not Cleared

Secretariat: CR1: Not Cleared.
Numbered figures and tables have been included in the proposal.

The program will have two open calls in Q1 2027: one targeting CSOs, NGOs, and community-led organizations, and second targeting MSMEs. These are followed by sourcing, screening and selection processes, grant agreement finalization, and subsequent implementation by selected innovators.

The proposal's end-to-end grant cycle (Figure 2) indicates an estimated 46–62 weeks from call launch through selection and grant agreement to the start of implementation. This appears lengthy for an innovation accelerator, particularly for MSMEs, and may delay timely delivery of adaptation benefits. In addition, the first calls are planned for Q1 2027, which would further defer initial grant deployment relative to the project start date (30 May 2026).
Please clarify (i) the main drivers of the 46–62 week timeline (key steps responsible for the proposed time), and (ii) what measures are built into AFCIA II to streamline/parallelize sourcing, screening, selection, and contracting (e.g., staged selection, rolling reviews, standardized agreements, service standards). If this timeline reflects lessons from AFCIA I, please specify which Phase I lessons informed these process design choices and what has been adjusted to reduce cycle time.

CR2: Cleared (Page 43)
AFCIA 2 will be sourced through an open, competitive, and inclusive global call for proposals, building on the proven approach of AFCIA 1 and leveraging UNDP's and Adaptation Innovation Market Place (AIM)'s established adaptation and innovation networks (P.43)

CR3: Cleared (Page 43)
Two Calls for Proposals will run concurrently in Q1 2027: one targeting CSOs, NGOs, and community-led organizations, and a second dedicated to sourcing MSMEs.

[March 2, 2026]

Response: Cleared

Secretariat: CR1: Cleared (pp. 36–37; Annex 2c, p. 2). The revised proposal and annex now provide a clearer programme timeline, including the sequencing of sourcing, longlisting, shortlisting, final selection, grant agreement signing, disbursement, and implementation/technical assistance, with the selection-to-disbursement process presented as approximately 36 weeks.

[June 24, 2026]

Does the programme contribute meaningfully to the Expected Results under the Innovation Pillar: I. New innovations and risk-taking encouraged and accelerated ii. Successful innovations replicated and scaled up iii. Access and capacities enhanced for designing and implementing innovation. iv. Evidence base generated and shared.

Response: Not Cleared

Secretariat: The proposal's processes and procedures meaningfully contribute to the Expected Results under the Innovation Pillars including ESP safeguards. See Part II: Project/programme justification, Section B, p. 51, Expected Results under the Innovation Pillar.

• ER1: In the first pilot stage, inclusive and competitive global calls for proposals will be launched towards CSOs, NGOs, and MSMEs. Performance-based grants set against milestones aim to contribute to high risk-taking, flexibility, and accountability in the testing and development of innovations.
• ER2: In a second stage, every innovation will be assessed against performance criteria—such as cost-effectiveness, user adoption, and safeguard compliance—to identify those ready for scale. TA, knowledge products, promotion of standards and policy will facilitate the scale-up and support the integration into adaptation planning.
• ER3: Access and capacity for innovation will be secured through an 8–10-week onboarding sprint covering monitoring, evaluation and ESP issues as well as finance, planning and management etc. In addition, TA and advisory services will be provided as well as the integration into the innovation ecosystem and networks.
ER4: A strong monitoring and learning system (MEL) will help generate and share evidence through various knowledge products and events and connect to various global platforms.

Numbered activities are not included but only listed as "illustrative" under Component 2 and 3. Numbered activities are required which should lead to certain outputs and be a part of the results framework. Also, note that the Gender Action Plan should be mainstreamed across the selected activities.

CR4: Please provide numbered activities as requested for each of the components that link up to concrete outputs.

See Part II: Project/programme justification, P. 39, Description of programme components.

[January 22, 2026]

Response: Cleared

Secretariat: CR4: Cleared (Page 43-64)
The revised proposal now provides numbered activities as requested for each of the components that link up to concrete outputs under 'Description of the Project Components'.
[March 2, 2026]

Does the proposal describe how it will screen innovation small grant proposals for their potential to provide economic, social, and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?

Response: Cleared

Secretariat: The proposal includes a selection process and evaluation criteria (Annex 2c) that take into account social, environmental, economic, and gender considerations.
[January 22, 2026]

Does the project engage, empower and/or benefit the most vulnerable communities and social groups?

Response: Cleared

Secretariat: The programme will embrace a holistic approach including ensuring inclusive and equitable innovation while:

- Designing targeted approaches for women, youth, people with disabilities, Indigenous Peoples, and other marginalized groups.
- Supporting leadership development and capacity-building for underrepresented stakeholders.
- Applying gender and social inclusion lenses in project design, implementation, and evaluation.

The selection process and evaluation criteria include the vulnerable groups.
See p. 32 and Annex 2c (Selection Process and Evaluation Criteria) of the proposal.

[January 22, 2026]

Does the project advance gender equality and the empowerment of women and girls?

Response: Cleared

Secretariat: Proposals submitted under each call are required to include a brief gender analysis, as well as a brief environmental and social impact analysis, a Gender Action Plan (GAP), and a monitoring and evaluation plan (p.58-59). GAP indicators are included in the results framework (p. 111).
[January 22, 2026]

Is the project/programme cost-effective? In the case of regional project/ programmes, does the regional approach support cost effectiveness? Does the project engage, empower and/or benefit the most vulnerable communities and social groups?

Response: Not Cleared

Secretariat: CR5: The proposal specifies an indicative grant amount or grant size range per innovator and indicates that grants will be disbursed on a performance-based basis.

If a phased or stage-based funding approach is envisaged, please provide further information on the funding structure, including the criteria and decision-making process used to determine progression between stages, as well as the allocation of grant amounts across phases and the indicative timeline.
[January 22, 2026]

Response: Cleared

Secretariat: CR5: Cleared. (Page 46-47)

The revised proposal now clarifies how the performance-based grant cycle will be operationalized across the full grant period. Under the performance-based grant approach, the full grant amount is committed through a single grant agreement, with disbursements released in tranches linked to agreed results/milestones (30% on signature; 30% at the first milestone; 20% at the second milestone; and 20% upon delivery of final outcomes at before grant closure). The proposal also now specifies the differentiated grant durations (24 months for MSMEs and 36 months for NGOs/CSOs) and strengthened the milestone-setting process: milestones are initially proposed by applicants in the grant proposal, then jointly reviewed and refined with the PMU to ensure they are realistic, evidence-based, and clearly define project-specific success, and are subsequently captured in the grant agreement.
[March 2, 2026]

Does the proposal describe how it will screen innovation small grant proposals for consistency with national or sub-national sustainable development strategies, adaptation planning processes, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action, national adaptation plans (NAPs), nationally determined contributions (NDCs), adaptation communications, and other voluntary adaptation reports, where they exist, as well as with the UNFCCC technology framework, and other relevant instruments?

Response: Cleared

Secretariat: Yes (Page 63 and Annex 2c).
The proposal considers alignment with NAPs and NDCs (P.63) and there are a procedure and criteria for selection and evaluation ("Annex 2c Preliminary Grantee Selection Process and Evaluation Criteria").
[January 22, 2026]

Does the proposal describe how it will screen innovation small grant proposals for meeting the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?

Response: Cleared

Secretariat: Yes (Page 63).
AFCIA 2 will closely engage with UNDP Country Offices to ensure alignment with national strategies. UNDP Country Offices also provide final confirmation that each selected solution maps effectively to relevant national instruments and contributes to the country's broader adaptation goals.
[January 22, 2026]

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

Response: Cleared

Secretariat: Yes (Page 65-69).
The proposal identifies relevant projects and programmes implemented by other entities and analyzes potential duplication and synergies.
[January 22, 2026]

Does the programme have a learning and knowledge management system to capture and disseminate evidence, particularly of effective, efficient adaptation practices, products or technologies generated, as a basis for potential scaling up?

Response: Cleared

Secretariat: Under Component 3, the proposal outlines a Monitoring, Evaluation and Learning system (MEL). It will capture and disseminate field-tested evidence and practical implementation insights which results could translate into actionable guidance for policymakers, practitioners, and investors.

Component 3 will support the development of a knowledge framework that enables concrete adaptation practices proven effective in one country to inform, inspire, and potentially be adapted in other regions facing similar climate risks—providing added value that extends beyond individual country-level projects.

The MEL is systematically embedded and linked to Component 1 and 2, for instance an extensive learning sprint which the grantees will participate in will strengthen the MEL.

The MEL is aimed at leveraging knowledge and partnerships to inform broader systems and cross-country and regional peer learning that could generate enabling conditions to facilitate scale and replication, inform policy and programme design, as well as public and private investment flows. Furthermore, the MEL has a strong focus on promoting inclusive and gender-transformative adaptation models.

See Part II: Project/programme justification, from p. 39, Description of programme components, Outcome 3, and Monitoring and Evaluation Arrangements and Budgeted MEL Plan, p. 106.

[January 22, 2026]

Has the proposal described what consultative process will take place, and how will it involve all key stakeholders, and vulnerable groups, including gender considerations?

Response: Cleared

Secretariat: Yes (Page 73-74).
While specific consultations cannot be defined ex ante due to the USPs-based nature of the programme, the proposal describes a phased consultative process whereby UNDP ensures that stakeholder input, including from vulnerable groups and with gender considerations, shapes implementation and risk identification at the grantee level during implementation.
[January 22, 2026]

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

Response: Cleared

Secretariat: Yes (Page 82)
The programme activities will be taken solely without additional funding from other financial resources.
[January 22, 2026]

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

Response: Not Cleared

Secretariat: CAR2: The results framework is well developed however there are opportunities to simplify it. For instance, outcome indicators 02a and 02b could be merged. Also the indicator 02c and 2b seem similar to 02c. Finally, some indicators miss the reference number -- please add accordingly.

CAR3: In the table for alignment with AF strategic results framework, there is a misalignment (not correct wording) with the Fund's Strategic results framework (SRF). See Part III, Implementation Arrangements, Section F, table on p. 111.

- In the column for Fund Outcome Indicators, the wording of Output indicator 2.2.1 is not the same as in the SRF.

- The same goes for the wording of Outcome 8, Output indicator 8.1 and 8.2, Output 8.1, Output indicator 8.1.1 and 8.1.2.
- Aside, the above noted misalignments, please check all outcomes, outputs and their respective indicators in the table on p. 111 so that there is an exact alignment with the Fund's SRF.

Please see the following guidance: Results Framework Alignment Table.

[January 22, 2026]

Response: Cleared

Secretariat: CAR2: Cleared.
The updated results framework has been simplified and duplication has been removed (Section E)

CAR3: Cleared.
The table has been revised to ensure exact, verbatim alignment with the Adaptation Fund's Strategic Results Framework (SRF) (Section F)
[March 2, 2026]

Response: Not Cleared

Secretariat: CAR3: Not cleared (reopened)

The alignment table in Section F has been revised; however, further corrections are required to ensure full consistency with the Adaptation Fund Results Framework alignment guidance.
1) The grant amount at the objective level is listed as USD 15,000,000, which appears to include IE fees and execution costs. In accordance with the guidance, the grant amount in the alignment table should reflect the amount associated with the relevant project components and should not include IE fees and EE costs. The total currently shown at the outcome/output level is USD 13,227,274, while the objective-level amount is shown as USD 15,000,000. Please revise the objective-level amount and totals to ensure consistency with the guidance and with the project components.
2) Several rows in the alignment table group more than one Adaptation Fund output and output indicator under a single project outcome indicator and a single grant amount. For example, Outcome 2 is mapped to both AF Output 2.1 and Output 2.2 under the same grant amount, while Outcome 3 maps to both AF Output 8.2 and Output 3.1 in the same rows. The guidance requests that amounts should not be lumped together for different indicators. Please split rows where needed so that each relevant AF outcome/output and indicator is clearly linked to the corresponding project indicator and grant amount.
3) The presentation of Outcome 3 should be cleaned up. O3.2 and O3.3 appear together in the same row, and the AF outputs and indicators are repeated within the same cell. Please separate O3.2 and O3.3 into distinct rows, with corresponding AF output/indicator language and grant amounts.

[June 24, 2026]

Response: Not Cleared

Secretariat: CAR3: Not cleared.
Although the objective-level and overall grant amount has been corrected to USD 13,227,274, the revised alignment table does not follow the structure of Table 2 of the Results Framework Alignment Guidance.

Table 2 requires two distinct sections: (i) an outcome-level table mapping each Project Outcome and its Project

Outcome Indicator(s) to the relevant Fund Outcome and Fund Outcome Indicator(s), with the corresponding grant amount; and (ii) an output-level table mapping each Project Output and its Project Output Indicator(s) to the relevant Fund Output and Fund Output Indicator(s), with the corresponding grant amount.

The current table instead maps Project Outcome Indicators O1.1–O3.3 directly to Fund Outputs and Fund Output Indicators. It therefore combines the outcome- and output-level alignment and does not include the required separate output-level table containing Project Outputs 1.1–3.2 and their respective project output indicators. The objective-level table does not replace these two required sections.

Please restructure the alignment table in accordance with Table 2 by:

Providing an outcome-level section for Project Outcomes 1, 2 and 3, their outcome indicators, the corresponding Fund Outcomes and Fund Outcome Indicators, and outcome-level grant amounts;
Providing a separate output-level section for Project Outputs 1.1, 1.2, 1.3, 2.1, 2.2, 3.1 and 3.2, their output indicators, the corresponding Fund Outputs and Fund Output Indicators, and output-level grant amounts; and
Ensuring that the total outcome-level and output-level grant amounts each reconcile to USD 13,227,274. Where one project outcome or output is aligned with more than one Fund outcome/output, the corresponding mappings and amounts should be presented separately in accordance with the guidance.

Please use the following guidance - https://www.adaptation-fund.org/wp-content/uploads/2026/04/AF-SRF-Updated-templates_results-framework-table-and-results-framework-alignment-table.pdf and more detailed guidance here :https://www.adaptation-fund.org/document/strategic-results-framework-guidance-2026/

Response: Not Cleared

IE:

Response: Cleared

Secretariat: CAR3: Cleared (pp. 143–148).

The revised alignment section now follows the required Table 2 structure, with separate outcome-level and output-level tables. The outcome-level table covers Project Outcomes 1–3 and totals USD 13,227,274. The output-level table separately covers Project Outputs 1.1–3.2 and also totals USD 13,227,274. The project results, indicators, corresponding Fund results and indicators, and grant amounts are presented at the appropriate levels.

Has the sustainability of the programme outcomes been considered when designing the programme, including in the screening of the innovation small grants projects? Does the programme include pathways to scale up successful small grant projects?

Response: Not Cleared

Secretariat: Yes, but further clarification is needed.

CR6: The proposal outlines pathways to scaling up successful innovations, including engagement with NIEs, and support for investment readiness and market linkages (p.85-86).
Please provide further clarification on how these pathways will be operationalized, including the indicative timeline and the roles and responsibilities of the relevant actors.
[January 22, 2026]

Response: Cleared

Secretariat: CR6: Cleared (Page 98-100)
The revised proposal now explains how scaling pathways will be operationalized through a structured, sequenced approach that combines (i) upfront sustainability planning and mandatory exit/transition strategies at grantee level, (ii) tailored technical assistance and "evidence-to-scale" learning loops, and (iii) deliberate ecosystem engagement to connect validated innovations to policy, institutional and financing channels (including government pipelines and private/impact capital).

It also clarifies roles and timing: the PMU, in coordination with UNDP Country Offices, will lead ecosystem mapping and pathway identification; and engagements with NIEs will be selectively facilitated through a structured, time-bound process—on an indicative basis during the final year of grant implementation—focused on dialogue, evidence-sharing and light-touch support for concept ideas or integration into pipeline initiatives (without predetermining financing outcomes). In parallel, investment readiness and market linkage are operationalized via a mid-point maturity/readiness assessment that segments grantees into differentiated pathways (market-ready / scale-ready / public-good anchored), which then drives targeted TA and matchmaking with appropriate financiers or public funding channels.
[March 2, 2026]

Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Not Cleared

Secretariat: A gender assessment and Gender Action Plan (GAP) is provided in Annex 5.

CR7: While the proposal refers to ESP risks in a table on p. 80 and include an assessment and analysis of risks in Annex 3, the AF ESP principles risk table on p. 79 is not populated.

See CAR below concerning lack of measures in place for the management of environmental and social risks.

[January 22, 2026]

Response: Not Cleared

Secretariat: CAR7: Partially cleared. Please note that the Annex 5 was not resubmitted with the proposal package.

While the proposal includes a comprehensive Gender Action Plan (GAP) with clearly defined actions, indicators, and targets, the integration of these targets into the Results Framework (RF) is only partially consistent. Several GAP targets (e.g., 20% women-led/co-led innovations; 100% integration of GESI measures in supported innovations; gender-responsive business models; gender-focused knowledge products and events) are reflected in the RF and appropriately linked to outcome and output indicators.
However, certain GAP indicators—particularly process-level commitments—are not consistently mirrored in the RF. These include, inter alia:
- The target of integrating gender and social inclusion criteria in at least 70% of LVGA selection tools;
- The commitment that 100% of grantees receive GESI integration training;
- Consistent disaggregation of data by sex, age, and disability (disability is not systematically reflected in RF

indicators);
• Clear alignment in wording between GAP and RF indicators (e.g., gender-responsive design versus women's leadership criteria).
In addition, some targets (e.g., 100% of identified innovations demonstrating gender-responsive design) require clarification as to whether these constitute mandatory eligibility criteria or performance targets.
Please provide a clear crosswalk demonstrating how each GAP indicator is integrated into the Results Framework (including indicator numbering alignment), and revise the RF as needed to ensure full consistency, traceability, and clarity of gender-related targets, including disability-disaggregated data where applicable.

[March 2, 2026]

Response: Not Cleared

Secretariat: CAR7: Partially cleared.

Annex 5 has been resubmitted and Annex 5a provides a GAP–Results Framework crosswalk mapping GAP indicators to RF indicators, targets, disaggregation, means of verification, and RF revisions. The revised Results Framework also includes the new or clarified GESI-related indicators, including O1.1.3 and O1.2.3, and reflects disability disaggregation where applicable. (Cleared)

In the Monitoring and Evaluation Arrangements and Budgeted MEL Plan, the Baseline Report is budgeted at USD 16,000, the Mid-Term Review/Mid-Term Evaluation at USD 40,000, and the Terminal Evaluation/Final Evaluation at USD 55,000. The MTR/MTE and TE/FE are described as costs for "contracting and independent evaluator" and are reflected in Annex 8 under the EE fee breakdown. At the same time, the IE fee breakdown includes evaluation and reporting functions related to the Baseline Data Report, Mid-Term Evaluation and Terminal Evaluation, including technical support, preparation of TORs, verification of expertise, participation in briefings/debriefings, supervision/development, validation and quality assurance.

Please clarify which specific Baseline Data Report, MTR/MTE and TE/FE costs are covered under the IE fee and which are covered under the EE fee. In particular, please confirm whether the USD 40,000 and USD 55,000 amounts relate only to the independent evaluator contracts, and whether all supervision, development, review, validation and quality assurance functions for the MTR/MTE and TE/FE are covered under the IE fee.

Please also clarify how the USD 16,000 for the Baseline Report is allocated between EE support/development and IE supervision/development, if applicable.

The MEL Plan and Annex 8 should be revised as needed to clearly distinguish these cost categories and confirm that Baseline Report, MTR/MTE and TE/FE costs are not misclassified or double counted between IE fee and EE execution costs.

[June 24, 2026]

Response: Cleared

Secretariat: CAR7: Cleared (Pages 160-163).
Based on the applicable policy provisions and clarification provided, the revised proposal adequately distinguishes the direct M&E and reporting costs from the IE's supervision, validation and quality-assurance responsibilities. The EE and IE fee breakdowns provide sufficient information on the respective functions, and the proposed treatment of the Baseline Report, Mid-Term Review and Terminal Evaluation costs is acceptable under the new policy.

Resource Availability

Is the requested project funding within the parameters for large grants set by the Board?

Response: Cleared

Secretariat: UNDP is invited to develop a programme proposal for an amount of up to US$ 15 million (Decision B.45/44).
[January 22, 2026]

Is the Implementing Entity Management Fee at or below 10 per cent of the project/programme for implementing entity (IE) fees and at or below 10 per cent of the project/programme cost for the execution costs?

Response: Not Cleared

Secretariat: UNDP also serves as EE.
Where the IE serves as an EE under exceptional circumstances, the EE costs must be 1.5% of the total exceptional circumstances and must be well-justified, the execution cost should be limited to 1.5% of the part of the project/programme executed by the implementing entity.

However, while the proposal indicates an IE fee of 10% of the total programme cost (approx. USD 1.4M), it also includes an EE fee of 2.9%. Please note that the fee limit can be exceed only in exceptional circumstances.

CAR4: Although a brief explanation is provided on page 97, further detailed justification is required, including a clear breakdown of the expected budget figures for EE functions as well as IE costs. Please clarify this issue and revise the EE cost structure as necessary.

[January 22, 2026]

Response: Not Cleared

Secretariat: CAR4: Not Cleared.

The proposal indicates that UNDP will implement the programme under its “Direct Implementation Modality (DIM)” and requests Programme Execution Costs at 3% of the total project budget, exceeding the 1.5% cap applicable where the Implementing Entity (IE) also serves as the Executing Entity (EE).

However, “Direct Implementation Modality (DIM)” is not terminology utilized under the Adaptation Fund’s policy framework. The responsibilities described under DIM — including coordination, supervision, reporting, and fiduciary oversight — largely correspond to standard supervisory and oversight functions expected of an Implementing Entity under the AF. Reference to DIM therefore does not, in itself, provide a policy basis for exceeding the execution cost ceiling.

In accordance with the AF Operational Policies and Guidelines (OPG), Annex 7 (paras. 5–8), and Board decisions B.17/17 and B.18/30:

- Execution services provided by an IE are exceptional.
- A clear separation between implementing (oversight) and execution functions must be maintained.
- Execution costs for projects implemented and executed by the same entity are capped at 1.5% of total project costs.
- Roles and responsibilities must be clearly delineated at the time of approval.

At the same time, the Secretariat acknowledges that for Innovation and Locally Led Adaptation (LLA) programmes, execution intensity may be higher than in traditional projects, particularly where the EE is responsible for:
- Managing competitive grant windows and administering multiple small grants;
- Providing direct operational support to grantees;
- Deploying EE staff to manage specific project components;
- Engaging consultants or staff to deliver technical assistance, results-based management, and data collection linked to specific adaptation performance indicators;
- Undertaking travel directly related to execution-level functions.

Such costs may be justified as execution-related provided they are transparently presented, clearly itemized, and demonstrably distinct from IE oversight or corporate functions. At present, the proposal does not sufficiently demonstrate that the additional 1.5% requested above the standard execution cost cap corresponds exclusively to such genuine execution services.

Please:
- Provide a detailed and itemized breakdown of the USD 409,090 attributed to EE functions.
Clearly distinguish IE oversight functions from EE execution services.
- Demonstrate that the additional 1.5% requested above the cap relates strictly to execution-level responsibilities (e.g., grant administration, component management, direct technical support to grantees, RBM data collection tied to project outputs), and does not include fiduciary oversight, supervision, or corporate management functions.
- Clarify the delineation of IE and EE roles in the implementation framework, consistent with Board decisions B.17/17 and B.18/30.

[March 2, 2026]

Response: Cleared

Secretariat: CAR4: Cleared. (Annex 8).

The revised proposal and Annex 8 provide an itemized EE cost breakdown and additional justification for the requested 3% execution costs. The justification explains the need for additional execution support given the operational demands of administering a large-scale global innovation programme, managing two competitive grant windows, administering at least 26 LVGAs to NGOs/CSOs and MSMEs, providing direct operational support to grantees, carrying out due diligence prior to LVGA signature, procuring consultants or companies to deliver technical assistance, and undertaking travel directly related to execution-level functions. The proposal also clarifies that the additional 1.5% requested above the standard cap relates exclusively to execution-level responsibilities and is distinct from IE oversight or corporate functions, which are itemized separately under the IE fee breakdown.

However, the Secretariat reiterates that reference to UNDP's Direct Implementation Modality (DIM) is not, in itself, a general justification for the provision of execution services under the Adaptation Fund policy framework.

The justification is assessed on the basis of the specific needs of the project/programme and the specific execution services to be provided by the IE, including whether such services are clearly distinct from IE oversight and corporate functions.
[June 24, 2026]

Eligibility of IE

Is the programme submitted through an eligible Multilateral or Regional Implementing Entity that has been accredited by the Board? Is the programme submitted by an entity that has been invited by the Board to do so?

Response: Cleared

Secretariat: UNDP has the status “accredited” until October 11, 2029.
[January 22, 2026]

Implementation Arrangements

Does the proposal include adequate arrangement for programme management at the multi-regional/regional and national level, including coordination arrangements within countries and among them? Has the potential to partner with national institutions, and when possible, national implementing entities (NIEs), been considered, and included in the management arrangements?

Response: Cleared

Secretariat: The proposal includes activities that engage with NIEs (pp. 34 and 84–86), as well as arrangements with relevant initiatives, including those led by other AFCIA partners (p. 65).
[January 22, 2026]

Are there measures for financial and project/programme risk management?

Response: Cleared

Secretariat: YES (Page 102-104).
Measures for financial and programme risk management are included.
[January 22, 2026]

Are there measures in place for the management of environmental and social risks, in line with the Environmental and Social Policy of the Fund?

Response: Not Cleared

Secretariat: The proposal has developed a framework for assessing environmental and social risks (ESMF) for the USPs including a screening procedure (ESMS). Review and approval will be undertaken by PMU and safeguard experts. See p. 78, Overview of Environmental and Social Impact and Risk Screening Process, as well as “Annex 3 UNDP Social and Environmental Screening Template” and “Annex 4 Environmental and Social Management Framework.

A budget allocation is provided for ESP safeguarding through the ESMF. See p. 109 and Annex 8 budget notes 2 and 3.

CAR5: While the proposal in its Annex 3 entails a risk screening and assessment and at the end of the proposal on p. 89 has included a table for “Social and Environmental Screening Procedure”, different scales are used to indicate risk the level of risk (B, C vs. Low, Moderate, Substantial and High).

Please make adjustments to align or clarify the relationship/definitions.
[January 22, 2026]

Response: Not Cleared

Secretariat: CAR5: Not Cleared.

The ESMF has been revised. A table providing an overview of environmental and social impacts and risks relevant to the project is included (p.103), with further details in Annex 4.

However, as previously noted, the proposal should clearly indicate the level of risk (e.g., low, moderate, high) for each identified risk. Please revise accordingly.
[March 2, 2026]

Response: Cleared

Secretariat: CAR5: Cleared (p. 89; Annex 3, pp. 26–32; Annex 4, pp. 12–18).

The revised proposal, SESP, and ESMF now clearly identify the overall risk category and provide low/moderate risk ratings for the identified environmental and social risks, together with corresponding management measures.
[June 24, 2026]

Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets, and indicators, in compliance with the Gender Policy of the Fund?

Response: Cleared

Secretariat: The M&E budget is well developed in line with provisions set forth in (Decision B.41/30)
[January 22, 2026]

Is a budget on the Implementing Entity Management Fee use included?

Response: Not Cleared

Secretariat: CAR6: Please include a summary of the IE fee breakdown in the main proposal; detailed breakdowns may be provided in an annex as an Excel file. The detailed IE fee breakdown should demonstrate a clear basis for calculation for each cost item (e.g. number of units, person-months, or duration).

Please note that the IE and EE fee budgets should be prepared in accordance with the guidance.
[January 22, 2026]

Response: Not Cleared

Secretariat: CAR6: Pending – not cleared.
The IE fee breakdown is now included in the main proposal.

While the EE fee exceeds 1.5%, a detailed breakdown has not yet been provided (see CAR7). As explained under CAR4, the assessment will be made after reviewing the EE fee (USD 409,090) breakdown.

Please also see CAR12.

[March 2, 2026]

Response: Not Cleared

Secretariat: CAR6: Partially cleared (pp. 124–125; Annex 8, IE fee breakdown tab).

Please note page number needs to be reconciled as the Section III. E start from page 1 again.

The IE fee breakdown is now included in the main proposal and in Annex 8, with categories of services and corresponding amounts. However, the breakdown does not provide the same level of calculation basis as the EE cost table where it concerns the MTE/TE and BDR. Please provide a clearer basis of calculation for the IE fee amounts concerning these elements that the IE will supervise.

[June 24, 2026]

Response: Not Cleared

IE:

Response: Cleared

Secretariat: CAR6: Cleared, as per pages 160-163. (Aug 5)

Is an explanation and breakdown of the execution cost included?

Response: Not Cleared

Secretariat: CAR7: Please include a summary of the EE fee breakdown in the main proposal; detailed breakdowns may be provided in an annex as an Excel file.
[January 22, 2026]

Response: Not Cleared

Secretariat: CAR7: Not Cleared.

The response sheet states that a detailed EE budget breakdown is included in the main proposal and Annex 8; however, this breakdown cannot be identified. Please provide a clear and transparent breakdown of EE costs, including the basis of calculation, in line with Adaptation Fund guidance.
[March 2, 2026]

Response: Cleared

Secretariat: CAR7: Cleared (Main text and Annex)

Please note page number needs to be reconciled as the Section III. E start from page 1 again.
[June 24, 2026]

Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?

Response: Not Cleared

Secretariat: Please see the CAR6 above.
[January 22, 2026]

Response: Not Cleared

Secretariat: CAR12 (New):

The revised proposal provides additional explanation on the role of the IE and the use of IE fees for M&E supervision (p.117), which is appreciated.
However, a detailed cost breakdown of M&E activities and timelines—including the timing and budget allocation for the mid-term and terminal evaluations—is still required. Please include this information in the proposal.

[March 2, 2026]

Response: Not Cleared

Secretariat: CAR12: Partially cleared. See comments CAR7 raised above.
[June 24, 2026]

Response: Cleared

Secretariat: Page numbers are reconciled.

CAR12: Cleared (pages 126, 158-161).
The proposal provides the timing of the principal M&E activities and describes the IE functions supported through the IE fee, including TOR support, verification of expertise, participation in evaluation briefings and debriefings, technical validation, and quality assurance of the Baseline Report, Mid-Term Review and Terminal Evaluation (pp. 126 and 160–161). In light of the clarification provided under CAR7 and the applicable policy provisions, the M&E arrangements and associated division of responsibilities are considered adequate.

Is the timeframe for the proposed activities adequate?

Response: Cleared

Secretariat: See Key M&E Milestones on p. 106
[January 22, 2026]

Is a summary breakdown of the budget for the proposed activities included?

Response: Not Cleared

Secretariat: While activities are described under each component, it is not clear from the proposal how resources are allocated across individual activities, nor how these allocations reflect the programme's emphasis and contribute to the achievement of its outcomes and objectives.

CAR8: Please include a summary of the budget breakdown in the main proposal; detailed breakdowns may be provided in an annex as an Excel file. While Annex 8 in the Excel includes a budget table by cost item, the budget breakdown should instead be structured by activities (e.g. the activities listed under each component on pp. 47–52).

[January 22, 2026]

Response: Not Cleared

Secretariat: CAR8. Not Cleared.

The proposal now includes a summary of the budget breakdown in the main proposal in addition to Annex 8.

While cost items are described under each Output (e.g., Output 1.1), the budget breakdown should also be structured by the numbered activities under each output (see CR4).

Please revise the budget presentation accordingly to clearly align allocations with the corresponding numbered activities under each output, or alternatively, provide an additional detailed breakdown by activity alongside the current table.

[March 2, 2026]

Response: Not Cleared

Secretariat: CAR8: Partially cleared.

The revised budget table is now structured by component, outcome, output, and numbered activities, with corresponding budget account codes, annual allocations, total amounts, responsible party and budget note references. This allows the resource allocations to be traced to the numbered activities under each output, while retaining the required output-level totals.

Please note: Activity 2.2.1 appears duplicated in the budget table, with the same title and cost lines repeated. That may simply be a formatting/copying issue, but it should be checked in Annex 8 so the final budget presentation/ calculation is clean.

[June 24, 2026]

Response: Not Cleared

Secretariat: CAR8: Not Cleared.
Activities 2.2.1 and 2.2.2 are now presented as distinct activities; however, their budgets remain effectively identical, including the same cost categories, annual phasing and nearly identical amounts. Activity 2.2.1 totals approximately USD 382,159, while Activity 2.2.2 totals approximately USD 382,157, with the minor difference appearing to result from rounding (pp. 153–154). Given the different scope of the two activities, this raises concern that the duplicated budget entries may have been retained when the activity title was corrected. Please review and correct the relevant entries in Annex 8. If the allocations are intentional, please provide an activity-specific calculation basis and justification for the identical cost structure and confirm that the costs have not been duplicated.

Response: Not Cleared

IE:

Response: Cleared

Secretariat: CAR8: Cleared (p. 153 and Annex 8).

UNDP clarified that the nearly identical allocations in the previous submission resulted from an initial approach under which the shared operational and technical resources of Output 2.2 were distributed approximately equally between its two activities. In response, Annex 8 has been revised to provide differentiated, activity-specific allocations while maintaining the total Output 2.2 budget at USD 764,316. Activity 2.2.1 is now allocated USD 512,277 for personnel and travel supporting investor engagement, external partnerships with business schools and investor networks, and associated operational support. Activity 2.2.2 is allocated USD 252,039 exclusively for personnel and travel related to portfolio monitoring, evidence consolidation and field-level verification, with external partnership, commercial-contract and premises costs removed. UNDP has adequately explained the respective cost bases and explicitly confirmed that the costs have not been duplicated.

Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?

Response: Not Cleared

Secretariat: CAR9: The alignment table provided in part F of the programme document needs to include also a column identifying the grant amount going towards each outcome and output. Please see the table provided at the following link: https://www.adaptation-fund.org/wp-content/uploads/2025/11/Alignment-with-Adaptation-Fund-Results-Framework-Template-and-guidance-Nov-2025.docx for reference.

CAR10: The programme includes just the mandatory core indicator on the number of beneficiaries, please include another core indicator, as relevant for this programme. If it is not possible to include the second core indicator due to the nature of the program, please note that additional core indicator(s) should be reported on, as relevant, during the implementation. Please clarify the planned approach accordingly. For the core indicators, please refer to the table shared above (pages 7–8), under the column titled 'Proposed Core Indicator'.

[January 22, 2026]

Response: Not Cleared

Secretariat: CAR9: Not Cleared.
While the amounts have now been included, we note that there is a project output, specifically output 03.3 which does not have any alignment information. Kindly fill in as relevant.
[March 2, 2026]

Response: Not Cleared

Secretariat: CAR9: Partially cleared.
The revised alignment table now includes reference to O3.3 and links it to the relevant Adaptation Fund outputs and indicators. However, the presentation still requires clarification. O3.2 and O3.3 appear together in the same row, and the corresponding AF outputs and output indicators are repeated within the same cells.

Please revise the Outcome 3 section of the alignment table so that O3.2 and O3.3 are presented in separate rows, with each row clearly linked to the corresponding AF output, AF output indicator, and grant amount. This revision should also be consistent with the broader corrections requested under CAR3 regarding the need to avoid grouping multiple AF outputs and indicators under a single project indicator and grant amount.
[June 24, 2026]

Response: Cleared

Secretariat: CAR9: Cleared, subject to the broader corrections requested under CAR3 (pp. 145–151). Project Outcome Indicators O3.2 and O3.3 are now presented separately. O3.2 is linked to the relevant AF outputs and output indicators with corresponding allocations, while O3.3 is separately presented with a USD 0 allocation and an explanation that the associated costs are embedded within the activities supporting O3.1 and O3.2. The overall restructuring of the outcome- and output-level alignment table remains to be addressed under CAR3.

Is a disbursement schedule with time-bound milestones included?

Response: Not Cleared

Secretariat: CAR11: The proposal includes a disbursement schedule using the Adaptation Fund template format (p.124); however, adjustments are required.

Budget figures should be presented without decimal points. As a result, there are USD 1 discrepancies in both the Year 3 total and the total calculation of Implementing Entity fees, which need to be corrected.

Please use whole dollar amounts and revise the disbursement schedule accordingly.
[January 22, 2026]

Response: Cleared

Secretariat: CAR11: Cleared.

The disbursement schedule is updated, correcting decimals discrepancies.
[March 2, 2026]

Response: Cleared

Secretariat: Will be checked until technical clearance.
[June 24, 2026]

Response: Not Cleared

Secretariat: The overall budget totals reconcile across the proposal and Annex 8. However, the following limited inconsistencies should be corrected:

- The detailed budget covers 2026–2030 (pp. 149–156 and Annex 8), whereas implementation is scheduled for 2027–2031. Please revise the headings to 2027–2031 or use Year 1–Year 5 consistently.
- The individual items in the budgeted MEL plan total USD 845,000, rather than the USD 8,450,000 reported on p. 130. Please correct the total.
- In the execution-cost breakdown (p. 157 and Annex 8), the stated calculation bases do not reconcile with the amounts presented: USD 1,122.99 per month for 60 months equals approximately USD 67,379, rather than USD 71,871, for the Project Analyst; and USD 4,247.11 per annual site visit for five years equals approximately USD 21,236, rather than USD 19,112. Please correct the calculation bases or corresponding amounts while maintaining the total execution-cost envelope.
- The budget identifies the screening, selection and contracting activity as Activity 1.1.3 (p. 149 and Annex 8), whereas it is Activity 1.1.2 in the component description. Please correct the numbering.

Please make these corrections consistently in the clean proposal, track changes and Annex 8. Please ensure consistency across all financing tables.

Response: Not Cleared

IE:

Response: Cleared

Secretariat: Cleared, as per the corrections in Annex 8 and EE fees breakdown.



PROGRAMME ON INNOVATION: AFCIA PROGRAMMES

REQUEST FOR PROJECT FUNDING FROM THE ADAPTATION FUND

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

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 must be fully prepared when the request is submitted.

Complete documentation should be sent to:

The Adaptation Fund Board Secretariat
1818 H Street NW
MSN N6-600
Washington, D.C., 20433
U.S.A
Email: afbsec@adaptation-fund.org

MULTI/ REGIONAL INNOVATION PROJECT/PROGRAMME PROPOSAL

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Accelerator Phase 2	UNDP- Adaptation Fund Climate Innovation
Geographic Scope (Multi/Regional):	Multiple Countries
Thematic Focal Area[1]:	Innovative adaptation financing
Type of Implementing Entity:	Multilateral Implementing Entity (MIE)
Implementing Entity:	United Nations Development Programme (UNDP)
Executing Entities:	United Nations Development Programme (UNDP)
Amount of Financing Requested:	15,000,000.00 (in U.S Dollars Equivalent)

[1] The programme can have a thematic focus or foci, such as the following (i.e. this is not an exhaustive list): Agriculture and food security; Disaster risk reduction and early warning systems; Forests and land use management; Human health, including maternal and child health and welfare etc; Innovative adaptation financing; Local traditional ecological knowledge solutions, including harnessing or revival of indigenous, traditional solutions; Marine, fisheries, and oceans adaptation; Nature-based solutions, including ones that are biodiversity-supporting, in various settings (e.g. urban, peri-urban and non-urbanized); Urban adaptation and Water management

Table of Contents

PART I: PROJECT/PROGRAMME INFORMATION....2

1. Problem Statement 5
2. Economic, Social, Development, and Environmental Context 6
3. Global Innovation and Adaptation Finance Context 9
4. Climate Vulnerabilities: Global and Regional Perspective....11
5. Climate-Change Adaptation Priorities....19

AFCIA 2: Targeted Response to the Adaptation Innovation Challenges 30

Project / Programme Objectives:....31

Overarching Development Outcome 32
AFCIA 2 four core principles....33

Project / Programme Components and Financing: 35

Projected Calendar:....36

PART II: PROJECT / PROGRAMME JUSTIFICATION 37

Project Components and Contribution to Climate Resilience 37

Theory of Change 38

Description of the Project Components 40

Activities contributing to Output 1.2 48

Activities contributing to Output 1.3 50

Activities contributing to Output 2.2: 54

Activities contributing to Output 3.1: 57

Activities contributing to Output 3.2: 60

Expected Results under the Innovation Pillar....61

Promoting New and Innovative Solutions to Climate Change Adaptation 63

Innovation for Adaptation Approach 65
Key Criteria for Scalable and Self-sustainable Innovation for Adaptation Solutions 65

Economic, Social, and Environmental Benefits and Safeguards 68

Screening for Economic, Social and Environmental Benefits....68
Screening for Inclusive, Equitable and Gender-Responsive Participation 69
Screening for socially acceptable and locally led Solutions....69
Screening for Environmental and Social Safeguards....69

Cost-Effectiveness of the Project and Added Value of the Global Approach....70

Alignment with National, Sub-National and Regional Adaptation and Development Strategies....72

Alignment with Technology Needs Assessments & Technology Action Plans 73

Compliance with National Technical Standards and the Adaptation Fund's Environmental and Social Policy 74

Integration into Grant Proposal and Selection Process 74
Verification During Implementation 74
Environmental and Social Safeguards 74

Maximizing Synergy: Enhancing Regional Climate Resilience through Complementary Adaptation Initiatives 75

1. Complementarity within the Adaptation Fund's Implementing Partners 75

2. Complementary Focus with other Climate Funds 76

3. Innovation and SME-Focused Initiatives 78

Learning and Knowledge Management Component 79
Empowering Grantees and Strengthening Local Adaptation through Knowledge Exchange 79
Integrated Learning Architecture 80
Fostering Knowledge Exchange and Capacity Building through the MBA Fellowship Programme 80
Creating a Knowledge Platform to Support Scaling and Replication 81
Visibility and Branding of the Adaptation Fund 82

Consultative Process and Stakeholder Engagement Approach 83
Initial Consultations with Key Stakeholders 84
Future Stakeholder Consultations and Detailed Risk Assessments 90

Incorporating Diverse Perspectives on Innovation from Different Stakeholders....91

Justification for Funding Requested: Addressing the Full Cost of Climate Adaptation 92
Ensuring Sustainability of Project Outcomes in the Design Process 92

Overview of Environmental and Social Impact and Risk Screening Process 99
Screening and Categorization Process 99
Selection and approval mechanism of grants 100
Roles and Responsibilities 100
Monitoring, Reporting, and Learning Across USPs 100
Overview of Environmental and Social Impacts and Risks Relevant to the Project 101
(further detailed in Annex 4) 101

PART III: IMPLEMENTATION ARRANGEMENTS 114

1. Project Management and Oversight Arrangements....114
2. Detailed Governance Arrangements, Roles and Responsibilities....117

Financial and Project / Programme Risk Management....120
Measures for Financial and Project Risk Management....120

Environmental and Social Risk Management Measures 123

Monitoring and Evaluation Arrangements and Budgeted MEL Plan 124

Results framework for the Project 130

Alignment of the Project with the Adaptation Fund's Results Framework....142

Detailed Budget Breakdown 148

Disbursement Schedule with Time-Bound Milestones 161

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY 162

PART V: ANNEXES.....163

1. Problem Statement

The Global South bears a disproportionate share of climate impacts despite minimal historical responsibility for emissions.[2] Least Developed Countries (LDCs) and Small Island Developing States (SIDS) collectively account for less than 4% of global greenhouse gas emissions—LDCs approximately 1–3%, SIDS under 1%, and Africa around 3.6–4%—yet these regions face escalating climate hazards with constrained fiscal space and limited adaptive capacity[3][4][5]. As global temperatures approach 1.5 °C above pre-industrial levels, they are already confronting intensifying heat stress, hydrological extremes, sea-level rise and ecosystem degradation that threaten lives, livelihoods, fiscal stability and long-term development gains[6] [7].

Within these regions , vulnerability is multidimensional and intersectional. Vulnerable groups—including women, youth, indigenous peoples, ethnic minorities, persons with disabilities, migrants and the urban poor—experience heightened exposure and reduced adaptive capacity due to structural inequalities in land tenure, finance, information access and decision-making[8][9]. Gendered roles in water and food provisioning, unpaid care burdens during disasters and systematic exclusion from governance amplify these risks[10]. These climate stresses interact with existing economic and social fragilities—high poverty, informality, limited social protection and under-resourced public services—to deepen inequality and constrain development choices.

Although most countries have submitted Nationally Determined Contributions (NDCs) and many have initiated National Adaptation Plans (NAPs), progress remains slow due to systemic barriers—fragmented governance, weak institutional capacity and insufficient finance[11][12]. Fragmented governance, weak institutional capacity, short project cycles and patchy knowledge-sharing ecosystems mean that climate risks are not systematically translated into bankable, locally grounded adaptation pipelines. Indigenous knowledge and community

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2 Nationally Determined Contributions (NDC) Global Outlook Report 2021 The State of Climate Ambition United Nations Development Programme. (2021). [online] United Nation Development Programme, p.12. Available at: https://climatepromise.undp.org/sites/default/files/research_report_document/State%20of%20Climate%20Ambition.pdf

3 Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. IPCC Sixth Assessment Report. https://www.ipcc.ch/report/ar6/wg2/

4 United Nations Conference on Trade and Development. (2021). Trade and Environment Review 2021: Trade-climate readiness for developing countries. https://unctad.org/publication/trade-and-environment-review-2021

5 International Energy Agency. (2025). Global Energy Review 2025. https://www.iea.org/reports/global-energy-review-2025

6 World Meteorological Organization. (2024). State of the Global Climate 2024. WMO. Retrieved from https://public.wmo.int/en/resources/state-of-global-climate

7 Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. IPCC Sixth Assessment Report. Retrieved from https://www.ipcc.ch/report/ar6/wg2/

8 World Resources Institute. (2021). State of Climate Action 2021: Systems Transformations Required to Limit Global Warming to 1.5°C. Retrieved from https://www.wri.org/research/state-climate-action-2021

9 Steinbach, D., Bahadur, A., Shakya, C., et al. (2022). The good climate finance guide for investing in locally led adaptation. IIED. Retrieved from https://www.iied.org/21231iied

10 PinhoGomes-, A.-C., & Woodward, M. (2024). The association between gender equality and climate adaptation across the globe. BMC Public Health, 24, Article 1394. Retrieved from https://bmcpublichealth.biomedcentral.com/articles/10.1186/s12889-024-18880-5

11 United Nations Environment Programme. (2024). Adaptation Gap Report 2024: Come hell and high water. UNEP. Retrieved from https://www.unep.org/resources/adaptation-gap-report-2024

12 Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. IPCC Sixth Assessment Report. Retrieved from https://www.ipcc.ch/report/ar6/wg2/

innovations are often overlooked, resulting in misaligned interventions and limited sustainability. The result is a widening gap between planning and delivery, particularly in LDCs, SIDS and fragile states.

This gap is reinforced by a severe and growing shortfall in adaptation finance, and by the way existing finance is structured and allocated. Global adaptation finance reached about US$63 billion in 2021–2022—just 5% of total climate finance—against needs of approximately US$212 billion per year by 2030 and approximately US$310–365 billion by 2035 for developing countries alone.[13] International public adaptation flows to developing countries were approximately US$28 billion in 2022 and approximately US$26 billion in 2023, far below the Glasgow pledge to double 2019 levels by 2025. Distributional inequities are stark: LDCs have received less than 3% of tracked adaptation finance, and the ten most climate-affected countries (2000–2019) received under 2% of total climate finance; fragile and conflict-affected states remain severely underfunded despite acute vulnerability[14][15][16].

At the same time, the actors best placed to deliver context-specific, scalable adaptation solutions remain trapped in a "missing middle". Community-based organizations, micro, small and medium enterprises (MSMEs) and social enterprises—critical for context-specific, scalable solutions—are often too large for micro-grants yet too early-stage for commercial investment, and too unconventional for traditional development funding.[17][18][19].This structural gap limits innovation diffusion and scalability. Risk-averse funding modalities, rigid eligibility criteria and limited risk-sharing mechanisms mean that responsible risk-taking and the testing of novel approaches are the exception rather than the norm. Promising local innovations therefore struggle to move from idea and pilot to replication and scale, even where they directly address documented climate risks and vulnerable groups.

The desired future is one in which adaptation finance is significantly scaled up, predictable and better targeted: where LDCs, SIDS and fragile states receive a fair share of resources commensurate with their needs; where local and non-traditional actors—including women-, youth- and indigenous-led organizations, MSMEs and social enterprises—can access flexible, appropriately structured, risk-tolerant capital and tailored technical support; and where institutions and knowledge systems are configured to reward learning, responsible experimentation and the uptake of successful innovations. In that future, climate-vulnerable communities are not merely recipients of projects but co-designers and implementers of adaptation pathways that safeguard their economies, societies and ecosystems.

2. Economic, Social, Development, and Environmental Context[20]

13Climate Policy Initiative (2023). Global Landscape of Climate Finance 2023. [online] CPI. Available at: https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[14] Christian Aid. (2024). Annual Report 2024. Retrieved from https://www.christianaid.org/wp-content/uploads/2025/04/FY24-Corporate-Annual-Report.pdf

[15] Watson, C. (2025). Revitalising finance for adaptation: What role for the multilateral climate process? ODI Working Paper. Retrieved from https://odi.org/en/publications/revitalising-finance-for-adaptation-what-role-for-the-multilateral-climate-process/

[16] Shawoo, Z., Browne, K., Canales, N., & Nazareth, A. (2025). Assessing the distributive equity of adaptation finance: A framework. Climate Policy. https://doi.org/10.1080/14693062.2025.2456552 Retrieved from https://www.tandfonline.com/doi/pdf/10.1080/14693062.2025.2456552

17 Uncdf.org. (2021). Addressing the 'missing middle' challenge in least developed countries By Anders Berlin and Abdul-Rahman Lediju. [online] Available at: https://www.uncdf.org/article/6520/addressing-the-missing-middle-challenge-in-least-developed-countries? [Accessed 6 Jul. 2025]

[18] United Nations Capital Development Fund. (2024). UNCDF Annual Report 2024: Unlocking finance for local development. Retrieved from https://www.uncdf.org/article/1234/annual-report-2024

[19] SEED. (2024). SEED Annual Report 2024: Accelerating green and inclusive enterprises. Retrieved from https://seed.uno/publications/annual-report-2024

[20] This is a summarized section. For full details, please refer to Annex 12.

2.1.Climate risks reshaping societies and systems

Climate change is accelerating and reshaping ecosystems and human systems across all regions[7]. Rising temperatures are driving more frequent and severe extremes—heatwaves, droughts, floods, and cyclones—that increasingly occur together or in quick succession. These compound and cascading events strain infrastructure, agriculture, water systems, energy, and health services, eroding resilience and elevating fiscal pressures[7]. Once global warming exceeds approximately 1.5°C, extremes intensify more sharply, and several ecosystems approach adaptation thresholds; coral reefs, coastal wetlands, mountain glaciers, and low-lying islands already exhibit stress signals that limit recovery and service provision for communities that rely on them[7].

The human dimension is central. Vulnerable populations—especially in the Global South—face disproportionate exposure and thinner safety nets. Nearly 80% of the world's poor live in regions where multiple hazards converge, and successive shocks since 2019 (pandemic, conflicts, price spikes, climate disasters) have reversed development gains, pushing millions into poverty and hunger[21]. This shock stacking deepens inequality, damages productivity, and traps households in cycles of vulnerability that are hard to escape without targeted support[171'22].

Economic and social context

Economic and social risks are tightly intertwined with climate hazards. Sub-Saharan Africa and South Asia host the largest concentrations of poor people who often face multiple, concurrent hazards—heat, drought, floods, cyclones—with limited adaptive capacity and access to finance[22] (UNDP, 2025). Middle-income regions now contain large shares of the poor as well, and many of these populations are highly exposed to climate extremes in urban and peri-urban settings where infrastructure deficits persist[21'22].

Risk is concentrated in specific settings that amplify vulnerability to climate hazards. In urban informal settlements, dense neighborhoods with inadequate drainage, cooling infrastructure, and emergency services experience acute heat stress and flash floods. Heavy rainfall often triggers disease outbreaks, while disruptions to housing, small businesses, and essential services reduce incomes and increase health costs[21] (United Nations, 2024).

In remote rural areas, livelihoods such as rainfed agriculture, pastoralism, and nature-based activities are highly sensitive to rainfall variability and temperature spikes. When droughts or floods strike repeatedly, households resort to coping strategies like selling assets, reducing food intake, or migrating seasonally—choices that erode resilience and increase long-term vulnerability[7].

Displacement settings face layered risks. Camps and host communities often combine elevated hazard exposure with resource scarcity and social pressures. Disaster-related displacement has surged in Asia–Pacific and parts of Africa and Latin America and the Caribbean, yet formal social protection coverage remains limited, leaving displaced populations highly exposed to climate shocks[21,22].

Gender and social identity shape vulnerability. Women's unpaid care work and roles in water and food provision reduce time and flexibility to adapt; limited land rights and credit access constrain enterprise resilience and farm productivity. Youth, indigenous peoples, persons with disabilities, migrants, and Afro-descendant communities often live in hazard-exposed neighborhoods with weaker access to services and finance (UNDP, 2025; United Nations, 2024). These factors compound risk and slow recovery, signaling the need for inclusive interventions that expand agency, assets, and protective systems.

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[21] United Nations. (2024). The Sustainable Development Goals Report 2024. United Nations. https://unstats.un.org/sdgs/report/2024/

[22] United Nations Development Programme. (2025). Overlapping Hardships: Poverty and Climate Hazards – Multidimensional Poverty Index 2025. UNDP. https://hdr.undp.org/

Development context

Most countries now have Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs), yet implementation often remains slow and projectized. Aligning the two instruments is uneven, and institutional fragmentation across planning, finance, and sector agencies continues to hamper coordination and execution[23]. Country experiences—particularly in Latin America and the Caribbean—highlight persistent institutional capacity gaps that impede translation of national targets into multi-year, cross-sector programs[2324]. On the public financial management side, climate-budget tagging and related tools are gaining ground, but pipeline quality and the pace of execution still lag demand in many contexts[25].

Despite widespread policy commitments, a major adaptation gap lies in the insufficient climate-proofing of essential infrastructure—transport networks, energy systems, and water supply—where design standards often rely on historical climate data rather than forward-looking risk scenarios. This omission exposes countries to escalating repair costs, service disruptions, and fiscal stress as climate hazards intensify[26'27]. Global evidence indicates that disaster-related infrastructure losses have increased sevenfold since the 1970s, underscoring the urgency of integrating resilience measures into planning and investment[27]. While guidance exists to incorporate climate projections into infrastructure design, adoption remains uneven, particularly in LDCs and SIDS where financing and technical capacity constraints persist[28]. Strengthening adaptation requires mainstreaming risk-informed standards, scenario-based engineering, and dedicated resources for project preparation to ensure infrastructure assets remain functional and safe under future climate conditions[29'30].

Monitoring, evaluation, and learning (MEL) systems remain uneven, and risk information is not consistently converted into investment ready- projects. Global evidence from infrastructure project preparation shows that many concepts stall before becoming "bankable" due to weak feasibility, unclear risk allocation, and limited preparation capacity—issues that also affect resilience projects[31]. Investment promotion bodies and financiers repeatedly point to the shortage of bankable pipelines as a binding constraint for private capital participation[32].

Knowledge ecosystems have gaps as well. Indigenous and community innovations—such as low-cost cooling, water harvesting, -climate smart agroforestry, and -community led- early warning—are often underrecognized or -under resourced- in formal programs, despite growing evidence that they strengthen adaptation effectiveness and social legitimacy[33]. Recent reviews show that integrating Indigenous knowledge with

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[23] UNFCCC. (2024). Aligning National Adaptation Plans, Nationally Determined Contributions and Adaptation Communications (Policy brief, LDC Expert Group). https://unfccc.int/sites/default/files/resource/Policy-brief-NAPs-NDCs-AdComs.pdf

[24] Echebarria, K. (2024). Institutional challenges to the implementation of nationally determined contributions in Latin American and Caribbean countries (Working Paper No. 32). CGIAR. https://cgspace.cgiar.org/server/api/core/bitstreams/499e2025-2e41-4d10-a1d5-9f6a7d66a75d/content

[25] UNDP. (2025a). Using public financial management to implement NDCs and NAPs: Integrating climate goals into government budgets (Guidance note). https://www.undp.org/sites/g/files/zskgke326/files/2025-08/guidance_note_on_pfm_for_ndcs_and_naps_0.pdf

[26] IPCC. (2022). Climate Change 2022: Impacts, Adaptation, and Vulnerability. Cambridge University Press.

[27] OECD. (2024). *Infrastructure for a Climate-Resilient Future*. OECD Publishing.

[28] National Institute of Standards and Technology (NIST). (2024). Incorporating Climate Projections into Infrastructure Planning and Design.

[29] Wise, R. M., Capon, T., Lin, B. B., & Stafford-Smith, M. (2022). Pragmatic cost–benefit analysis for infrastructure resilience. Nature Climate Change, 12(11), 1013–1016.

[30] World Resources Institute (WRI). (2025). The Compelling Investment Case for Climate Adaptation.

[31] World Bank. (2017, September 26). Preparing bankable infrastructure projects (Blog). https://blogs.worldbank.org/en/ppps/preparing-bankable-infrastructure-projects

[32] Global Infrastructure Hub. (2019, April 23). Project preparation: Translate concept into bankable project. https://www.gihub.org/articles/project-preparation-translate-concept-into-bankable-project/

[33] Ciocco, T. W., Miller, B. W., Tangen, S., Crausbay, S. D., Oldfather, M. F., & Bamzai-Dodson, A. (2024). Indigenous knowledge in climate adaptation planning: Reflections from initial efforts. Frontiers in Climate, 6. https://doi.org/10.3389/fclim.2024.1393354

scientific assessments improves relevance and uptake, but requires ethical engagement, tailored finance, and procurement approaches that value locally led solutions[34'33].

Finance context

Finance architecture remains a binding constraint for adaptation. The latest syntheses based on the UNEP Adaptation Gap Report estimate annual adaptation needs in developing countries on the order of US$187–359 billion, while public international adaptation finance delivered in 2022 was about US$28 billion—an order of magnitude lower than needs[35'36]. Private finance for adaptation remains limited and fragmented; IMF analysis finds that roughly 98% of tracked adaptation finance currently comes from public actors, underscoring the need for risk sharing- mechanisms and incentives to mobilize private capital[37'38].
Credit access is especially thin for micro, small, and medium enterprises (MSMEs)—the lastmile providers of goods, services, and jobs in vulnerable communities. The MSME finance gap in emerging markets and developing economies is estimated at US$5.7 trillion, with -women owned- MSMEs facing a gap of approximately US$1.9 trillion; these constraints limit investment in resilience upgrades, inventories, and technologies[39'40].

Environmental context

Escalating extremes and approaching adaptation limits in critical ecosystems raise systemic risks. Coral bleaching reduces fisheries and coastal protection; wetland loss damages water regulation and biodiversity; mountain glacier retreat affects dry-season flows, hydropower, and irrigation. In Asia's Hindu Kush–Himalaya, glacier retreat and the growing risk of glacier lake outburst floods (GLOFs) threaten downstream communities and energy systems; in coastal deltas, salinization reduces agricultural yields and affects drinking water quality. These environmental shifts reverberate across water, food, health, and infrastructure, with compound events—heat plus drought, flood plus disease outbreaks, storm surge plus sea-level rise—becoming more common[7,22].

3. Global Innovation and Adaptation Finance Context

Square Global innovation capacity remains highly concentrated in high income economies, while many climate vulnerable countries in Africa, Asia–Pacific, Arab States, Latin America and the Caribbean (LAC), and parts of Europe and Central Asia (ECA) operate- as emerging or under- -resourced innovators. At the same time, each region hosts "innovation over-performers"—economies whose innovation outputs exceed expectations given their income level—signaling latent capability that can be mobilized for adaptation[41]. Total climate finance

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[34] Dorji, T., Rinchen, K., Morrison-Saunders, A., Blake, D., Banham, V., & Pelden, S. (2024). Understanding how Indigenous knowledge contributes to climate change adaptation and resilience: A systematic literature review. Environmental Management, 74, 1101–1123. https://doi.org/10.1007/s00267-024-02032-x
[35] E3G. (2025). Bridging the finance gap for adaptation (Briefing paper). https://www.e3g.org/wp-content/uploads/E3G-briefing-Bridging-the-finance-gap-for-adaptation-2.pdf
[36] UNEP. (2023). Adaptation Gap Report 2023. United Nations Environment Programme. https://www.unep.org/resources/adaptation-gap-report-2023
[37] IMF. (2024). Unlocking adaptation finance in emerging market and developing economies (Staff Climate Note No. 007). https://doi.org/10.5089/9798400293290.066
[38] OECD. (2023). Scaling up adaptation finance in developing countries. https://www.oecd.org/en/publications/scaling-up-adaptation-finance-in-developing-countries_b0878862-en.html
[39] SME Finance Forum. (2025). MSME finance gap: An updated estimation and evolution of the MSME finance gap in EMDEs. https://www.smefinanceforum.org/data-sites/msme-finance-gap
[40] World Bank. (2025). SME finance—Overview. https://www.worldbank.org/en/topic/smefinance
[41] World Intellectual Property Organization. (2024). Global Innovation Index. https://www.wipo.int/en/web/global-innovation-index

reached ~US$1.3 trillion in 2021/22, but growth is skewed to mitigation (renewables, low carbon- transport), while adaptation—especially at local/community/MSME level—remains structurally under-financed[42].Recent syntheses place annual adaptation needs for developing countries at ~US$212 billion by 2030 and US$310–365 billion by the mid-2030s, compared to ~US$26 billion in public adaptation finance delivered in 2023, highlighting the magnitude of the adaptation finance gap[43'44].

From an adaptation innovation lens, the Global Innovation Index (GII) pillars most relevant are: framework conditions (policy, regulation), innovation investments in climate relevant sectors (water, agriculture, infrastructure, ecosystems, risk management), and outputs directly supporting adaptation (environment related technologies, early warning systems, SME green products/processes). Many developing countries already exhibit relative strengths in environment related environment related- technologies and SME product/process innovation, but these strengths are not consistently directed toward adaptation and are undermined by weak public R&D, limited risk capital, and insufficient government support for business innovation[41'7].

Regional Innovation Context

Africa

Sub-Saharan Africa combines high climate vulnerability with growing pockets of innovation excellence. The region hosts multiple innovation overperformers and is showing upward mobility in GII rankings, yet absolute performance remains low across many countries due to limited R&D, weak innovation infrastructure, and scarce finance (WIPO, 2024). Climate hazards—rapid warming, heavier downpours, multiyear droughts—and exposure in coastal cities compound stress on agriculture, water, health, and energy systems, with poverty and conflict amplifying risks (IPCC, 2022; UNDP, 2025). Converting rising innovation inputs (institutions, business sophistication) into high value adaptation outputs remains the key challenge (WIPO, 2024).

Asia–Pacific (including SIDS)

Asia–Pacific is the most disaster impacted region, with recurrent floods and storms, intensifying monsoon cloudbursts, and glacial retreat/GLOFs affecting livelihoods. SIDS face existential risks from -sea-level- rise and ocean warming despite negligible emissions[7]. The region also contains global innovation leaders such as (Singapore, Republic of Korea, China) and overperformers (e.g., India, Viet Nam), but many -low-income- economies and SIDS have small R&D bases and limited risk capital, slowing translation of frontier capabilities into locally led adaptation gains[41].

Europe & Central Asia (ECA)

ECA features top innovation leaders alongside moderate/emerging innovators. EU innovation performance improved approximately 10–13% (2017–2024), but regional disparities persist; Eastern/Southeastern Europe and parts of Central Asia show gaps in business R&D, public innovation support, and SME innovation, even as climate risks—heat drought- compounds, urban pluvial floods, glacier retreat and water stress—intensify[41'7] (IPCC, 2022; WIPO, 2024). Bridging the transition gap between strong institutional/technical capacity and frontline adaptation demands remains pivotal[41].

Arab States (MENA)

MENA is extremely water scarce- and increasingly exposed to extreme heat, flash floods, and desertification, with deltas (e.g., the Nile) experiencing salinization. Innovation performance is highly uneven; while several regional neighbors such as Israel, UAE, Türkiye, Cyprus rank among global leaders, while many low/-middle-

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[42] Climate Policy Initiative. (2023). Global landscape of climate finance 2023. https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[43] E3G. (2025). Bridging the finance gap for adaptation (Briefing paper). https://www.e3g.org/wp-content/uploads/E3G-briefing-Bridging-the-finance-gap-for-adaptation-2.pdf

[44] UNEP. (2023). Adaptation Gap Report 2023. United Nations Environment Programme. https://www.unep.org/resources/adaptation-gap-report-2023

income- states have weak R&D and fragmented innovation ecosystems[41,45]. Climate finance profiles show skews toward loans and mitigation, and SMEs struggle to access adaptation credit, constraining resilience investments[45].

Latin America & the Caribbean (LAC)

LAC faces intensifying cyclones, floods, droughts, rapid Andean glacier loss, and coastal surge/SLR in the Caribbean, alongside postCOVID- poverty reversals and rising food insecurity[46,7]. Innovation anchors—Brazil, Chile, Mexico—sit in midrange GII positions, while many countries exhibit low R&D intensity, limited infrastructure, and thin -early stage- capital. A persistent input–output gap sees investments in education/infrastructure not consistently translating into innovation outputs[41].

4. Climate Vulnerabilities: Global and Regional Perspective

Climate change is pushing Earth's systems toward dangerous tipping points and exceeding their capacity to adapt. Many critical ecosystems – from tropical coral reefs and coastal wetlands to mountain glaciers and low-lying islands – are already nearing or surpassing their "hard" adaptation limits[47]. Above about 1.5 °C of warming, the frequency and intensity of climate extremes (heatwaves, droughts, wildfires, cyclones, floods, etc.) rise sharply[48]. These extremes increasingly hit together or in succession, so that concurrent heat, drought and storm events cascade through infrastructure, food and water systems, health services and natural ecosystems. In practice, this means physical shocks compound one another and amplify impacts – for example, floods on top of storms or fires during heatwaves can overwhelm relief efforts and damage multiple systems at once. Crucially, these escalating hazards tend to hit the poorest and vulnerable communities hardest. Inequity and poverty limit adaptive capacity, so that low-income, vulnerable groups face far greater exposure and fewer means to cope[49]. In other words, intensifying climate hazards directly magnify socio-economic vulnerability, linking the physical threats of warming to the human development risks that follow.

Climate change is therefore not only an ecological challenge, but also a socio-economic challenge. The world's poorest populations, particularly in the Global South, bear a disproportionate share of climate impacts. Nearly 80% of the global poor (≈887 million people) live in regions exposed to hazards such as heatwaves, flooding, drought, and air pollution[50]. In low- and middle-income countries, successive shocks have reversed development gains: pandemics, conflicts, and climate disasters pushed 23 million more people into extreme poverty and 100 million more into hunger in 2022 compared to 2019[51]. About 83% of all poor people live in two

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[45] UNESCWA. (2024). Climate finance in Arab States. https://www.unescwa.org/publications

[46] Food and Agriculture Organization. (2024). The State of Food Security and Nutrition in the World 2024. FAO. https://www.fao.org/publications

[47] IPCC. (2022). Summary for Policymakers. *www.ipcc.ch*. IPCC. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/chapter/summary-for-policymakers/

[48] IPCC. (2018). Summary for Policymakers — Global Warming of 1.5 ºC. *IPCC*. Retrieved November 8, 2025, from https://www.ipcc.ch/sr15/chapter/spm/

[49] IPCC. (2022b). Summary for Policymakers. *www.ipcc.ch*. IPCC. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/chapter/summary-for-policymakers/

50 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025b). (pp. 14–16). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

51 United Nations. (2024b). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 3). Retrieved November 8, 2025, from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

regions—Sub-Saharan Africa (565 million) and South Asia (390 million), both climate hotspots[52]. Figure 1 illustrates the quantum of climate hazard. In South Asia, 99% of the poor face at least one climate hazard, and more than half face multiple hazards simultaneously[53].

The adaptation finance gap is stark. Developing countries need USD 310–365 billion annually for adaptation by 2035, yet in 2023, only USD 26 billion in public adaptation funds reached them—roughly 12–14 times less than required[54]. Global adaptation finance totaled just USD 63 billion (≈5% of climate finance), far below the USD 212 billion per year needed by 2030[55]. Most of these scarce resources flow to richer economies: LDCs have received under 3% of adaptation finance, and the most climate-vulnerable countries under 2%[56].

The interplay of poverty and climate risk deepens vulnerability. The latest UNSDG report warns that *"climate change is hindering poverty reduction, and disasters result in millions of households becoming poor or remaining trapped in poverty"*[57]. Food insecurity is rising as record-high prices—partly driven by climate shocks—worsen access to nutrition globally. About 65% of poor people live in middle-income countries, underscoring that hunger and vulnerability persist even where nations are not classified as "low income"[58]. Upper-middle-income countries have fewer poor people in absolute terms. But their exposure to climate

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52 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025c). (p. 3). Retrieved from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

53 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025d). (p. 18). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

54 Environment, U. (2025). Adaptation Gap Report 2025. *UNEP - UN Environment Programme*. Retrieved November 8, 2025, from https://www.unep.org/resources/adaptation-gap-report-2025

55 Buchner, B., Naran, B., Padmanabhi, R., Stout, S., Strinati, C., Wignarajah, D., Miao, G., et al. (2023). *Global Landscape of Climate Finance 2023 AUTHORS* (p. 6). Retrieved November 8, 2025, from https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf

56 Buchner, B., Naran, B., Padmanabhi, R., Stout, S., Strinati, C., Wignarajah, D., Miao, G., et al. (2023). *Global Landscape of Climate Finance 2023 AUTHORS* (p. 6). Retrieved November 8, 2025, from https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf

57 United Nations. (2024c). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 8). Retrieved November 8, 2025, from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

58 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025e). (p. 6). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

hazards is disproportionately high—91 per cent of poor people in these countries face at least one climate hazard[59].

Socio-economic and environmental inequalities compound these risks. Vulnerable groups—women, youth, indigenous peoples, ethnic minorities, persons with disabilities, migrants, and the urban poor—consistently lack adaptation support and voice[60]. Women shoulder disproportionate unpaid care work, limiting resilience, while indigenous knowledge is often excluded from planning. Environmental degradation and the loss of critical ecosystem services that people depend on—fisheries, freshwater regulation, soil health and crop biodiversity, non-timber forest products (NTFPs), and regulating services (e.g., carbon storage, flood buffering, pollination)—explicitly compound risk and create feedback loops with climate impacts[61]. Ocean warming, acidification and deoxygenation are already affecting marine ecosystems and fisheries productivity, heightening risks for coastal and small-scale fishers[61]. On land, desertification and land degradation reduce water retention and soil fertility, weakening agro-ecosystems and resilience[61].

Children under 18 make up just 33.6% of the population covered by the global MPI. Yet they account for 51% of people in multidimensional poverty. Among all children, 28% live in multidimensional poverty, more than double the rate among adults (13.5%)[62]. Many communities—such as informal urban settlements, remote villages, and nomadic pastoralists—already lack access to finance, markets, education, and services, leaving them highly exposed to climate threats.

Taken together, the evidence is clear: climate shocks are now intertwined with development challenges. Asia and Africa are epicenters of overlapping poverty and hazards, while even middle-income and urban populations face growing risks (e.g., heat in cities, coastal floods). The result is a vicious cycle: poor households and marginalized and vulnerable communities have fewer resources to adapt, so climate disasters deepen poverty and inequality. Closing this gap requires scaling up inclusive climate action that prioritizes those most at risk.

4.1. Regional Vulnerabilities

Africa is experiencing rapid warming, heavier downpours, and multi-year droughts. According to the World Meteorological Organization, 2024 was the warmest or second-warmest year on record for Africa, with surface temperatures about 0.86°C above the 1991–2020 average; North Africa warmed the fastest (≈1.28°C above that baseline)[63]. Human-driven climate change has already increased heatwaves and hot extremes in Africa. In 2024, extreme heat affected many parts of the continent, disrupting agriculture, reducing labor productivity and even forcing school closures during record heatwaves. Coastal and marine temperatures around Africa

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59 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025f). (p. 18). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

60 IPCC AR6 WGII (2022) – Climate Change 2022: Impacts, Adaptation and Vulnerability – Summary for Policymakers (SPM).

61 IPCC SRCCL (2019) – Special Report on Climate Change and Land: desertification, land degradation, food security, and land–climate interactions. (SPM; Chapters 2, 4, 5).

62 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025g). (p. 6). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

63 Extreme weather and climate change impacts hit Africa hard. (2025, May 7). *World Meteorological Organization*. Retrieved November 8, 2025, from https://wmo.int/news/media-centre/extreme-weather-and-climate-change-impacts-hit-africa-hard

have also climbed: sea-surface waters in the Atlantic and Mediterranean reached record highs in 2024, fueling massive marine heatwaves unseen since measurements began[64].

Rainfall patterns are becoming more erratic and extreme. Intense short-duration storms have grown more frequent, causing catastrophic floods in places like the Sahel and East Africa, while other regions face prolonged drought. The WMO notes “exceptional flooding” in some countries from excessive rainfall and “persistent droughts and water scarcity” in others. Over the Mediterranean and Sahara margins, declining precipitation has increased aridity – the balance of evaporation over rainfall – exacerbating water stress in North Africa[65]. In contrast, East African highlands and parts of the Sahel have seen more intense downpours, consistent with warming-driven increases in atmospheric moisture and heavy rainfall intensity[66] [67]. Meanwhile, southern Africa has seen both record-breaking cyclones and multi-year droughts – trends that, under warming scenarios, will yield fewer but stronger tropical storms and more frequent multiyear droughts[68] [69].
Africa’s long coastline and rapidly growing coastal cities are also at rising risk. Relative sea level is projected to climb by many tens of centimeters by 2100, threatening shorelines from the Nile Delta to West African coasts. One IPCC assessment estimates that 108–116 million Africans will be exposed to sea-level rise by 2030 (up from approximately 54 million in 2000), growing to 190–245 million by 2060[70]. Storm surges and coastal flooding driven by higher seas and more intense cyclones compound these threats to low-lying cities and infrastructure. By mid-century, the damages from sea-level rise and coastal storms could reach tens of billions of dollars for African coastal megacities[71] [72].

These climatic shifts compound existing social and economic vulnerabilities. As WMO warns, “extreme weather and climate change impacts are hitting every single aspect of socio-economic development in Africa and exacerbating hunger, insecurity and displacement”. In practice, higher temperatures and erratic rain hurt rainfed agriculture, food and water security, and public health. Consequently, Africa’s rapid warming, stronger heatwaves, heavier floods and deeper droughts set the stage for the socio-economic crises to follow. These climate pressures will amplify poverty, food insecurity and conflict in the region’s vulnerable communities as Africa is home to the largest concentration of climate-vulnerable people.

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[64] [64] Extreme weather and climate change impacts hit Africa hard. (2025, May 7). *World Meteorological Organization*. Retrieved November 8, 2025, from https://wmo.int/news/media-centre/extreme-weather-and-climate-change-impacts-hit-africa-hard

[65] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[66] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[67] WMO. (2024). *State of the Climate in Latin America and the Caribbean 2024 WEATHER CLIMATE WATER State of the Climate in Africa 2024* (p. 5). Retrieved November 8, 2025, from https://wmo.int/sites/default/files/2025-05/Africa_2024final1.pdf

[68] WMO. (2024). *State of the Climate in Latin America and the Caribbean 2024 WEATHER CLIMATE WATER State of the Climate in Africa 2024* (p. 5). Retrieved November 8, 2025, from https://wmo.int/sites/default/files/2025-05/Africa_2024final1.pdf

[69] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[70] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[71] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[72] WMO. (2024). *State of the Climate in Latin America and the Caribbean 2024 WEATHER CLIMATE WATER State of the Climate in Africa 2024* (p. 5). Retrieved November 8, 2025, from https://wmo.int/sites/default/files/2025-05/Africa_2024final1.pdf

Arab States (MENA) Arab League countries – from the wealthy Gulf monarchies to the Maghreb and Mashreq – are warming at alarming rates, roughly twice the global average[73]. Extreme heat is becoming the "new normal," with heatwaves intensifying and land aridity increasing. As UNDP notes, "temperatures in the Arab States region are increasing twice as fast as the global average," driving frequent droughts and water scarcity. In fact, today the region contains 14 of the world's 20 most water-stressed countries. By mid-century, all Arab countries are expected to live under "extremely high" water stress, which could slash regional GDP by up to approximately14% by 2050[74] [75]. Nearly half of the region's farmland is already degraded by soil erosion, salinization or nutrient loss. The combined effect is a harsher desertification trend: staple agriculture faces steep productivity declines, threatening food security for millions.

Although the climate is drying on average, rainfall is becoming more erratic and extreme. Satellite data confirm that when desert storms hit, they can pour massive amounts of rain in a short time[76]. The IPCC and regional scientists warn of "increased extreme precipitation events" even as average rainfall declines. In arid and Mediterranean zones, winters and autumns may see more intense storms, while summers get drier. Evidence from 2023–24 shows climate change is amplifying these extremes. World Weather Attribution analysis confirms that climate warming made events like Storm Daniel up to 50x more likely and 50% more intense than in pre-industrial times. The upshot: arid cities face growing flash-flood hazards amid heat, even as the overall water supply dwindles.

Large low-lying areas and deltas in the Arab region – notably the Nile Delta, Arabian Gulf coasts, and Mediterranean fringes – are highly vulnerable to sea-level rise and storm surges. Currently, about 9% of the Arab population lives within approximately5 m of sea level, often in densely settled coasts[77]. As seas rise, saltwater is intruding into coastal aquifers and farmland (especially in Egypt's delta). NASA analyses show the Nile Delta's most fertile soils are already being lost: roughly 15% of Egypt's prime farmland has suffered permanent salinization due to rising seas and subsidence[78]. Rapid urbanization compounds the problem: cities like Alexandria and Cairo have been expanding onto delta land, eating away at agricultural buffers.

Overall, Arab states suffer "some of the world's fastest warming"[79], yet the region receives among the lowest levels of climate finance in the world. One UNDP analysis finds Arab countries need roughly $600 billion by

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[73] UNDP. (2023). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

[74] Hall, N. (2024, March 22). Surviving Scarcity: Water and the Future of the Middle East. *features.csis.org*. Retrieved from https://features.csis.org/surviving-scarcity-water-and-the-future-of-the-middle-east/

[75] UNDP. (2023). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

[76] A Deluge for the Sahara. (2024, September 13). *Nasa.gov*. NASA Earth Observatory. Retrieved from https://www.earthobservatory.nasa.gov/images/153320/a-deluge-for-the-sahara

[77] UNDP. (2023b). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

[78] Voiland, A. (2021, December 15). The Nile Delta's Disappearing Farmland. *earthobservatory.nasa.gov*. Retrieved from https://earthobservatory.nasa.gov/images/149183/the-nile-deltas-disappearing-farmland

[79] EL Nahlawy, H. (2023a). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved November 8, 2025, from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

2030 to adapt and decarbonize, but received only approximately $35 billion from 2010–2020[80]. Adaptation is especially underfunded: United Nations Economic and Social Commission for Western Asia reports the region still gets 8.5x more loans than grants and about 3.5x more funding for mitigation vs. adaptation[81]. Financial flows are concentrated in a few wealthy states, while fragile or low-income countries see only approximately 5% of total climate aid. Credit remains scarce: the region "has the largest gap in access to credit in the world," hampering private investment in green projects. Small and medium enterprises – which make up approximately 96% of firms and 50% of jobs – struggle to get financing for clean-tech innovations.

Asia-Pacific, including Small Island Developing States (SIDS), is the world's most disaster-impacted region. Asia–Pacific is a climate hotspot: UNDP Human Development Report warns climate change is a "profound existential threat" to the region. It is home to roughly 60% of the world's population[82] in fast-growing economies (China, India, Southeast Asia) that still rely heavily on coal and oil (about 85% of energy). By contrast, vulnerable small islands contribute only approximately 0.01% of global emissions but face "immediate and existential" risks from rising seas and marine heatwaves[83].

Extreme weather already pummels the region. Asia–Pacific averages about six climate disasters per year – roughly double Latin America's rate and triple Africa's. In 2022 alone, storms and floods in the region caused approximately 7,500 deaths, affected 64 million people and inflicted approximately $57 billion in damage. Coastal megacities amplify these impacts: six of the world's largest flood-prone coastal cities (Tokyo, Mumbai, etc.) are here, and about 70% of the global population vulnerable to sea-level rise lives in Asia–Pacific[84]. At the same time, warming is intensifying regional hydrology: heavy monsoon downpours are expected to become much more extreme[85]. The Asia–Pacific region contains some of the world's highest mountains and most extensive glacier systems. The mountains and glaciers in the Asia–Pacific region are among the most vulnerable to ongoing climatic, societal and environmental changes. Glaciers in the HKH region are

[80] How young people in the Arab States region are shaping climate action. (2024). *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/arab-states/stories/how-young-people-arab-states-region-are-shaping-climate-action

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[82] *Climate, Peace and Environmental Resilience in the Asia-Pacific Region*. (2025). Retrieved from https://weatheringrisk.org/sites/default/files/document/%28Final%29%20Climate%20Peace%20and%20Environmental%20Resilience%20in%20Asia_Pacific_Report_0.pdf

[83] For Asia-Pacific, climate change poses an "existential threat" of extreme weather, worsening poverty and risks to public health, says UNDP report. (2023, December 7). *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/asia-pacific/news/asia-pacific-climate-change-poses-existential-threat-extreme-weather-worsening-poverty-and-risks-public-health-says-undp-report

[84] For Asia-Pacific, climate change poses an "existential threat" of extreme weather, worsening poverty and risks to public health, says UNDP report. (2023, December 7). *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/asia-pacific/news/asia-pacific-climate-change-poses-existential-threat-extreme-weather-worsening-poverty-and-risks-public-health-says-undp-report

[85] *SIXTH ASSESSMENT REPORT*. (n.d.). Retrieved from https://www.ipcc.ch/report/ar6/wg1/downloads/factsheets/IPCC_AR6_WGI_Regional_Fact_Sheet_Asia.pdf

disappearing at an alarming rate: 65% faster in 2011–2020 than in the previous decade ,according to UN World Water Development Report 2025[86]. They are also melting faster than the global average. It has been projected that under global warming scenarios of 1.5–2°C, glacier volume in the HKH region may reduce by 30–50% by 2100. If global warming exceeds 2°C, these glaciers may shrink down to 20–45% of their 2020 volume. These warming and melting trends will cause catastrophic changes. Increases in total runoff in the Third Pole region have been projected, with the largest impacts in the monsoon-dominated river basins. For rivers like the Indus where the contributions of glacier- and snow-melt are high, increasing streamflow is expected to peak, then diminish. While impacts vary by river basin, research reiterates the role of glacial melt as a contributor to GLOFs, flash floods and landslides and elevated damage to human settlements, farm and pasture production, transport networks and hydropower energy systems. The risk of GLOFs occurring in the HKH region has been predicted to triple by the end of the century, with a significant number of GLOFs affecting other downstream countries, primarily in the eastern Himalayas.

The human toll is compounded by poverty and inequality. The region holds 60% of the world's population, including fast-developing economies and huge concentrations of poor people (e.g. India, Bangladesh, Indonesia). Disasters strike frequently: Asia-Pacific sees approximately 6 natural disasters per year on average, roughly twice Latin America's rate and three times Africa's. Coastal megacities and small island states are especially exposed: Asia-Pacific contains six of the world's largest flood-prone cities, and about 70% of the global population is at risk from sea-level rise[87].

Europe and Central Asia (ECA) face compound heat-drought events, urban pluvial floods, and glacier retreat in Central Asia, which heightens water stress. While risk-layered finance and green-blue urban infrastructure are priorities, they remain underfunded. Across Europe and Central Asia, climate hazards are intensifying. Heatwaves have grown more frequent and severe in all sub-regions, while precipitation patterns are shifting – winters are wetter in the north and summers drier around the Mediterranean[88]. These changes fuel compound extremes, such as concurrent heatwaves and droughts that heighten wildfire and crop-failure risks[89].

Despite relatively lower overall poverty in ECA than in other parts of the world, stark disparities persist. Central Asian republics and the Caucasus are especially at risk, facing glacier retreat, chronic drought, and competition over dwindling water supplies. Recent droughts have slashed agricultural yields by 30–40% in parts of Central Asia[90], spurring food and water crises. Vanishing glaciers and reduced river flows are already stoking tensions

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[86] UNESCO. (2025). The United Nations World Water Development Report 2025 - Mountains and glaciers Water towers. *Unesco.org*. Retrieved November 9, 2025, from https://unesdoc.unesco.org/ark:/48223/pf0000393070

87 Akash. (2023, December 7). For Asia-Pacific, climate change poses an "existential threat" of extreme weather, worsening poverty and risks to public health, says UNDP report. *UNDP*. Retrieved November 8, 2025, from https://www.undp.org/asia-pacific/news/asia-pacific-climate-change-poses-existential-threat-extreme-weather-worsening-poverty-and-risks-public-health-says-undp-report

[88] *SIXTH ASSESSMENT REPORT Regional fact sheet -Europe*. (n.d.). Retrieved from https://www.ipcc.ch/report/ar6/wg1/downloads/factsheets/IPCC_AR6_WGI_Regional_Fact_Sheet_Europe.pdf

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[90] Climate change poses major security risks to Europe and Central Asia | United Nations Development Programme. (n.d.). *UNDP*. Retrieved from https://www.undp.org/eurasia/blog/climate-security

over shared waters like the Fergana Valley[91]. Rural mountain communities – pastoralists and subsistence farmers in the Pamirs, Tien Shan or Caucasus – are also highly vulnerable, as erratic rainfall and thawing permafrost trigger floods and landslides in remote villages with fragile infrastructure[92].

In the Western Balkans, drought combined with socio-political fragility has made the region a climate-security hotspot, where water shortages and farm losses could inflame unrest. Eastern Europe, meanwhile, faces compounding stresses: the war in Ukraine and energy price spikes have heightened social vulnerabilities alongside climate impacts. Even the wealthier EU countries are not immune – the deadly 2022 heatwaves and wildfires revealed that urban populations are also at risk, with thousands of mainly elderly people perishing from extreme heat[93]. Pockets of rural poverty persist too – in Moldova, a 30% collapse in harvests led to massive job losses and a recession. Climate change thus acts as a threat multiplier across ECA, hitting the poorest communities hardest and sometimes fueling instability.

Latin America and the Caribbean (LAC) experience intensifying cyclones, floods, and droughts. Latin America and the Caribbean are facing an alarming convergence of climate hazards and socio-economic vulnerabilities, underscoring the urgency for targeted intervention. Intensifying climate extremes are already exacting a heavy toll. In recent years, multiple hazards have battered the region: dying Andean glaciers, record-breaking Caribbean hurricanes, severe droughts and deadly floods have all scarred LAC's socio-economic landscape[94]. Tropical cyclones in the Caribbean are growing more destructive; for example, Hurricane Beryl in 2024 was the strongest on record to strike Grenada, wreaking devastation across the islands. Cyclical El Niño events now fuel unprecedented floods and droughts – in 2024, El Niño conditions contributed to widespread drought across the Amazon Basin, with major rivers like the Negro in Manaus dropping to record lows and parts of the Paraguay River hitting their lowest level in 60 years. The high Andes are experiencing dramatic glacier loss: Venezuela has now lost its last remaining glacier, and the Andes have shed roughly 25% of their ice since the late 19th century, with tropical glaciers melting ten times faster than the global average. Meanwhile, low-lying small islands face existential threats from coastal erosion and rising seas; ocean warming and melting ice are accelerating sea-level rise, heightening the peril for coastal communities and island nations in the Caribbean. From the vanishing glaciers of the Andes to drought-stricken Amazonian rainforests and eroding beaches in the Caribbean, climate hazards are intensifying on all fronts in LAC, inflicting damage that lasts long after each disaster's headlines fade[95].

For the region's most vulnerable people, these escalating hazards hit hardest. Rural smallholder farmers (campesinos) and indigenous communities, who rely on climate-sensitive agriculture and ecosystems, have seen their livelihoods devastated by erratic rains, extreme droughts and other shocks. In cities, the urban poor – often crowded into informal settlements on flood-prone hillsides or coastlines – also bear disproportionate risk. Afro-descendant and indigenous populations are overrepresented in high-exposure zones due to historical marginalization. For instance, Afro-descendants in Latin America are roughly twice as likely to live in urban slums as non-Afro-descendants[96], meaning they often inhabit the least protected, most hazard-exposed parts of cities. Indigenous groups, too, are directly in harm's way: during the severe 2024 Amazon drought (the worst in 45 years), at least 16 indigenous groups across 42 territories in Brazil were directly affected by water

[91] Climate change poses major security risks to Europe and Central Asia | United Nations Development Programme. (n.d.). *UNDP*. Retrieved from https://www.undp.org/eurasia/blog/climate-security

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[93] Niranjan, A. (2025, July 9). Climate breakdown tripled death toll in Europe's June heatwave, study finds. *the Guardian*. The Guardian. Retrieved from https://www.theguardian.com/environment/2025/jul/09/europe-june-heatwave-study-climate-breakdown-tripled-death-toll

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[95] Extreme weather and climate impacts bite Latin America and Caribbean. (2025b, March 27). *World Meteorological Organization*. Retrieved from https://wmo.int/news/media-centre/extreme-weather-and-climate-impacts-bite-latin-america-and-caribbean

[96] Flamand-Lapointe, O., Lumsden, C., Pablo, S., Pareira, I., & Seppey, P. (n.d.). *Climate Change Impacts on the Rights of People of African Descent*. Retrieved from https://www.ohchr.org/sites/default/files/Documents/Issues/Racism/WGEAPD/Session28/written-input/capstone.pdf

shortages and wildfires[97]. These intersecting inequalities translate into a climate vulnerability gap – those with the fewest resources are the most exposed and least able to recover. Decades of social development gains are now at risk of unravelling. The COVID-19 pandemic, combined with recent climate catastrophes, has already reversed earlier progress in poverty reduction.

Taken together, these regional patterns reveal a global picture of accelerating climate hazards intersecting with socio-economic fragility. Addressing these vulnerabilities requires inclusive, well-financed adaptation strategies that prioritize the most exposed communities and ecosystems.

5. Climate-Change Adaptation Priorities

5.1. Global adaptation priorities

Adaptation is now a global imperative, especially for Least Developed Countries (LDCs) and Small Island Developing States (SIDS) that face escalating hazards while contributing little to historical emissions (e.g., coastal flooding, heat, drought, storms)[398]. The financing reality is clear: the adaptation finance gap is estimated at US$187–359 billion per year by 2030, and >US$310 billion annually by 2035, yet international public adaptation finance to developing countries was about US$28 billion in 2022 and approximately US$26 billion in 2023—a small fraction of needs[11]. Tracked flows in 2021–2022 reached approximately US$63 billion (public + private), only approximately 5% of total climate finance; Africa received approximately 20% of adaptation flows despite high exposure[133].

While more countries are submitting NAPs, implementation remains slow and projectized due to fragmented governance, constrained institutional capacity, and weak monitoring, evaluation and learning (MEL) systems[Error! Bookmark not defined.]. This is precisely why global guidance now emphasizes locally led adaptation (LLA) and the elevation of indigenous knowledge and gender responsive- climate services—principles the Adaptation Fund has mainstreamed in its 2023–2027 strategy[16612].

These priorities directly align with the Adaptation Fund's eligibility criteria [99] which prioritize developing country Parties to the Kyoto Protocol or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change, including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems.

5.2. Global evidence-based priorities: what to scale

The themes outlined below were selected through a synthesis of global evidence, policy signals, and lessons from AFCIA 1, reflecting interventions that combine high impact, cost-effectiveness, and scalability in climate-vulnerable contexts (for a detailed analysis please refer to **Annex 12**). They align with priorities consistently highlighted in National Adaptation Plans (NAPs), the Global Goal on Adaptation (GGA), and the Adaptation Fund's 2023–2027 strategy, which emphasize systemic resilience and equity[100,101]. Each theme addresses a

[97] UNICEF. (2025). Latin America and Caribbean Region. *www.unicef.org*. UNICEF. Retrieved November 10, 2025, from https://www.unicef.org/media/165706/file/2025-HAC-LAC.pdf

[98] SDG Knowledge Hub. (2025, November 5). UNEP report reveals progress in adaptation planning amid financing gaps. International Institute for Sustainable Development (IISD). https://sdg.iisd.org/news/unep-report-reveals-progress-in-adaptation-planning-amid-financing-gaps/

[99] Adaptation Fund (2022). Strategic Priorities, Policies and Guidelines of the Adaptation Fund (SPPG). Retrieved from ://www.adaptation-fund.org

[100] UNFCCC. (2024). Synthesis of National Adaptation Plans.

[101] Adaptation Fund. (2023). Medium-Term Strategy 2023–2027. Retrieved from https://www.adaptation-fund.org

critical bottleneck identified in the above sections: gaps in early warning coverage, food and water security, resilient infrastructure, and urban adaptation finance, alongside the need for risk-layered instruments to protect households and economies. Importantly, Locally Led Adaptation (LLA) is included as a standalone priority because global reviews confirm that empowering communities as decision-makers—not just beneficiaries—improves relevance, uptake, and sustainability of adaptation measures[102,103]. LLA also responds to persistent equity gaps and the "missing middle" challenge, ensuring that grassroots innovators, MSMEs, and Indigenous knowledge systems are central to adaptation pathways. Together, these priorities represent actionable levers for closing the adaptation delivery gap and accelerating progress toward resilience at scale. Early Warnings for All, climate services & anticipatory action: Universal multi hazard early- warning systems (MHEWS) are among the most cost- effective- adaptation investments, with strong benefit–cost ratios and measurable lifesaving impact. Yet coverage is still incomplete, particularly in LDCs and SIDS. The 2024 Global Status of MHEWS shows countries with limited MHEWS suffer approximately 6-time- higher disaster mortality than those with substantial coverage; progress is uneven and finance must accelerate to close the gap[165]**Error! Bookmark not defined.**.

Water security across flood–drought cycles: Integrated measures—forecast informed- reservoir operations, floodplain restoration, drought risk management, and climate services for agriculture—reduce cascading risks to food, health, and cities and are prioritized in many NAPs**Error! Bookmark not defined.**[104].

Risk **informed, resilient infrastructure through locally led Nature based Solutions (NbS):** NbS—such as mangrove restoration, urban wetlands, floodplains, and ridge to- reef watershed management—reduce climate risks now by lowering flood depths, buffering storm surge, cooling urban heat, stabilizing slopes, and improving water availability. When we count all the benefits (avoided losses, fisheries and food security, recreation, biodiversity, and carbon), NbS- often deliver higher net benefits and lower lifecycle costs than grey- -only options, especially in coastal and riverine settings[12105].

Risk layered finance and adaptive social protection: Blending contingency funds, forecast-based finance, and parametric insurance with adaptive social protection (for example, shock-responsive cash transfers) helps governments and households bounce back faster aftershocks[106].

Urban adaptation: Cities concentrate risk, but urban adaptation finance remains limited. In 2024, adaptation flows to cities were approximately US$10 billion (1.2% of urban climate finance), and EMDE cities received just 11% of urban climate finance; LDC cities, approximately 1%[107]. Scaling urban NbS and heat/flood resilience requires better budget tracking and stock takes-; UNEP's State of Finance for Nature in Cities 2024 provides an Urban NbS framework and shows the global NbS finance gap[108].

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[102] Steinbach, D., Bahadur, A., Shakya, C., et al. (2022). The good climate finance guide for investing in locally led adaptation. IIED. https://www.iied.org/21231iied

[103] United Nations Environment Programme (UNEP). (2024). Adaptation Gap Report 2024: Come hell and high water. Retrieved from https://www.unep.org/resources/adaptation-gap-report-2024

[104] United Nations Framework Convention on Climate Change. (2024). Progress in the process to formulate and implement National Adaptation Plans (NAPs).

[105] The Nature Conservancy. (2022). Reducing Caribbean risk: Opportunities for cost-effective mangrove restoration and insurance. https://www.nature.org/content/dam/tnc/nature/en/documents/TNC_MangroveInsurance_Final.pdf

[106] World Bank. (2020). Adaptive social protection: Building resilience to shocks. https://documents1.worldbank.org/curated/en/579641590038388922/pdf/Adaptive-Social-Protection-Building-Resilience-to-Shocks.pdf

[107] Climate Policy Initiative. (2024). 2024 state of cities climate finance. https://www.climatepolicyinitiative.org/publication/2024-state-of-cities-climate-finance/

[108] United Nations Environment Programme. (2024, October 26). From grey to green: State of finance for nature in cities 2024. https://www.unep.org/resources/report/grey-green-better-data-finance-nature-cities-state-finance-nature-cities-2024

5.3. Regional adaptation priorities

Africa

Across Africa, NAPs commonly elevate water resources management (including drought and flood risk), agriculture and food security, multi hazard early warning/DRR, and ecosystem- -based or NbS approaches—with many plans integrating these themes into sector strategies and budget pipelines[109]. These priorities are reflected in the UNFCCC's 2024 synthesis of submitted NAPs and in regional dialogues that underline the centrality of water and risk information for planning and finance access[110]. In East and Southern Africa, UNFCCC reporting highlights formal NAPs moving into implementation, with action lines on early warnings, sustainable land and watershed management, and risk -informed planned relocation, framed explicitly as NAP priorities[111]. Given the cross border- nature of many basins, African climate policy also references transboundary water cooperation and WASH service resilience as part of NAP–NDC alignment. In parallel, continentwide early- warning- initiatives (EW4All) are being institutionalized as a delivery track inside national adaptation frameworks and roadmaps111[112].

Arab States (MENA)

Across the Middle East and North Africa, NAP processes and regional briefs show a water centric portfolio: demand management, reuse and groundwater governance, alongside heath planning, urban flood/flash flood risk reduction, and coastal risk management for deltas and low-lying coasts[113]. Countries describe ongoing work to downscale climate information, run sectoral vulnerability assessments, and mainstream adaptation into national development plans—often starting with water, agriculture, health, and cities. Regional guidance from UNECE and partners also documents NAP linkages to transboundary aquifers, WASH resilience, and cooperative water governance—issues that recur across national priority lists in arid and semiarid settings. UNFCCC technical materials note that updated NAP guidance is being used to integrate these measures into costed implementation pathways and national monitoring systems[113].

Asia & the Pacific (including SIDS)

In Asia and the Pacific, NAPs frequently prioritize monsoon related early warning and flood management, coastal resilience (including NbS) approaches linking uplands to coasts, and, in mountain states, cryosphere risk management (notably GLOF early warning and downstream reservoir rules)[114,115]. Small Island Developing States (SIDS) embed chronic inundation planning, ecosystem restoration (reef and mangrove systems), and alignment with Loss and Damage interfaces within their NAPs/NDCs/Adaptation Communications, emphasizing institutions, targets, and indicative costs. UN ESCAP assessments and regional forums point to national priorities that combine coastal protection, all hazard warning coverage, and resilient public services, with NAPs functioning as the integrating vehicle. Development partners and knowledge platforms track these same emphases, noting that a growing set of Asia–Pacific countries have submitted NAPs and is revising them around coasts, water, cities and health[114].

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[109] NAP Global Network (IISD). (2025). Progress and learning report 2024. https://napglobalnetwork.org/wp-content/uploads/2025/04/napgn-en-2025-nap-gn-progress-learning-report-2024.pdf

[110] GWP. (2019). Addressing water in National Adaptation Plans: Water supplement to the UNFCCC NAP technical guidelines (2nd ed.). NAP Central. https://www.napcentral.org/supplementary-materials/133

[111] UNDRR. (2024). Global status of multi-hazard early warning systems 2024. United Nations Office for Disaster Risk Reduction. https://www.undrr.org/reports/global-status-MHEWS-2024

[112] WMO. (2024). Global status of multi-hazard early warning systems 2024 (press summary). World Meteorological Organization. https://wmo.int/publication-series/global-status-of-multi-hazard-early-warning-systems-2024

[113] UNFCCC. (2025). Updated technical guidelines for the national adaptation plan process. Retrieved from https://unfccc.int/sites/default/files/resource/Draft_Updated_NAP_technical_guidelines_July_2025.pdf

[114] ESCAP. (2023). Asia-Pacific disaster report 2023: Seizing the moment—Targeting transformative disaster risk resilience. United Nations. https://digitallibrary.un.org/record/4016071

[115] Asia-Pacific Climate Change Adaptation Information Platform (AP-PLAT). (2025). Status of adaptation in the Asia-Pacific. https://ap-plat.nies.go.jp/adaptation_plan/status_of_adaptation/index.html

Europe & Central Asia (ECA)

European and Central Asian adaptation strategies (and DRR assessments that interface with them) emphases on green and blue infrastructure in cities (for heat and cloudbursts), river and floodplain restoration (room for the river approaches), heath systems, risk informed land use, and updating standards/codes with sea level rise and heat in mind[116]. Increasing drought periods are also a major concern in the region, and NAPs highlight measures such as agricultural drought plans, efficient water reuse, and contingency planning to manage prolonged dry spells[117]. Policy briefs and EU guidance echo these live priorities, describing how Member States and municipalities are mainstreaming urban nature based measures and cooling/health actions as part of their national adaptation strategies and local plans. UNDRR's regional assessment further shows that national agendas increasingly address system interdependencies and aging grey assets, reinforcing the role of nature positive and systemic measures within national strategies[118].

Latin America and the Caribbean(LAC)

Across LAC, national documents (NAPs, DRR strategies, and sector plans) emphasize tropical cyclone rainfall/surge early warning, urban drainage and watershed retrofits, NbS for coasts and hillslopes (mangroves, reefs, dunes; bioengineered slopes), and agricultural water efficiency; many plans also reflect human mobility and displacement as crosscutting adaptation concerns[119]. Urban adaptation agendas reference ecosystem based adaptation in cities and decision support for integrating NbS into municipal planning, complementing national priorities around flood, heat, and landslide risk. Country level NAP profiles in the region illustrate these themes—spanning integrated water resource management, coastal/marine ecosystems, health, and risk management, with large action menus and MEL provisions[120]. Regional thinktanks also note that governments are positioning NbS as a mainstream infrastructure option to deliver adaptation outcomes at scale, consistent with the priorities recorded in NAPs[121]

5.4. Strategic Rationale for the Selection of Three Thematic Focuses: Climate-Resilient Agriculture and Food Security, Nature-based Solutions, and Disaster Risk Reduction

The identification of the three thematic focuses is grounded in a robust, evidence-based assessment of global and national adaptation priorities. Across regions, countries consistently highlight the same clusters of vulnerabilities—food systems under climatic stress, degraded ecosystems reducing natural protection, and rising disaster risks that disproportionately affect the poorest and most marginalized. These priorities are reflected in National Adaptation Plans, DRR strategies, NDCs, and biodiversity frameworks, and are reinforced by experience from AFCIA 1, which demonstrated where catalytic finance can unlock the greatest additionality.

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[116] European Commission. (2021). EU Adaptation Strategy: Climate action. Retrieved from https://climate.ec.europa.eu/eu-action/adaptation-and-resilience-climate-change/eu-adaptation-strategy_en

[117] United Nations Framework Convention on Climate Change (UNFCCC). (2024). Synthesis of National Adaptation Plans. UNFCCC Secretariat

[118] UNDRR. (2023). Regional Assessment Report on Disaster Risk Reduction 2023: Europe and Central Asia. Retrieved from https://www.undrr.org/rar/rar-2023-europe-and-central-asia

[119] World Resources Institute (WRI). (2021). Nature-based solutions in Latin America and the Caribbean: Regional status and priorities for growth. https://www.wri.org/research/nature-based-solutions-latin-america-and-caribbean-regional-status-and-priorities-growth

[120] Lucatello, S. (2025). Nature-based solutions to climate change adaptation and mitigation in Latin America and the Caribbean: An overview of projects and implementation. In Handbook of Nature-Based Solutions to Mitigation and Adaptation to Climate Change (pp. 447–468). Springer. https://doi.org/10.1007/978-3-031-34967-6_87

[121] Oliver, E., Ozment, S., Grunwaldt, A., Silva Zuniga, M. C., & Watson, G. (2021). Nature-based solutions in Latin America and the Caribbean: Support from the Inter-American Development Bank. Inter-American Development Bank. https://doi.org/10.18235/0003689

The AFCIA 1 portfolio showed a clear concentration of innovative solutions in these same areas: 82% (36 out of 44 grantees)[122] of supported solutions addressed food security, nature-based solutions, and disaster risk reduction, indicating strong demand, feasibility and relevance across contexts. Footsteps Bangladesh's DreamWater initiative (an AFCIA 1 grantee focused on disaster risk reduction) illustrates the role of catalytic capital in de-risking early-stage adaptation innovation within this thematic framing. AFCIA support enabled the footsteps' team to prototype and field-test a portable water filtration solution designed to convert surface and flood water into safe drinking water—directly relevant in a context where an estimated 68 million[123] people in Bangladesh lack safely managed drinking water.

In selecting climate-resilient food systems, nature-based solutions, and disaster risk reduction, AFCIA 2 aligns directly with these articulated needs and with the Adaptation Fund's mandate to support high-impact, locally led innovation. These thematic areas offer the strongest potential to generate scalable, equitable, and multi-benefit resilience outcomes—linking livelihoods, ecosystems, and risk reduction—while addressing the persistent barriers that prevent community organisations, MSMEs, and social enterprises from accessing finance. This strategic focus ensures that AFCIA 2 directs resources where demand is highest, vulnerability is deepest, and innovation can deliver systemic and sustained adaptation impact.

5.4.1. Climate-resilient food systems

Global assessments show an intensifying hydrological cycle—more extreme rainfall, longer dry spells, and compound hazards—creating systemic risks for water, food, health, and infrastructure (Intergovernmental Panel on Climate Change). Water and food systems are highly vulnerable: in 2022, half the world's population faced severe water scarcity and one-quarter experienced extremely high-water stress[124]. NAPs consistently prioritize water resources, agriculture, and DRR, with 58 developing countries submitting plans aligned to the Global Goal on Adaptation[125].

Adaptation potential includes measures for food production such as climate-smart agriculture (CSA) and integrated water management through rainwater harvesting, small-scale irrigation, and soil moisture conservation—combined with advisory services and finance. These are examples within a broader food system approach that also requires actions for storage, transport, processing, and market resilience[126,127] In Kenya, solar-powered irrigation pumps linked to farmer cooperatives have stabilized production during prolonged droughts[128]. In Ethiopia, community-based rainwater harvesting and small reservoirs have improved crop yields and reduced vulnerability to erratic rainfall[129]. In Bangladesh and Viet Nam, saline-tolerant rice varieties and

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[122] AFCIA - Dashboard | UNDP Climate Change Adaptation. (2025). *Adaptation-undp.org*. Retrieved December 12, 2025, from https://www.adaptation-undp.org/afcia/dashboard

[123] Selim, F. (2021, July 1). Billions of people will lack access to safe water, sanitation and hygiene in 2030 unless progress quadruples – warn WHO, UNICEF. www.unicef.org. Retrieved from https://www.unicef.org/bangladesh/en/press-releases/billions-people-will-lack-access-safe-water-sanitation-and-hygiene-2030-unless

[124] Intergovernmental Panel on Climate Change (IPCC). (2023). Climate Change 2023: Synthesis Report. Geneva: IPCC. https://www.ipcc.ch/report/ar6/syr/

[125] UNFCCC. (2025). Updated technical guidelines for the national adaptation plan process. Least Developed Country Expert Group. Retrieved from https://unfccc.int/sites/default/files/resource/Draft_Updated_NAP_technical_guidelines_July_2025.pdf

[126] Food and Agriculture Organization of the United Nations (FAO) & United Nations Development Programme (UNDP). (2025). Agrifood systems in national adaptation plans – An analysis. Rome: FAO & New York: UNDP. https://doi.org/10.4060/cd7579en

[127] Intergovernmental Panel on Climate Change (IPCC). (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. Chapter 5: Food, Fibre and Other Ecosystem Products. Cambridge University Press. https://www.ipcc.ch/report/ar6/wg2/chapter/chapter-5/

[128] World Bank. (2023). Climate-smart agriculture and water management solutions. https://www.worldbank.org/en/topic/climate-smart-agriculture

[129] FAO. (2022). The State of Food Security and Nutrition in the World 2022. Rome: FAO. https://www.fao.org/publications

controlled irrigation protect food security under sea-level rise[130]. In Peru, watershed restoration and aquifer recharge sustain dry season cropping[131].

Women farmers face disproportionate care burdens and limited access to productive resources, while small-scale producers earn less than half the income of larger farmers, leaving them highly exposed to climate shocks[132]. AFCIA 1 revealed strong demand for food security solutions— 43% of supported innovations targeted agriculture—and notably advanced gender-responsive approaches by prioritizing interventions for local women farmers. These solutions included sustainable agriculture practices, efficient water irrigation systems, and capacity-building programs designed to improve yields and resilience for women-led farming enterprises. However, AFCIA 1 also highlighted persistent gaps in follow-on finance and scalability, underscoring the need for AFCIA 2 to bridge these challenges and replicate successful models at scale.

Why AFCIA 2 focuses on Climate Resilient Food Systems?

Climate-resilient food systems are a core priority for AFCIA 2 because climate shocks are already undermining the water and agricultural systems that underpin lives, livelihoods, and fiscal stability in vulnerable countries. Intensifying droughts, floods, salinisation, and heat stress are eroding yields, degrading soils and water resources, and driving food price volatility—risks that NAPs consistently rank among their highest adaptation priorities. These pressures fall hardest on small-scale producers, especially women farmers, who carry disproportionate care burdens, have weaker access to land, finance, and technology, and earn significantly less than larger producers, leaving them highly exposed to climate shocks.

AFCIA 2 responds by backing integrated, locally led solutions across the whole food system—from climate-smart production (e.g. CSA practices, drought- and salt-tolerant crops, and efficient water management) to storage, processing, transport, and market resilience. It builds directly on AFCIA 1, where 43% of supported innovations targeted agriculture and piloted gender-responsive models that improved yields and resilience for women-led and smallholder farmers. At the same time, AFCIA 1 highlighted persistent gaps in follow-on finance, market linkages, and scalability. AFCIA 2 is designed to close these gaps: deploying catalytic, blended finance and tailored technical assistance to take solutions to scale, strengthen value chains, and crowd in public and private capital. By focusing on climate-resilient food systems, AFCIA 2 advances the Adaptation Fund's mandate to protect the most vulnerable, safeguard food and water security, and deliver measurable, system-wide resilience outcomes aligned with national adaptation priorities and the Global Goal on Adaptation.

5.4.2. Nature-based Solutions (NbS)

Nature-based Solutions reduce flood, storm-surge, and heat risks while sustaining water regulation, food systems, and biodiversity co-benefits—exactly where the adaptation finance gap is widest[133]. Recent global finance assessments show that investment into nature must accelerate steeply by 2030, even as adaptation remains underfunded compared with mitigation[134]. For communities whose livelihoods depend on healthy ecosystems—forest-dwelling Indigenous Peoples, mountain villagers, and coastal fisherfolk—the stakes are immediate: when forests, wetlands, or coral reefs degrade, water supplies falter, food sources shrink, and natural buffers against hazards collapse, deepening poverty and risk[162]. Beyond coastal hazard reduction and fisheries, NbS deliver regulating services to utilities and hydropower. Upstream watershed protection safeguards drinking-water quality and flow regulation—New York City's Catskill–Delaware watershed is the

[130] UNFCCC. (2024). National Adaptation Plans: Status and progress. https://unfccc.int/topics/adaptation-and-resilience/workstreams/national-adaptation-plans
[131] Adaptation Fund. (2024). Strategic priorities and lessons learned from AFCIA 1. https://www.adaptation-fund.org
[132] UNDP. (2023). Gender and climate change: Intersectional approaches for resilience. https://www.undp.org/publications
[133] Global Center on Adaptation. (2024). State and trends in climate adaptation finance 2024. https://gca.org/reports/state-and-trends-in-climate-adaptation-finance-2024/
[134] United Nations Environment Programme. (2024b). State of finance for nature in cities 2024. https://www.unep.org/resources/report/grey-green-better-data-finance-nature-cities-state-finance-nature-cities-2024

classic case where long-term conservation and rural partnerships enabled filtration avoidance and reliable supply for ~9 million people[135,136]. In cities, green/blue infrastructure (urban trees, parks, wetlands) mitigates the urban heat island and reduces pluvial flooding, benefits that are often overlooked and should be integrated into broader planning frameworks (e.g., utility regulation, urban planning, NAPs/NDCs), Recent syntheses indicate urban trees can lower pedestrian-level temperatures by up to ~12 °C in specific contexts, with cooling efficacy shaped by tree traits, urban morphology, and background climate[137]. Green roofs consistently lower roof surface temperatures and can reduce nearby air temperatures and building cooling demand, offering district-scale benefits when deployed at scale[138]. Because these benefits are often overlooked in heat policy, NbS for cooling should be embedded in broader planning frameworks.

Country demand and policy momentum are strong. Governments are updating National Biodiversity Strategies and Action Plans (NBSAPs) to align with the Kunming-Montreal Global Biodiversity Framework, embedding restoration and resilience targets that anchor ecosystem-based adaptation and open pathways for nature-climate finance[Error! Bookmark not defined.]. Emerging guidance urges countries to braid priorities across NBSAPs, NAPs, and NDCs to avoid duplication and unlock finance at scale[139]. Beyond the biodiversity track, the European Union's Nature Restoration Law—now in force—sets binding restoration targets and anticipates financing measures, signaling to markets that restoration is moving from policy aspiration to regulated practice and lowering perceived policy risk for investors[140].

The evidence base for ecosystem-based adaptation benefits is now robust and practical. Mangroves, coral reefs, marshes, and floodplains act as natural shields, dissipating wave energy, reducing erosion, lowering flood damage, and protecting coastal livelihoods. On land, agroforestry and ridge-to-reef watershed restoration improve soil health, stabilize slopes, and store water, making farms and downstream communities more resilient to droughts and extreme rainfall[141]. Crucially, these benefits can be measured and valued with methods governments and investors trust. New guidance from the World Bank and the Global Facility for Disaster Reduction and Recovery (GFDRR)[142] sets out how to quantify both direct risk-reduction benefits and wider co-benefits such as biodiversity, water quality, recreation, and livelihoods. Real-world programs confirm the case: under UNDP's AFCIA 1, the silvo-fishery model in Indonesia pairs mangrove restoration with fish farming to curb coastal erosion and storm surge while creating food and income—an illustration of low-tech, locally led innovation that delivers protection and prosperity together.

Financing NbS requires blending public and private capital because many benefits (flood protection, cooling, water regulation) are public goods that don't always yield direct cash returns., at the same time ecosystem services are systematically under-valued or unpriced in markets—so incentives to pay for protection are missing. A practical sequencing has emerged: start with public and concessional funds to establish the basics—

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[135] National Academies of Sciences: Review of the New York City Watershed Protection Program (2020) – filtration avoidance & watershed protection

[136] NYC DEP: About the Watershed – overview of Catskill–Delaware supply and protection program

[137] Li, H., Zhao, Y., Wang, C., Ürge-Vorsatz, D., Carmeliet, J., & Bardhan, R. (2024). Cooling efficacy of trees across cities is determined by background climate, urban morphology, and tree traits. Communications Earth & Environment, 5, Article 1908. https://doi.org/10.1038/s43247-024-01908-4

[138] United States Environmental Protection Agency. (2008). *Reducing urban heat islands: Compendium of strategies—Green roofs*. https://www.epa.gov/sites/default/files/2017-05/documents/reducing_urban_heat_islands_ch_3.pdf

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[140] European Commission. (2024). Regulation (EU) 2024/1991 on nature restoration and amending Regulation (EU) 2022/869. Official Journal of the European Union. https://eur-lex.europa.eu/eli/reg/2024/1991/oj/eng

[141] World Bank. (2023). Assessing the benefits and costs of nature-based solutions for climate resilience: A guideline for project developers. https://www.worldbank.org/en/news/feature/2023/05/22/assessing-the-benefits-and-costs-of-nature-based-solutions-for-climate-resilience-a-guideline-for-project-developers

[142] Global Facility for Disaster Reduction and Recovery. (2024). Assessing the benefits and costs of nature-based solutions for climate resilience: A guideline for project developers. World Bank. https://www.gfdrr.org/en/feature-story/assessing-benefits-and-costs-nature-based-solutions

clear tenure and land rights, local capacity, and technical support—then layer instruments such as low-interest loans, guarantees, and performance-based grants to mobilize private investment once risks are better understood and revenue logic is clearer[143][144]. While NbS for resilience currently receive a small slice of climate finance relative to energy and transport, the gap represents opportunity. In 2018, public funding for NbS for adaptation was only 0.6–1.4% of total climate finance and 1.5–3.4% of public climate finance, with private flows minimal[145]. More recently, adaptation overall accounted for just approximately 5% of global climate finance in 2021–2022, so NbS sit within a still-small adaptation envelope—a gap that is an opportunity to scale[146]. Across all NbS, financing reached about USD 200 billion in 2022, ~37% of what's needed by 2030, underscoring room to grow[147] . While NbS for resilience receive a small slice of climate finance relative to energy and transport, the gap represents opportunity. In 2018, public funding for NbS for adaptation was only 0.6–1.4% of total climate finance and 1.5–3.4% of public climate finance, with private flows minimal[148]. More recently, adaptation overall accounted for just approximately 5% of global climate finance in 2021–2022, so NbS sit within a still-small adaptation envelope—a gap that is an opportunity to scale[149]. Across all NbS, financing reached about USD 200 billion in 2022, ~37% of what's needed by 2030, underscoring room to grow[150] .Viable models include paying communities for ecosystem services, issuing verified (high-integrity) carbon credits where science and policy allow, and developing insurance-linked facilities so restored reefs or mangroves can be rapidly rehabilitated after storms—keeping protective value intact while channeling resources to local stewards[151].

The urgency to finance NbS is both fiscal and developmental. UNEP's latest State of Finance for Nature shows annual investment in nature must rise from roughly US$200 billion to about US$542 billion by 2030, with restoration finance needing to quadruple[152]. At the project level, the economics are compelling when co-benefits are counted properly: casework on urban wetlands and national-scale mangrove analyses demonstrate strong net benefits once avoided losses, fisheries, tourism, and carbon storage are included—a logic that resonates with treasuries balancing resilience with growth[153]. At the same time, adaptation remains the weak link in climate finance, and NbS offer a cost-effective way to address multiple risks with one investment[133]. To move from evidence to scale, the Global EbA Fund is providing rapid seed funding (≈ US$50k–250k; up to US$500k) for innovative EbA pilots—including nature based- insurance facilities and

[143] Convergence. (2024). State of blended finance 2024. https://www.convergence.finance/resource/state-of-blended-finance-2024/view

[144] Climate Policy Initiative. (2024). Toolbox on financing nature-based solutions. https://www.climatepolicyinitiative.org/publication/toolbox-on-financing-nature-based-solutions/

[145] Swann, S., Blandford, L., Cheng, S., Cook, J., Miller, A., & Barr, R. (2021). Public international funding of nature-based solutions for adaptation: A landscape assessment (Working Paper). World Resources Institute. https://doi.org/10.46830/wriwp.20.00065

[146] Global Center on Adaptation, & Climate Policy Initiative. (2024). State and trends in climate adaptation finance 2024. https://gca.org/wp-content/uploads/2024/04/State-and-Trends-in-Climate-Adaptation-Finance-2024.pdf

[147] United Nations Environment Programme. (2023). State of finance for nature: The big nature turnaround—Repurposing $7 trillion to combat nature loss. https://doi.org/10.59117/20.500.11822/44278

[148] Swann, S., Blandford, L., Cheng, S., Cook, J., Miller, A., & Barr, R. (2021). Public international funding of nature-based solutions for adaptation: A landscape assessment (Working Paper). World Resources Institute. https://doi.org/10.46830/wriwp.20.00065

[149] Global Center on Adaptation, & Climate Policy Initiative. (2024). State and trends in climate adaptation finance 2024. https://gca.org/wp-content/uploads/2024/04/State-and-Trends-in-Climate-Adaptation-Finance-2024.pdf

[150] United Nations Environment Programme. (2023). State of finance for nature: The big nature turnaround—Repurposing $7 trillion to combat nature loss. https://doi.org/10.59117/20.500.11822/44278

[151] High Level Panel for a Sustainable Ocean Economy. (2023). The blue carbon handbook: Blue carbon as a nature-based solution for climate action and sustainable development. https://oceanpanel.org/wp-content/uploads/2023/06/Ocean_Panel_Blue_Carbon_Handbook-1.pdf

[152] United Nations Environment Programme. (2024a). State of finance for nature—Restoration finance report. https://www.unep.org/resources/report/state-finance-nature-restoration-finance-report

[153] World Bank. (2022). The economics of large-scale mangrove conservation and restoration in Indonesia. https://www.worldbank.org/en/country/indonesia/publication/the-economics-of-large-scale-mangrove-conservation-and-restoration-in-indonesia

urban/coastal demonstration projects—that can be taken forward by multilateral funds and private investors for creating pipelines for larger pubic and private finance[154].

NbS also address stubborn systemic challenges. They counter fragmented ecosystems, land-use conflicts, and "grey-only" infrastructure biases by mainstreaming hybrid standards and valuing multiple benefits—risk reduction, biodiversity, and livelihoods—in appraisal and monitoring. Because governance and tenure barriers often limit adoption, integrated planning across agriculture, forestry, water, and urban systems is essential, alongside mechanisms such as payment for ecosystem services and high-integrity blue-carbon credits to channel finance to community-led restoration in an equitable way[144].

The approach is already visible across regions. In Small Island Developing States and Latin America, restoring mangroves and reefs reduces cyclone surge and coastal flooding while sustaining fisheries and tourism; new cost-benefit work in the Wider Caribbean is informing insurance-linked restoration and risk finance[155]. In Asia, ridge-to-reef restoration links upstream glacier-lake outburst flood reduction to downstream water security and soil stabilization, while silvo-fishery models in Indonesia combine aquaculture with mangrove planting to protect coasts and diversify incomes[156][157]. In Eastern Europe and the Middle East and North Africa, green-blue retrofits—urban wetlands, permeable surfaces, and tree corridors—are deployed alongside grey systems to mitigate pluvial flooding and urban heat, with rapid opportunity-scanning tools helping identify investable NbS early in the project cycle[142][158].

Why AFCIA 2 focuses on Nature Based Solutions?

AFCIA 2 makes NbS a priority because they are one of the most effective ways to reduce climate risks while also improving people's lives. NbS protect communities from floods, storms, and heat, and at the same time support food, water, and biodiversity. They are especially important because funding for these solutions is still very low compared to what is needed.

NbS also fit perfectly with the Adaptation Fund's goals of supporting projects that are locally led, innovative, and focused on learning. Countries are already creating strong policies for ecosystem restoration, and global agreements like the Global Biodiversity Framework and national adaptation plans provide a clear foundation for action. Today, we also have better tools to measure the benefits of NbS and show their value to governments and investors.

Financing models are improving too. By combining public and private funds, NbS projects can attract more investment and scale up. Most importantly, NbS put communities and nature at the center. They protect lives and livelihoods now and help build long-term resilience. For AFCIA 2, this means investing in solutions that deliver clear results, offer good value for money, and can be replicated in many places.

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[154] Nature-Based Risk Reduction & Insurance Facility (global): developing ecosystem-linked and parametric covers for climate risks—an EbA-aligned pathway to crowd-in insurance and blended finance (Global EbA Fund—Projects; Insurance Development Forum parametric case studies).

[155] The Nature Conservancy. (2022). Reducing Caribbean risk: Opportunities for cost-effective mangrove restoration and insurance.

[156] World Bank. (2023). Assessing the benefits and costs of nature-based solutions for climate resilience: A guideline for project developers. https://www.worldbank.org/en/news/feature/2023/05/22/assessing-the-benefits-and-costs-of-nature-based-solutions-for-climate-resilience-a-guideline-for-project-developers

[157] UNDP. (2025). AFCIA Phase I: Lessons from NbS pilots. UNDP Adaptation Innovation Marketplace. https://adaptation-undp.org

[158] National Oceanic and Atmospheric Administration/National Centers for Coastal Ocean Science. (2025). Evaluating the performance of nature-based solutions. https://coastalscience.noaa.gov/project/evaluating-nature-based-solution-performance/

5.4.3. Disaster Risk Reduction (DRR) – Prevention and Recovery

Climate-related disasters are becoming more frequent and severe, and the trend is accelerating. The UN Office for Disaster Risk Reduction reports that climate disasters have nearly doubled in the last two decades. A warmer atmosphere fuels stronger cyclones, floods, and droughts: every 1°C of warming can increase extreme rainfall by about 7% and make the most violent hurricanes up to twice as frequent. Heatwaves—already killing hundreds annually—are lasting longer and starting earlier; by the end of the century, heat stress could affect 1.2 billion people each year[159].

Recent years illustrate the scale of the problem. According to Centre for Research on the Epidemiology of Disasters Emergency Events Database (EM-DAT), 2023-2024 recorded as high-impact years, with 399 disasters causing between US$202 and US$242 billion[160]. UNDRR's Global Assessment Report estimates that when indirect and ecosystem losses are included, the true annual cost exceeds US$2.3 trillion—making a decisive case for prevention and resilient recovery rather than reactive response[161].

The burden of these disasters falls hardest on poor and marginalized groups. Urban slum dwellers living on floodplains or steep hillsides, remote rural villagers cut off during disasters, and island residents exposed to cyclones have minimal coping capacity. By 2050, 1.6 billion people in 970 cities will face extreme heat regularly, and 800 million will be vulnerable to coastal flooding. In Least Developed Countries and Small Island Developing States, these risks are most severe. Displaced and conflict-affected communities—such as refugees and informal camps—are also highly exposed. Rapid urbanization without planning leaves low-income neighborhoods especially vulnerable, compounding the risks for those already struggling with poverty and limited access to services[162][163].

Global policy frameworks recognize these challenges. The Sendai Framework for Disaster Risk Reduction sets prevention and "Build Back Better" as core priorities. Its midterm review calls for scaled, risk-informed public investment and broader early warning coverage—gaps that remain most acute in vulnerable countries. Regional assessments emphasize the need for green and blue infrastructure and systemic risk governance, particularly in rapidly growing cities where exposure is rising fastest[164].

Practical solutions exist and have proven effective. Disaster risk reduction measures such as early warning systems, resilient infrastructure, and preparedness save lives. Improved forecasting and local alert networks have already reduced casualties during recent Pacific cyclones. Impact-based forecasting combines hazard data with vulnerability mapping to trigger timely alerts and evacuation. Ecosystem-based approaches, such as wetlands for flood control, complement nature-based solutions and provide co-benefits for water and food security. Yet funding remains skewed toward post-disaster relief rather than anticipatory resilience, leaving

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[159] United Nations Office for Disaster Risk Reduction (UNDRR). (2015). Sendai Framework for Disaster Risk Reduction 2015–2030. United Nations. Retrieved from https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030

[160] Centre for Research on the Epidemiology of Disasters. (1988–2025). EM-DAT: The international disaster database. Université catholique de Louvain. Retrieved November 19, 2025, from https://www.emdat.be/

[161] United Nations Office for Disaster Risk Reduction (UNDRR). (2015). Sendai Framework for Disaster Risk Reduction 2015–2030. United Nations. Retrieved from https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030

[162] Intergovernmental Panel on Climate Change (IPCC). (2022). Climate change 2022: Impacts, adaptation and vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (H.-O. Pörtner et al., Eds.). Cambridge University Press. https://doi.org/10.1017/9781009325844 [unctad.org]

[163] United Nations Office for Disaster Risk Reduction (UNDRR). (2023a). Report of the Midterm Review of the Implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030. UNDRR. https://sendaiframework-mtr.undrr.org/publication/midterm-review-2023-working-towards-achievement-sendai-priorities-and-targets [iisd.org]

[164] United Nations General Assembly (UNGA). (2023). Main findings and recommendations of the midterm review of the implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030 (A/77/640). United Nations. https://digitallibrary.un.org/record/4000994 [iisd.org]

communities exposed to repeated shocks[165].

To change this, climate and disaster planning must be integrated and localized. Civic organizations and communities should lead hazard mapping and contingency planning. Investments in disaster insurance, contingency funds, and "Build Back Better" design can reduce future losses. Risk-layered financing—combining contingency funds, parametric insurance, and adaptive social protection—offers scalable models for resilience. These priorities align with the Adaptation Fund's Strategic Priorities, Policies, and Guidelines[166], which emphasize consistency with national adaptation plans and disaster risk reduction strategies, as well as robust monitoring and evaluation. Lessons from AFCIA 1 demonstrate what works: impact-based early warning systems, community shelter upgrades, and risk-finance pilots that now need standardization and scale-up.

A prevention-first approach also addresses systemic inequities. Women, migrants, and residents of informal settlements often face the greatest exposure and the slowest recovery. Bridging these gaps is central to AFCIA 2 goals: solutions must explicitly benefit those with the greatest need and draw on Indigenous and local knowledge to ensure justice and inclusion.

Across regions, examples show what proactive resilience looks like. In Asia, impact-based forecasting for cyclones integrates rainfall and surge data with community alerts and shelter upgrades. In Africa and the Middle East and North Africa, flash flood risk reduction focuses on wadis and informal settlements through drainage improvements and early warning systems. In Eastern Europe and Central Asia, heat-health systems and wildfire risk reduction combine with risk-informed land-use planning to protect vulnerable populations. These cases demonstrate that disaster risk reduction is not just about responding to crises—it is about anticipating them, reducing losses, and safeguarding lives and livelihoods in a changing climate[163165].

Why AFCIA 2 focuses on Disaster Risk Reduction (DRR) and Recovery?

DRR is a cornerstone of climate adaptation because climate-driven hazards—cyclones, floods, droughts, heatwaves—are increasing in frequency and severity, causing losses that erase decades of development gains[162165]. Vulnerable groups, especially women, migrants, and informal urban communities, bear the brunt of these shocks. The Adaptation Fund's Strategic Priorities, Policies, and Guidelines (SPPG) explicitly call for risk-informed planning, prevention-first approaches, and "Build Back Better" principles aligned with the Sendai Framework for Disaster Risk Reduction. AFCIA 2 operationalizes these priorities by financing locally led, innovative DRR solutions that move beyond reactive relief toward anticipatory resilience. This includes impact-based early warning systems, community-driven hazard mapping, risk-informed urban planning, and risk-layered financing models such as parametric insurance. By embedding equity and Indigenous knowledge in design, AFCIA 2 ensures that those most at risk shape the solutions. Investing in DRR under AFCIA 2 is not only about saving lives—it is about reducing long-term costs, protecting livelihoods, and delivering measurable adaptation impact in line with the Adaptation Fund's mandate to scale resilience where it is needed most.

Summary of systemic barriers to climate adaptation and innovation

- **Fragmented governance and weak institutions**
    - Climate risks are not consistently translated from NDCs/NAPs into bankable, locally grounded pipelines due to fragmented governance, limited institutional capacity and siloed sector planning.
    - Short project cycles and weak monitoring, evaluation, and learning systems constrain learning, replication and long-term impact.
- **Adaptation finance gap and skewed allocation**

[165] United Nations Office for Disaster Risk Reduction (UNDRR). (2024). Climate action and disaster risk reduction. UNDRR. https://www.undrr.org/implementing-sendai-framework/drr-focus-areas/climate-action-and-disaster-risk-reduction [wri.org]
[166] Adaptation Fund. (2022). Strategic priorities, policies, and guidelines (Amended October 2022). Adaptation Fund Board. https://www.adaptation-fund.org/apply-funding/policies-guidelines/

    - Adaptation receives only a small share of total climate finance, with a large and growing gap between needs and actual flows.
    - LDCs, SIDS, fragile and conflict-affected states, and the most climate-affected countries capture only a marginal share of adaptation resources.
    - Risk-averse funding modalities, rigid eligibility criteria and limited risk-sharing mechanisms discourage responsible risk-taking and innovation.
- **The "missing middle" in adaptation finance**
    - Community-based organizations, MSMEs and social enterprises are too large for micro-grants, too early-stage for commercial capital and often considered too "unconventional" for traditional development finance.
    - Promising locally led innovations struggle to move from idea and pilot to replication and scale because flexible, risk-tolerant capital is scarce.
- **Innovation readiness and ecosystem weaknesses**
    - Dedicated funding for adaptation innovation is limited; most climate finance targets conventional projects or mitigation
    - High perceived risk and early-stage costs create a "valley of death" for adaptation solutions, with a second valley between successful pilots and scale-up.
    - Weak ecosystems (incubators, accelerators, applied research, business development services) and cautious local financial institutions limit support for climate-relevant SMEs and community innovators.
- **Information, visibility and knowledge gaps**
    - Local actors often lack information about available support windows and how to access them, leading to under-utilization of existing mechanisms.
    - Indigenous, community and gender-responsive knowledge is frequently undervalued or excluded from formal planning, reducing the relevance and ownership of interventions.
- **Structural inequities in who adapts and who decides**
    - Women, youth, indigenous peoples, Afro-descendant and ethnic minorities, persons with disabilities, migrants and the urban poor face higher exposure and lower adaptive capacity due to structural inequalities in land, finance, information and decision-making.
    - Locally led adaptation principles are not yet consistently operationalized, and marginalized groups remain under-represented in the design, governance and financing of adaptation solutions.
- **Biases in infrastructure and policy frameworks**
    - "Grey-only" infrastructure biases, land-use conflicts and unclear tenure arrangements limit the uptake and financing of nature-based and hybrid solutions.
    - Policy and regulatory frameworks across climate, biodiversity, DRR and finance are often misaligned, slowing integrated, risk-informed and nature-positive investment.

AFCIA 2: Targeted Response to the Adaptation Innovation Challenges

Against the above contexts, AFCIA 2 directly confronts the above mentioned systemic barriers. It is designed to close the "missing middle" in adaptation innovation—where community organizations, MSMEs, social enterprises, and other nontraditional actors are best placed to deliver locally led, context specific solutions but remain underserved by conventional finance and support systems. The project approach aligns finance, pipeline preparation, ecosystem capacity, and inclusion to accelerate scalable adaptation outcomes.

Building on key lessons from AFCIA 1, three design lessons that underpin the need for AFCIA 2 are as follow

A) Narrower thematic priorities , deeper KM, peer learning, and ecosystem connections

AFCIA 2 will narrow thematic priorities to enable deeper, higher-quality knowledge management, structured peer-to-peer learning, and more targeted engagement with policy and investor ecosystems. This focus responds to AFCIA 1 learning that peer learning, knowledge partnerships, and visibility platforms are powerful

drivers of adoption and influence—yet require deliberate thematic clustering to generate reusable evidence and scalable pathways

B) Larger grants plus longer implementation periods help real scaling (not just pilots)

AFCIA 2 will increase grant size and extend implementation periods to match the real-world time needed for iteration, institutional strengthening, and scale. This responds directly to AFCIA 1 learning that innovation requires adaptive management and longer, sequenced support—without which promising solutions struggle to move beyond pilot stage or sustain momentum beyond a short grant cycle.

C) Working with MSMEs bridges the "missing middle" and unlocks blended finance pathways.

AFCIA 2 will more deliberately include MSMEs and hybrid models to address the early-stage finance gap identified in AFCIA 1 and to create credible pathways from grant support to blended finance. By pairing larger, staged support with investment readiness, market access facilitation, and structured investment brokering, AFCIA 2 targets the specific barriers that limited follow-on capital mobilization under AFCIA 1.
for consolidated and summarized lesson learned detail in **Annex 1**, AFCIA 2 will accelerate and promote the replication and integration of impactful solutions into broader adaptation, innovation and financial systems. Its goal is faster, more equitable progress toward climate resilience—empowering vulnerable communities not just to adapt, but to lead in their adaptation efforts. Based on extensive research and evidence, the project will focus on three thematic areas: climate-resilient food systems, nature-based solutions, and disaster risk reduction and prevention, which are priorities frequently emphasized in NAPs, DRR strategies, and sectorial plans across geographies.

Project / Programme Objectives:

The objective is to **"accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance, technical assistance, and ecosystem integration to high-potential[167] solutions that enhance climate resilience and benefit vulnerable populations".**

This objective will be achieved through the following three interlinked outcomes:

- **Outcome 1:** High potential, locally led adaptation innovations, including non-for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).
- **Outcome 2:** Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.
- **Outcome 3:** Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.

[167] High potential grantees will be selected utilizing the following criteria : 1) they address specific climate risks; 2) they are led by and benefit directly vulnerable communities (youth or elderly, women, Indigenous Peoples, people with disabilities, ethnic minorities, etc); 3) their solution is innovative according to AF's definition of "innovation for adaptation"; 4) Organizations must have track record of income generation or demonstrate revenue generation potential, as this is the main vehicle to scale and to ensure financial sustainability; 5) Must present a clear pathway to sustainability and scaling; 5) Their solutions should clearly define and demonstrate a theory of change around environmental and socio-economic impact.

By supporting locally led adaptation innovations and aligning interventions with National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs), AFCIA 2 addresses critical gaps in adaptation finance and capacity while delivering context specific, concrete actions that strengthen resilience at both community and national levels. This approach ensures that the project directly responds to the Adaptation Fund's eligibility criteria, which prioritize developing country Parties to the Kyoto Protocol or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change, including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems. By focusing on vulnerable developing countries and supporting alignment with their NDCs, the project targets countries that are Parties to the Paris Agreement, ensuring full compliance with the Fund's requirements.

Overarching Development Outcome

This project adopts a holistic ecosystem-building approach to strengthen climate resilience at local and regional levels. By integrating innovation, inclusion, and knowledge-sharing, the project aims to catalyze sustainable, community-driven adaptation. The main project approach is described as follows:

1. Pilot Locally Led Adaptation Technologies and Practices

Objective: Empower communities to test and scale context-specific adaptation solutions.

Could be achieved through:

- Support solutions across all three thematic areas—climate-resilient food systems, nature-based solutions, and disaster risk reduction and recovery. This includes both technological and non-technological innovations such as climate-smart agriculture; local early warning and preparedness systems; community-led ecosystem restoration; and digital, financial, or market-linkage solutions (e.g., blockchain traceability, aggregation platforms, climate-risk analytics) that strengthen adaptive capacities and improve resilience outcomes. While AFCIA 2 will priorities scaling solutions with demonstrated effectiveness, it will also reserve a portion of resources for a carefully selected portfolio of very early-stage, Unlike AFCIA 1, these pilots innovations will be supported through a structured stage- gated pathway (readiness criteria, evidence requirements and support pathway) combining catalytic grants, tailored technical assistance, and explicit evidence and readiness criteria—to deliberately de-risk models, generate reusable learning within priority themes and build a future pipeline of investment-ready adaptation solutions.
- Facilitate participatory design processes to ensure solutions are culturally appropriate and locally owned.
- Monitor and evaluate pilot outcomes to inform broader replication.

Impact: Builds local capacity, enhances community ownership, and ensures solutions are grounded in real-world needs.

2. Incubate and Accelerate CSOs, NGOs, MSMEs, and Cooperatives

Objective: Strengthen the innovation ecosystem by supporting grassroots and entrepreneurial actors.

Could be achieved through:

- Provide performance-based catalytic grants coupled with tailored, demand-led technical assistance rather than a one-size-fits-all package—starting with an 8–10 week Learning Sprint (Monitoring, Evaluation, and Reporting, gender, business basics, unit economics, data systems), then providing bespoke, year-round PMU and MBA/EMBA fellow support on sectoral, financial, business development and organizational priorities, complemented by peer learning, replication tools, and investor introductions to crowd in follow-on capital.
- Establish innovation hubs or accelerators focused on climate-smart technologies and services.
- Foster partnerships between civil society, private sector, and academia.

Impact: Drives local economic development, creates green jobs, and scales innovative adaptation solutions.

3. Create Global Knowledge Platforms

Objective: Facilitate peer learning and replication of successful adaptation strategies.

Could be achieved through:

- Develop digital and in-person platforms for sharing case studies, tools, and lessons learned combining a dashboard and a dedicated website section—to share curated case studies, tools, lessons learned, and key highlights, with structured filters and short guidance notes that help MSMEs/SMEs and CSOs identify relevant approaches and next-step resources.
- Organize regional/thematic discussions, workshops, and exchange visits.
- Promote open-access knowledge products and policy briefs.

Impact: Enhances regional cooperation, reduces duplication of efforts, and accelerates the spread of effective practices.

4. Ensure Inclusive Innovation

Objective: Prioritize equity and inclusion in all project components.

Could be achieved through:

- Design targeted approaches for women, youth, people with disabilities, Indigenous Peoples, and other marginalized groups.
- Support leadership development and capacity-building for underrepresented stakeholders.
- Apply gender and social inclusion lenses in project design, implementation, and evaluation.

Impact: Promotes social equity, strengthens community cohesion, and ensures that adaptation benefits reach the most vulnerable.

AFCIA 2 four core principles

Lessons learnt and knowledge obtained from AFCIA 1 will be used as the base to design AFCIA 2, maintaining relatively large grants amounts per grantees (from 40,000 USD up to 200,000 USD), a longer period of technical assistance (between 24 to 36 months), strong emphasis in the scaling and replication of the solutions, and

strengthening the linkages with broader adaptation, innovation and finance ecosystems. The project will mainly support capable, locally rooted organizations in the "missing middle" that have demonstrated potential to scale context-relevant adaptation innovations and drive systemic impact, while also supporting a selective high-potential pilot solutions that can be further tested, refined, and prepared for future scale.

Sectoral and Thematic Focus for Synergistic Impact: To maximize coherence, cross-learning, and scaling potential, AFCIA 2 will prioritize three high-impact thematic areas aligned with global and regional adaptation priorities, including those in NAPs. These include climate-resilient food systems, nature-based solutions, and disaster risk reduction and recovery. The selection of these themes reflects their proven applicability across diverse geographic contexts, strong alignment with country-driven priorities, and high potential to deliver measurable, scalable adaptation outcomes. Climate-resilient food systems are critical for addressing increasing food insecurity and rural vulnerability under climate stress. Nature-based solutions offer cost-effective, locally grounded approaches that restore ecosystems while enhancing adaptive capacity and improving livelihoods—an approach strongly endorsed by institutions such as UNEP and IUCN.[168] Disaster risk reduction and recovery, guided by the Sendai Framework, remains essential for protecting lives, assets, and development gains in the face of intensifying climate hazards.[169]

While other thematic areas—such as health, urban infrastructure, or energy—were considered, they were not prioritized in order to maintain strategic focus, ensure efficient deployment of resources and technical expertise, and reduce operational complexity. Thematic clustering under these three areas will enable more structured knowledge exchange and peer learning, improve the replicability of successful models, and help avoid the fragmentation that can occur in broader, sector-agnostic funding models. Moreover, focusing on defined themes will allow the programme to tailor technical support more effectively, enabling targeted deployment of sector experts, learning resources, and capacity-building tools that are directly relevant to each sector, increasing the efficiency and quality of engagement. It will also facilitate knowledge and investments brokering services by aggregating solutions/grantees with a portfolio-based approach, grouping them by either thematic area or similarities in countries/regions.

Strategic Country Engagement with Multi-Grantee Clustering: The PMU's experience under AFCIA 1 showed that spreading limited resources across geographies (33 countries) and a wide range of sectors—often with only a single grantee per country—stretched support too thinly, reduced the effectiveness of technical assistance, and limited opportunities for clustering, peer learning, and systemic influence. In response, AFCIA 2 will adopt a more focused approach by concentrating resources in specific geographic and thematic areas. AFCIA 2 will (i) launch a global call for proposals and targeting the UNDP-Regional Bureaus for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and Central Asia, (ii) based on the proposals received prioritize support to the countries where a strong pipeline of high-quality applications emerges, based on grantee readiness, demand, technical assistance effectiveness, and consistency with nationally articulated climate and development priorities, including commitments under the Paris Agreement (iii) Support 2–3 high-capacity grantees per selected country (if possible).

The call for proposals will be disseminated globally, utilizing UNDP´s official communication channels and extensive local, regional and global networks of partners. The call for proposals will also be shared with the Adaptation Fund Secretariat so it can be further disseminated with other relevant partners and its accredited MIEs, RIEs and NIEs for further promotion. This clustering approach will allow for more targeted support, foster in-country peer learning, ecosystem building and promote collaboration across grantees facing similar

168 https://wedocs.unep.org/bitstream/handle/20.500.11822/41333/state_finance_nature.pdf?sequence=3 page X and 1-4

169 https://www.undrr.org/media/16176/download?startDownload=20250721 page 14

challenges. By concentrating efforts where readiness and strategic alignment are evident, the project can more effectively leverage existing partnerships, engage with UNDP's Country Offices, and support strengthening the local innovation ecosystems by tapping into established networks including local networks and innovation ecosystems.[170] This model promotes cost-effective delivery and supports country-specific scaling pathways, while maintaining flexibility to adapt to regional dynamics and levels of demand, in alignment with the Adaptation Fund's eligibility criteria by focusing on particularly vulnerable developing country Parties to the Kyoto Protocol or the Paris Agreement and supporting interventions that reinforce national adaptation priorities under the Paris Agreement and their NDCs.

Support for Scaling and Ecosystem Integration: CSOs, NGOs, social enterprises, and cooperatives will receive catalytic grants**,** along with tailored technical assistance and investment readiness support to help scale adaptation solutions (including business modelling, investor exposure, direct mentorship etc). It will be offered as an integrated package of in-house and external technical assistance leveraging the existing the Adaptation Innovation Marketplace (AIM)'s broader technical assistance network, including the partnership with business schools successfully utilized in AFCIA 1.

Leverage Existing Networks and AFCIA Partnerships: AFCIA 2 will build over the existing AFCIA 1 platform, integrate with and amplify existing regional and global innovation ecosystem, investors and knowledge networks, adaptation alliances, other AFCIA programmes (implemented by UNEP-CTCN, UNIDO, WFP, Pacific Community (SPC)) and other Large Innovation Grant Projects led by accredited AF-NIEs. These platforms will be used to: share evidence, case studies, and toolkits; facilitate south-south learning and replication; influence national and global adaptation policies and finance flows.

Project / Programme Components and Financing:

Project/Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US$)
1. Catalytic grants to implement and accelerate innovative adaptation solutions with potential to scale	**Outcome 1:** High potential, locally led adaptation innovations, including non-for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas. Output 1.2: Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion. Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on	Multi-regional Project	7,137,709

170 Local networks and platforms like the Small Grants Programme (GEF SGP), the BOOST Impact Acceleration Programme, the TADAMON NGO Empowerment Programme, UNDP Accelerator Labs, Youth Co:Lab, the Climate Venture Scaler, and other Country Office adaptation for innovation ecosystems.

		catalytic support to scale proven models and demonstrate systemic impact.		
2. Targeted technical assistance, Business development, and investment readiness support to enable scaling	**Outcome 2:** Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.	Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, thematic support on adaptation approaches, gender-responsive design, MEL systems, financial planning, and safeguard risk management. Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school and investors partners.	Multi-regional Project	2,987,994
3. Knowledge, Learning, and Strategic MEL to drive innovation for adaptation, scaling pathways and inform government programs.	**Outcome 3:** Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting peers, government partners, investors, and adaptation practitioners. Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organized to promote south-south and south-north collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners.	Multi-regional Project	3,101,571
6. Project/Programme Execution cost (3%)				409,090
7. Total Project/Programme Cost				13,636,364
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (10%)				1,363,636
Amount of Financing Requested				**15,000,000**

Project Duration: *5 Years*

Projected Calendar:

Milestones	Expected Dates

Start of Project Implementation	1st Jan 2027
Mid-term Evaluation	1 July 2029
Terminal Evaluation initiated	01 July 2031
Terminal Evaluation Project Closing	30 Dec 2031
Project Completion Summary Report	30 June 2032(within 6 months of project closure)

PART II: PROJECT / PROGRAMME JUSTIFICATION

Project Components and Contribution to Climate Resilience

The project will be strategically anchored under the UNDP-led Adaptation Innovation Marketplace (AIM), a flagship initiative launched in 2021 to help countries overcome barriers in developing and implementing innovative climate adaptation solutions. AIM supports access to both finance and technical assistance and operates as a Flagship Initiative of UNDP's Climate Promise, the umbrella framework through which UNDP assists developing countries in achieving their Nationally Determined Contributions (NDCs) and delivering on the Paris Agreement goals

With initial support from the Adaptation Fund, the Global Environment Facility (GEF), and the European Union, AIM has empowered civil society organizations, social enterprises, and particularly women and youth, to scale up technologies, practices, and business models that strengthen local resilience. Beyond catalytic grant-making, AIM provides enterprise development support, technical mentoring, tailored advisory services, and connections to investors and global partners who can accelerate scaling and replication.

Positioning AFCIA 2 within AIM builds on these foundations by leveraging established partnerships, operational systems, and the lessons generated through the AFCIA 1 project (funded by the Adaptation Fund and the European Union), the Resilience for Peace and Stability, Food and Water Security Innovation Grant Programme (funded by GEF- already closed), and a recent Large Innovation project approved by the Adaptation Fund in four Western Balkans (Montenegro, North Macedonia, Serbia and Bosnia Herzegovina).
This alignment also enhances the visibility and impact of AFCIA 2 within the broader Climate Promise framework, facilitating stronger collaboration across regions and sectors.

Anchoring the project within AIM ensures that portfolio-level evidence, investor engagement, and policy linkages are consolidated within an existing global mechanism rather than created in isolation.This integrated approach enables locally led adaptation solutions to scale more effectively, promotes replication in contexts facing similar climate risks, and supports countries in navigating coherent knowledge and finance ecosystems that align with their national adaptation priorities (NAPs/NDCs) , Technology Needs Assessments (TNAs) and

Technology Action Plans (TAPs). By consolidating learning and evidence across multiple countries, the project fosters a multi-regional environment in which concrete adaptation interventions developed in one context can be adapted, transferred, and replicated elsewhere. This creates clear added value beyond stand-alone country projects, strengthening cross-regional learning and expanding the reach and impact of the adaptation solutions.

Theory of Change

Project Objective:

To accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance (via competitive grants), technical assistance, and integration into innovation and adaptation financing ecosystems – enabling high-potential solutions to enhance climate resilience and benefit vulnerable populations.

Outcome Pathways:

Outcome 1: High potential locally led adaptation innovations are identified and supported for scale.

> **If** high-potential, locally led and adaptation innovations are identified through a global, inclusive, and demand-driven process **and** supported with catalytic grants (for NGOs/CSOs and MSMEs) plus technical assistance,
>
> **Then** they will demonstrate operational, financial, and impact readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).

Outcome 2: Supported innovations achieve investment readiness and are integrated into adaptation finance ecosystems

> **If** supported innovations receive tailored technical assistance, business development support, and are connected to strategic partners and financing opportunities,
>
> **Then** they will become investment-ready and integrated into broader adaptation finance ecosystems, enabling sustainable scaling and replication.

Outcome 3: Evidence and learning informed replication, government programmes, and investment practices.

> **If** evidence and learning from supported innovations are systematically captured and shared through strategic platforms and partnerships,
>
> **Then** this knowledge will inform replication, government programmes, and investment decisions, amplifying the impact of AFCIA 2 beyond direct grantees.

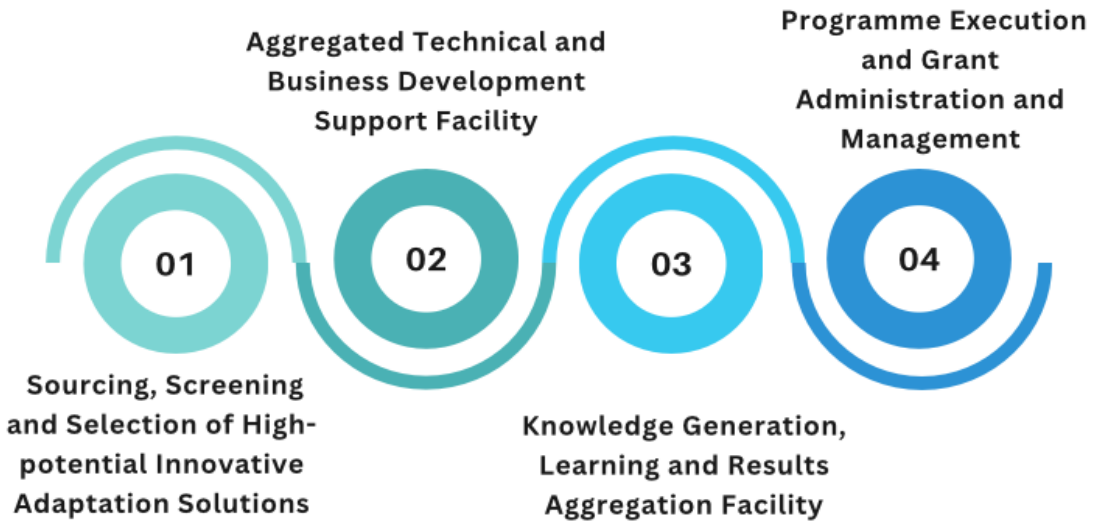
By identifying and supporting high-potential, locally led adaptation innovations (Outcome 1), strengthening them for investment and scale (Outcome 2), and leveraging knowledge and partnerships to inform broader systems (Outcome 3), AFCIA 2 will catalyze a shift in how adaptation is financed, implemented, and valued—positioning innovation as a systemic enabler of climate resilience.

By supporting locally led adaptation activities across multiple countries in one coherent portfolio, the project achieves a compounded resilience effect: each site strengthens its own community, while insights from across the portfolio reinforce system-level resilience, generating enabling conditions that facilitate scale and replication.

To achieve the project's objective of supporting the development and diffusion of innovative adaptation practices, tools, and technologies, the AFCIA 2 will be established and managed by UNDP with four main functions:

(1) Sourcing and Selection of High-potential Innovative Adaptation Solutions;
(2) Aggregated Technical and Business Development Support Facility;
(3) Knowledge Generation, Learning and Results Aggregation Facility;
(4) Project Execution and Grant Administration and Management.

All the funding windows under the UNDP's AIM follow a similar functions structure.



(Figure 1: Major Functions of AFCIA 2 Global Project.)

The four main functions are described as following briefly:

Function 1: Sourcing, Screening and Selection of High-potential Innovative Adaptation Solutions: The project will support adaptation innovations with demonstrated results and high scaling potential, including promising pilot solutions through catalytic grants from 40,000 USD up to 200,000 USD). These grants aim to de-risk the scaling process, enhance credibility, and attract follow-on investment by strengthening the operational, financial, and impact readiness of selected solutions. All innovations will be required to integrate gender-responsive and inclusive approaches, ensuring measurable benefits for vulnerable communities. The performance-based grants will support at least 26 high-potential adaptation innovations led by CSOs, NGOs, and MSMEs in key sectors such as climate-resilient food systems, nature-based solutions[171] and disaster risk reduction, with the objective of building resilience and creating social, environmental and governance impact in the targeted communities. Interventions that reduce exposure to climate hazards, restore critical ecosystem functions, safeguard livelihoods, and strengthen the ability of communities to anticipate, withstand, and recover from climate-induced shocks will make a direct and measurable contribution to climate resilience.

Function 2: Aggregated Technical and Business Development Support Facility: Selected innovations will

171 Considering that Nature Based Solutions can cut across multiple sectors, in the full proposal development stage, the types of nature-based solutions and sectors, will be defined/outlined clearly as part of the selection criteria for the call for proposals.

receive tailored technical assistance, procurement and finance trainings, investment readiness support, and strategic ecosystem linkages to accelerate their transition from early- and mid-stage to the scale stage. AFCIA 2 will address critical barriers to scaling, such as financing gaps and limited market access, by connecting organizations to a broader climate finance ecosystem, including DFIs, venture capital, and impact investors. This integrated support will help create a robust pipeline of investable adaptation solutions. A three-tiered support system will be implemented, combining in-house technical expertise, external domain experts, and global MBA/e-MBA fellows. This comprehensive approach will enhance the operational, strategic, and financial capabilities of selected innovators, facilitating their journey towards scaling and broader impact. It will also help ensure that concrete adaptation activities are implemented effectively, efficiently, and sustainably, reinforcing their capacity to deliver long-term resilience outcomes.

Function 3: Knowledge Generation, Learning and Results Aggregation Facility: The project will capture and disseminate field-tested evidence and practical implementation insights on what works, for whom, and under what conditions, through its effective, strategic partnerships developed in AFCIA 1. These learnings will inform policy/programme/and systems level processes, support replication across geographies, and influence both public and private investment flows. The focus will be on scaling inclusive, gender-transformative approaches to climate adaptation. A robust knowledge architecture anchored around and leveraging off our business school partnerships will document and disseminate learnings, codify insights from implementation, and support cross-country peer learning. Additionally, partnerships with global adaptation platforms and South-South learning exchanges will extend the project's impact on adaptation policy, finance, and programming beyond the project boundaries. Through these knowledge exchange and learning mechanisms, the project creates enabling conditions for experimentation, piloting, and adaptive management, allowing for responsible risk-taking in real-world settings while capturing lessons and refining approaches. This process will help distil insights from individual project experiences into approaches that can inform and inspire similar efforts in other regions, demonstrating the added value of a multi-regional approach.

Function 4: Project Execution and Grant Administration and Management: The project will be managed in accordance with UNDP rules and regulations, ensuring compliance with all institutional standards. This includes comprehensive grant administration and supervision, covering the full lifecycle from sourcing and screening to disbursement and progress tracking. A robust framework will be implemented to track performance, manage risks, and ensure the timely achievement of key milestones. Regular reporting and performance assessments will be conducted to maintain alignment with strategic goals and to guarantee the efficient and transparent management of funds. These measures will reinforce accountability and support timely adjustments to ensure effective delivery throughout implementation.

Description of the Project Components

Building on the problem information provided above, AFCIA 2 has been designed to overcome the systemic barriers that prevent promising, locally led adaptation solutions from scaling. Across regions, community-based organisations, MSMEs and social enterprises are consistently trapped in a financing "missing middle"—too large for micro-finance yet too early-stage or small for commercial capital. As a result, high-potential innovations—from climate-smart irrigation to resilient water services and early-warning applications—stall before reaching sustainable scale. While regional investment landscapes differ, the core constraint is universal: limited access to appropriately structured, catalytic finance and the networks that translate prototypes into durable, investable models that generates resilience impact at scale.

In response, AFCIA 2 will provide catalytic grants and sustained technical assistance to high-potential local solutions, while deliberately linking them to investors, accelerators and national planning processes. By anchoring support in NAPs/NDCs and strengthening connections between grassroots innovators, finance and policy, the programme addresses the structural imbalance in current capital flows and ensures that benefits reach the most vulnerable. All supported innovations will embed social inclusion and gender-responsiveness, so that marginalized groups are not only beneficiaries but active leaders in design, innovation and delivery.

The project's thematic focus—climate-resilient food and water systems, nature-based solutions and disaster risk reduction and recovery—reflects where vulnerabilities intersect and where solutions are both scalable and capable of sustained impact. This emphasis on "locally led, inclusive innovation" directly responds to the gaps identified above: it targets the communities and places most at risk and strengthens the ecosystems required to replicate what works.

Within this approach, grant sizing is tailored to maximize value for money and the scale of outcomes achievable at the community level. Civil society organizations—often focused on expanding proven models, strengthening institutional capacities, and deepening alignment with local and national planning—may, where appropriate, effectively utilize larger grants in the indicative range of USD 100,000–200,000 to extend geographic reach, leverage co-financing, and integrate complementary dimensions (e.g., technology, value-chain resilience, and gender-transformative practices), thereby enhancing impact per dollar invested. For MSMEs—central to testing market-based approaches and validating business models—moderate grants in the indicative range of USD 40,000–140,000 could serve as a good base to de-risk early stages and build investment readiness, recognizing that their interventions are typically more targeted and oriented toward specific products or services.

Drawing on implementation lessons from AFCIA 1, AFCIA 2 introduces several refinements to how innovation small grant projects are sourced, screened, and supported. While the programme will continue to use an open and competitive global call for proposals, AFCIA 2 places greater emphasis on early assessment of implementation readiness and longer-term engagement potential. Key enhancements include the introduction of a mandatory 8–10-week Onboarding Learning Sprint prior to full implementation, extended grant implementation periods for CSOs/NGOs, and differentiated support models for CSOs/NGOs and MSMEs. In particular, CSOs/NGOs will receive technical assistance and investment brokering support throughout the full implementation period, while MSMEs will benefit from a two-year structured engagement combining technical assistance and investment brokering. These adjustments are intended to strengthen delivery quality, sustainability of outcomes, and pathways to scale.

In sum, targeted financing and structured innovation support are strategic necessities for achieving equitable, measurable adaptation outcomes. By bridging the "missing middle," aligning with national priorities and building a pipeline of innovation-driven enterprises and community solutions under the AFCIA umbrella, the project is positioned to deliver transformative, locally owned resilience across Africa, Asia-Pacific, Arab States, Europe/Central Asia and Latin America & the Caribbean. The combination of catalytic grants, technical assistance, and cross-regional knowledge exchange enables the project to generate resilience outcomes that surpass those achievable through isolated country-level projects.

A description of each of the Outcomes, Outputs and Activities that are part of the project is presented as follows:

Outcome 1: High potential, locally led adaptation innovations, including non-for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).

High potential, locally-led adaptation innovations are developed, designed, and prepared for implementation through inclusive sourcing, technical assistance, and supported with catalytic finance, with a focus on addressing priority climate risks and advancing gender equality and social inclusion, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs), in accordance with the Adaptation Fund's eligibility criteria by targeting particularly vulnerable developing country Parties to the Kyoto Protocol or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change, and aligning with their commitments under the Paris Agreement.

Under Outcome 1, the project will establish a transparent, competitive, and gender-responsive grant selection and issuance process targeting participants from developing country Parties to the Paris Agreement or the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change to catalyze locally led adaptation innovations with strong potential for scaling. Building on the success of AFCIA 1, which awarded 44

grants to civil society organizations (CSOs) and non-governmental organizations (NGOs), AFCIA 2 will continue to promote inclusive participation by targeting approximately 21 CSOs and NGOs as primary grantees. This approach will ensure that adaptation solutions remain grounded in local realities and responsive to community priorities.

To further foster private-sector engagement and stimulate market-based adaptation pathways, AFCIA 2 will also pilot innovative solutions with at least 5 MSMEs (to a maximum of 15 MSMEs, depending on the size of the grant that ranges between 40,000 USD to 140,000 USD), leveraging their entrepreneurial capacity to scale viable business models for resilience. In total, the programme will channel at least 26 grants directly to innovators, strengthening the pipeline of locally driven, scalable adaptation solutions that contribute to inclusive and sustainable climate resilience. The total number of grants for NGOs/CSO and MSMEs could be higher, if the grant size is l smaller, but 26 would be the minimum amount of grants if the grant size remains in 200,000 USD (for NGOs/CSOs) and 140,000 for MSMEs.

Following the formulation of AFCIA Project Management Unit (PMU) and the necessary procurement processes, the global 'open calls for proposal' will be launched.

In collaboration with AIM partners and in line with the AFCIA 2 Communication and Visibility Strategy (Annex 11), the AFCIA PMU will leverage internal and external networks to raise awareness of the call among all eligible and potential applicants and promote for 'open call for proposal'.

A broad, global outreach campaign will be undertaken to ensure inclusive access and strong visibility of the call for proposals. This will include targeted online information sessions designed to engage diverse groups such as NGOs, CSOs, cooperatives, MSMEs, and community-based innovators, including those from marginalized communities that may have limited access to traditional funding channels. All outreach materials and guidance documents will be made available online and disseminated through UNDP´s Country Offices, UNDP Regional Offices, UNDP´s innovation and acceleration programmes, the SGP programme, and AIM´s and AFCIA´s academic, investors and knowledge networks. All outreach materials and guidelines will be made available online and recorded webinars will be made available at the national level to increase outreach.

To ensure broad and inclusive participation, the programme will deploy targeted and context-specific outreach and communication efforts. This approach will help increase the diversity and quality of applications, while enabling the programme to identify and attract high-potential, locally led adaptation innovations, including those led by NGOs, CSOs and MSMEs. Tailored outreach will be informed by country and regional contexts, thematic priorities, and stakeholder mapping, ensuring that the call for proposals effectively reaches the actors best positioned to deliver innovative, scalable adaptation solutions.

The project team will deploy the following measures to ensure robust and equitable outreach:

- **Multi-channel outreach campaign:** Disseminating information through UNDP's networks, partner organizations, civil society platforms, business associations, academic institutions, and local authorities, using both formal and informal communication channels. A dedicated visual identity will be developed to increase visibility and stakeholder interest in the call for proposals. Dissemination materials will be made fully accessible online.
- **Targeted communication:** Preparing locally adapted messaging and materials, with specific attention to women-led entities, youth groups, Indigenous Peoples, and other vulnerable populations.
- **Information webinars and Q&A sessions:** Hosting thematic and/or regional information sessions at different times to accommodate diverse time zones and schedules, with recordings made available to ensure broader access.
- **Application support materials:** Providing clear application guidelines and an FAQ document outlining the process, eligibility criteria, assessment parameters, and expectations for applicants.

Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.

Adaptation innovations with demonstrated results and strong potential for scale will be sourced through two complementary mechanisms:

> **(i)** An **open call for proposals targeting CSOs, NGOs, and community-led organizations** that have developed context-relevant, and locally led adaptation solutions ready for scale-up.
>
> **(ii)** An **open call for proposals** targeting MSMEs through a competitive process that prioritizes adaptation-focused and for-profit entities, including youth- and women-led ventures with context relevant solutions and clear scaling potential.

Innovation small grant proposals under AFCIA 2 will be sourced through an open, competitive, and inclusive global call for proposals, building on the proven approach of AFCIA 1 and leveraging UNDP's and AIM's established adaptation and innovation networks. The call will be disseminated through existing adaptation, innovation, and entrepreneurship ecosystems—including UNDP innovation platforms, AFCIA/AIM networks, and partner institutions—to reach locally led organizations delivering concrete adaptation solutions.

The sourcing design will be inclusive and gender-responsive, with eligibility criteria and application requirements structured to encourage participation from locally rooted organizations, including women-led entities and innovators working with vulnerable and marginalized communities. The call will prioritize early-stage and growth-stage adaptation innovations that demonstrate readiness for implementation and the potential to deliver tangible, measurable adaptation and climate resilience outcomes, rather than concept-stage ideas.

It is to be noted that two Calls for Proposals will run concurrently in Q1 2027: one targeting CSOs, NGOs, and community-led organizations, and a second dedicated to sourcing MSMEs. For the detailed timeline of the whole project, please refer to Annex 9 – Multi annual Workplan. Following the application period, proposals will undergo a transparent and competitive screening process that adheres to adaptation innovation criteria as well as social and gender standards. Screening and evaluation will be conducted by 'Grant Selection Committee' and follow the requirements set out in Annex 2a (Preliminary Online Application Format), Annex 2b (Preliminary Detailed Proposal Application Format), and Annex 2c (Selection Process and Evaluation Criteria) of the proposal. All selection, evaluation criteria, and the composition of the Grant Selection Committee will comply with the Adaptation Funds eligibility criteria, UNDP procurement and programming policies and will be reviewed in consultation with the Technical Advisory Group. As explained in detail under the 'Project Governance' section of the proposal, the Project Board will be responsible for reviewing and finalizing the selection of grantees for the project based on the recommendations of the AFCIA PMU and Grant Selection Committee evaluation.
By combining **innovation, inclusivity, and scalability**, **Outcome 1** will establish a robust and diverse portfolio of adaptation solutions that deliver tangible benefits to vulnerable populations while advancing global climate-resilience goals.

Across three priority themes—**(i)** Climate-resilient Food Systems, **(ii)** Nature-Based Solutions (NbS), and **(iii)** Disaster Risk Reduction and Recovery —typical subproject activities may include:

- **Climate-resilient Food Systems:** climate-smart agronomy services; efficient water use and soil-moisture management; resilient inputs and storage; and farmer aggregation and processing models that stabilize income and reduce post-harvest loss.
- **Nature-based solutions:** watershed restoration; mangrove and riparian rehabilitation to reduce flooding and saline intrusion; regenerative land-use models; and locally appropriate eco-construction techniques that improve safety, comfort, and affordability.
- **Disaster risk reduction and recovery:** community risk mapping; climate-informed contingency planning; last-mile early-warning dissemination; small-scale resilient infrastructure to minimize losses during extreme events. In this category, solutions that contribute to "bounce back" from a disaster will also be considered, like establishing sources of drinking water or food production after a crisis, flood-resilient infrastructure in vulnerable areas, ensuring predictable, inclusive, and sustained financing for recovery efforts, and empowering local communities by training leaders, establishing recovery

networks, and fostering multi-stakeholder partnerships, to mention some.

All subprojects will integrate the meaningful participation of vulnerable and marginalized groups and comply fully with the 'Adaptation Fund's Environmental and Social Policy and Gender Policy'. Each grantee will prepare a contextualized and simplified 'Environmental and Social Management Plan (ESMP)' and a simplified 'Gender Action Plan' during the inception phase to ensure inclusive, equitable, and sustainable outcomes.

All supported innovations will be fully aligned with national adaptation priorities, including National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs), and will reflect the Adaptation Fund's definition of "innovation for adaptation." Issuance of small grants to accelerate and promote adaptation innovation will be managed through the AFCIA PMU in line with standard operating procedures of UNDP.

Activities contributing to Output 1.1:

- **Activity 1.1.1 Design and launch inclusive and competitive global calls for proposals:** Design and launch two concurrent, inclusive, and competitive global calls for proposals—one targeting CSOs, NGOs, and community-led organizations, and one targeting MSMEs—aligned with national adaptation priorities (NAPs/NDCs), Adaptation Fund eligibility criteria, and AFCIA thematic focus areas. The calls will integrate gender-responsive eligibility criteria and environmental and social safeguards.

  Relevant activities from the Multi-Annual Workplan include:
  - Preparation of call documentation, eligibility criteria, application templates, and evaluation tools
  - Alignment with Adaptation Fund ESP and Gender Policy requirements
  - Coordination with UNDP procurement and programme rules
  - Design and launch global calls for proposals targeting CSOs, NGOs, and MSMEs,
  - Development of gender-responsive eligibility criteria, application guidelines, and selection methodologies
  - Integration of environmental and social safeguards and gender-responsive requirements into call documentation
  - Outreach and communication activities to promote calls and ensure broad, inclusive participation, prioritizing outreach to women-led businesses, including from rural areas and from minority communities

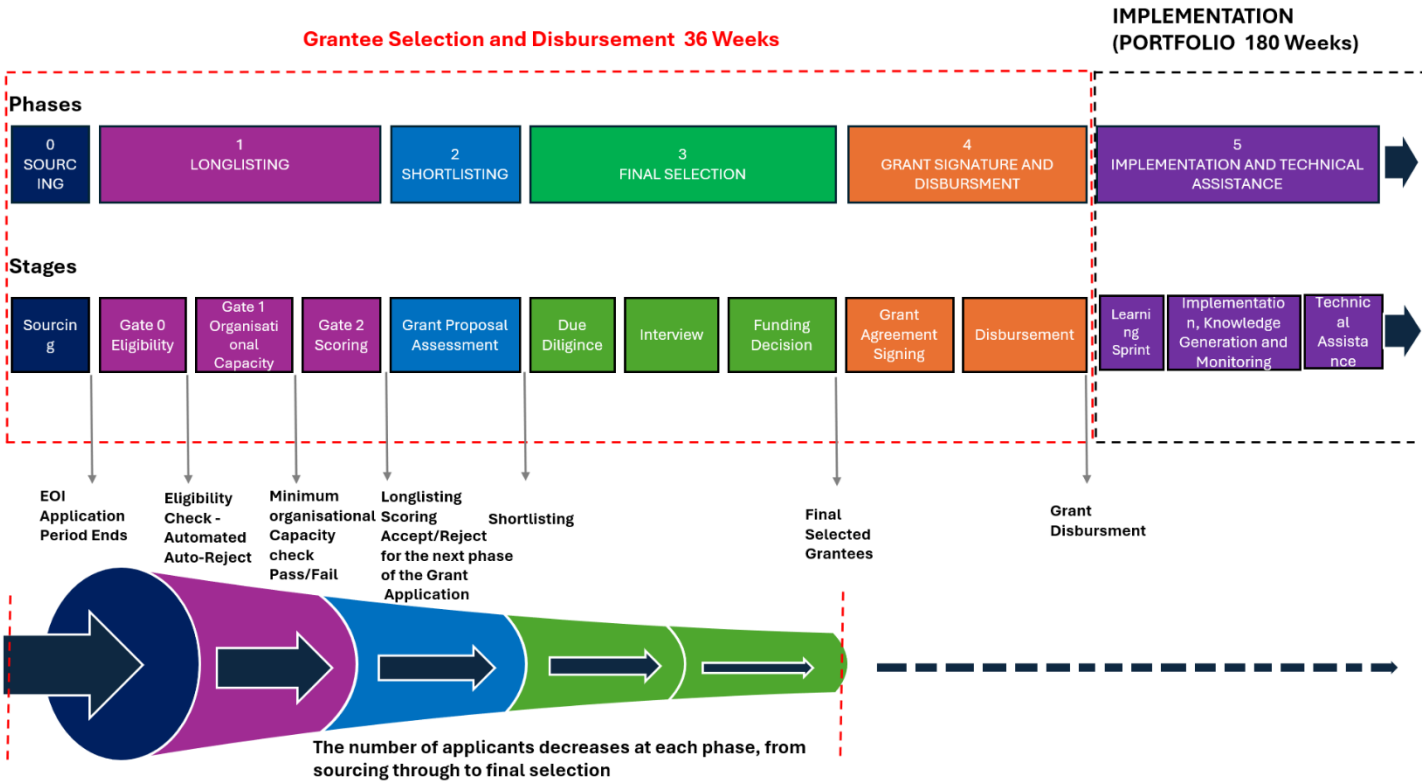
- **Activity 1.1.2: Screen, select, and contract high-potential adaptation innovations:** Conduct a transparent, competitive, and gender-responsive screening, evaluation, and selection process to identify high-potential, locally led adaptation innovations, in line with UNDP rules and Adaptation Fund requirements. The open call for proposals requires the implement a broad, multi-channel outreach and communication campaign to ensure inclusive access to the calls, including targeted engagement of women-led entities, youth groups, Indigenous Peoples, and other marginalized actors. The selection process will integrate environmental and social safeguards, due diligence, and technical assessment, with final selection approved by the Project Board based on recommendations from the Grant Selection Committee and the Technical Advisory Group. Selected innovators will be contracted through performance-based grant agreements linked to agreed milestones, safeguards, and reporting requirements.

- **Relevant activities from the Multi-Annual Workplan include:**

  - Global and regional outreach through UNDP Country Offices, Regional Bureaux, AIM and AFCIA Partnership networks
  - Online information sessions, recorded webinars, and Q&A clinics
  - Dissemination of guidance materials, FAQs, and application support resources

- Evaluation and scoring of proposals using gender-responsive and ESP-compliant criteria
- Technical screening and due diligence of shortlisted innovators
- Grant Selection Committee review and Technical Advisory Group consultation
- Project Board approval of final grantee selection
- Contracting of grantees through performance-based grant agreements

Figure 2 and Table 1 illustrate the end-to-end grant cycle at a high level, spanning the full process from sourcing through to the closure and tentative timeline of the AFCIA 2 grant project, respectively. Please note that the grant agreement will be for 2 years for MSME and 3 years for NGO/CSO, but the technical assistance will be provided to the grantees until the end of the AFCIA 2 project.



(Figure 2: End-to-end grant cycle at a high level, spanning the full process from sourcing through to the

Phase	Timeline
Phase 0: Sourcing	4 Weeks (Q2 2027)
Phase 1: Long Listing	4 Weeks (Q3 2027)
Phase 2: Shortlisting	8 Weeks (Q3 2027)
Phase 3: Final Selection	8 Weeks (Q4 2027)
Phase 4: Grant Agreement Signing, Review, and Disbursement	12 Weeks (Q4 2027 and Q1 2028)
Phase 5: Implementation and Technical Assistance	180 Weeks (Q1 2028 – Q3 2031)

closure)

(Table 1: High-level implementation timeline)

Output 1.2: Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.

Selected innovations will receive catalytic grant financing alongside tailored technical support aimed at strengthening their operational, financial, and impact readiness. Grant disbursements will follow a performance-based approach, linked to the achievement of clearly defined milestones such as completion of agreed indicators or verified progress toward results. This will reinforce accountability, improve the quality of reporting, and promote a culture of continuous learning across the portfolio. It will also help de-risk implementation and scaling, strengthen the credibility of locally led solutions, and facilitate access to follow-on investment by connecting grantees to broader adaptation, innovation, and finance ecosystems. Under the performance-based grant funding approach, the funding is committed upfront for the full grant period, meaning there will be only one grant agreement for the entire amount committed, but the funding will be released in tranches linked to agreed results, ensuring grantees have early liquidity while keeping delivery and accountability at the center.

The grant period will be 24 months for MSMEs and 36 months for NGOs/CSOs. Disbursements will follow a clear, milestone-driven schedule (Table 2):

- 30% on grant agreement signature (Tranche 1) to support mobilization and initial execution.
- 30% on achievement of the first milestone (Tranche 2), typically aligned to 6-month targets for MSMEs and 9-month targets for NGOs.
- 20% on achievement of the second milestone (Tranche 3), typically aligned to 12-month targets for MSME and 18 month target for NGOs.
- 20% on achievement of the final milestone (Tranche 4), linked to delivery of the agreed outcomes towards the end of the grant period, typically aligned to 18-month targets for MSME and 27-month target for NGOs.

As part of the application process, each applicant is required to propose a milestone (refer Annex 2b for details – Component 5). These proposed milestones form the starting point for a joint planning process with the PMU: they are reviewed, refined, and where necessary amended to ensure they are realistic, evidence-based, and clearly define what success looks like for the specific project. The final, agreed milestones are then co-created and formally captured in the grant agreement, covering areas such as operational delivery,

beneficiary reach, adoption/usage, revenue or sustainability indicators, partnerships, safeguarding/compliance deliverables, and evidence of outcomes. Milestones targets will be reviewed periodically during implementation and may be further adjusted in consultation with the PMU to reflect on-the-ground conditions, while maintaining accountability to agreed outcomes.

Regardless of tranche release timing, each grantee remains actively engaged with AFCIA 2 for the full intended grant period, and technical assistance (TA) is provided throughout to strengthen implementation capacity, accelerate results, and support long-term sustainability of the innovations.

Tranche	% of total Grant commitment	Trigger	Typical timing - MSMEs	Typical timing - NGOs
1	30%	Grant agreement signed (mobilisation/start-up)	Month 0	Month 0
2	30%	First milestone achieved (6-month targets)	Month 6	Month 9
3	20%	Second milestone achieved (12-month targets)	Month 12	Month 18
4	20%	Final milestone achieved (end-of-grant outcomes)	Month 18	Month 27

(Table 2: Milestones-based grant disbursement)

The AFCIA PMU team will ensure all supported innovation interventions are designed to deliver measurable, equitable, and gender-responsive benefits for vulnerable communities. Gender equality and social inclusion will be systematically integrated throughout the grant-making process to ensure equitable access to resources and decision-making, with particular attention to women-led organizations and marginalized groups. Grant implementation periods will range between 24 and 36 months—approximately 24 months for MSMEs and 36 months for CSOs and NGOs—with exact durations confirmed prior to the launch of the open call and the processing of grant agreement. These implementation timeframes have also been informed by feedback received during stakeholder consultations, ensuring that grant implementation periods are realistic, context-appropriate, and responsive to the operational needs of the innovators.

Following selection and identification of grantees, each grantee will participate in a mandatory 8–10 weeks Onboarding Learning Sprint designed to strengthen implementation quality and accountability. This onboarding and capacity-building process will include practical modules on business-model refinement, financial and impact readiness, monitoring, evaluation and reporting, and gender-responsive and socially inclusive practices. Trainings and workshops will be led primarily by UNDP, complemented by external specialists for targeted sessions. Each grantee will be required to designate at least two representatives to complete the Onboarding Learning Sprint as a prerequisite for the start of grant implementation. The Onboarding Learning Sprint will serve as the primary entry point for establishing core operational disciplines across the portfolio. This includes the articulation of a clear outcomes model; development of basic unit economics; and the early adoption of systematic data capture practices—covering financial, operational, impact, safeguards and gender-related information. As grantees become more familiar with AFCIA 2's frameworks and operational expectations, the programme will introduce more specialized and advanced learning modules in addition to this initial Onboarding Learning Sprint, tailored to grantee profiles, sectoral needs, and demonstrated progress—such as advanced finance, investment readiness, and enhanced gender integration—to strengthen technical capacities and support continuous improvement. Further details on the Onboarding Learning Sprint and technical assistance

components are provided in the sections on ‘The Phased Scaling and Intervention Framework’ and ‘Learning and Knowledge Management Component’ parts of this proposal.

Activities contributing to Output 1.2

- **Activity 1.2.1: Establish and manage performance-based grant agreements:** Establish and manage performance-based grant agreements with selected innovators in accordance with UNDP rules and regulations and Adaptation Fund requirements. Grant agreements will define the total grant amount, implementation period, tranche structure, milestone framework, reporting obligations, and applicable environmental and social safeguards and gender requirements. Funding will be committed upfront for the full grant period and disbursed in tranches linked to the verified achievement of agreed milestones, ensuring early liquidity for grantees while maintaining strong accountability, fiduciary oversight, and delivery focus throughout implementation.

  Relevant activities from the Multi-Annual Workplan include:

  - Establishment of performance-based grant agreements
  - Definition and validation of milestone frameworks and tranche structure
  - Disbursement of grant tranches linked to verified milestone achievement
  - Financial oversight and compliance monitoring
  - Incorporation of safeguards, gender, and accountability clauses
  - Grant agreement management and administration

- **Activity 1.2.2: Disburse and manage performance-based grant tranches:** Disburse catalytic grant funding in tranches linked to the verified achievement of agreed milestones, while maintaining strong fiduciary oversight, accountability, and risk management throughout implementation. This activity will include verification of milestone achievement, approval and release of tranche payments, application of financial controls, and maintenance of complete documentation and audit trails. Milestone frameworks will be periodically reviewed and, where necessary, adjusted in consultation with grantees to reflect implementation realities, while preserving accountability to agreed outcomes and performance standards.

  Relevant activities from the Multi-Annual Workplan include:
  - Verification of milestone achievement
  - Disbursement and Monitoring of Low Value Grant Agreements (LVGAs) to NGOs/CSOs and MSMEs
  - Financial controls and fiduciary oversight
  - Documentation and trail of disbursements
  - Periodic milestone reviews and validation of adjustments
  - Documentation of approved milestone changes,
  - Review of financial and progress reports
  - Risk screening and follow-up actions
  - Coordination with UNDP assurance and oversight functions
  - Inputs to programme monitoring, reporting, and learning systems

Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact.

AFCIA 2 will build on the achievements of AFCIA 1 by providing follow-on catalytic support to high-impact innovations with clear potential for systemic influence (approximately 5). The programme is designed not only

as a financing mechanism but also as a platform for learning and evidence generation. A comprehensive Knowledge Management and Learning Framework will capture, analyze, and disseminate lessons from grantee implementation, enabling the identification of what works, for whom, and under what conditions.

The rationale for engaging a select number of high-performing AFCIA 1 grantees is grounded in both programme experience and the strategic guidance emerging from the Mid-Term Review (MTR) Report. The MTR underscored that several AFCIA 1 innovators are already close to achieving scale but require a final, targeted period of support to consolidate their business models, strengthen evidence of impact, and secure follow-on finance. It also highlighted the importance of continuity is most essential for that final lap. Across the portfolio, a number of grantees have demonstrated strong progress and clear pathways to scale, yet still need one final “push” to transition into self-sustaining enterprises. Without continued support, there is a real risk that innovations on the cusp of scaling could stall, diminishing earlier gains and reducing the long-term value of the AFCIA 1 investment to date. The MTR also reaffirmed broader structural challenges in the adaptation finance landscape: early-stage, locally-led solutions continue to face significant barriers in accessing patient, catalytic capital, even when supported by UNDP and the Adaptation Fund. This gap reinforces AFCIA’s role in de-risking, nurturing, and advancing innovations that the market alone is unlikely to support in short term. In response, AFCIA 2 proposes to selectively reinvest in the most promising AFCIA 1 innovators. This measured approach ensures continuity where it is most warranted, and accelerates the emergence of viable, scalable adaptation solutions capable of demonstrating broader market viability and delivering systems-level resilience gains.

Through this integrated approach—combining innovation, finance, technical assistance, structured and continuous learning, and evidence generation —Outcome 1 will accelerate inclusive and scalable adaptation action across the Global South. For the purposes of this programme, the term “Global South” refers exclusively to the eligible countries that meet AF´s criteria, which are the developing country Parties to the Kyoto Protocol or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change, including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems. The evidence, insights and lessons learned generated through Outputs 1.2 and 1.3 will inform national adaptation processes, strengthen enabling environments for investment in climate-resilient development, and contribute directly to the Adaptation Fund’s strategic objectives and UNDP’s mandate to advance transformative, locally led climate action.

Through its transparent, inclusive, and gender-responsive grant-making process, Outcome 1 will unlock catalytic financing for a diverse portfolio of high-potential, locally led adaptation innovations across NGOs, CSOs, and MSMEs. By directing resources to solutions that respond to priority climate risks, reflect national adaptation commitments, and demonstrate clear pathways for scale, the project will strengthen the pipeline of community-rooted and market-relevant adaptation models. Together, these measures ensure that the concrete activities implemented by grantees contribute not only to community-level resilience but also to broader systemic resilience through policy and market linkages. These catalytic grants will enable innovators to operationalize or expand proven approaches, address critical barriers to implementation, and establish the foundations needed for long-term sustainability. In doing so, Outcome 1 will play a central role in mobilizing and empowering local actors to deliver measurable adaptation benefits for vulnerable populations, while laying the groundwork for broader replication, institutional uptake, and investment-driven scaling under subsequent outcomes of the programme.

Activities contributing to Output 1.3

- **Activity 1.3.1: Identify and select high-performing AFCIA 1 innovations for follow-on support: I**dentify and select a limited number of high-performing AFCIA 1 grantees with demonstrated implementation capacity, strong evidence of impact, and clear pathways to scale and systemic influence. Selection will be informed by portfolio performance data, lessons from AFCIA 1 implementation, and strategic guidance from the Mid-Term Review and final evaluation, ensuring a transparent, competitive, and gender-responsive process.

  Relevant activities from the Multi-Annual Workplan include:

  - Portfolio performance review of AFCIA 1 grantees
  - Assessment of scale readiness, systemic influence, and sustainability potential
  - Development of a Knowledge Management Learning Framework
  - Validation of selected innovations through programme governance mechanisms

- **Activity 1.3.2: Establish and manage performance-based grant agreements for AFCIA 1 grantees, which provide follow-on catalytic grants to consolidate and scale proven adaptation models:** Provide targeted follow-on catalytic grant support to selected AFCIA 1 innovations to consolidate business models, strengthen operational readiness, and advance scaling pathways. Grants will focus on addressing remaining bottlenecks to sustainability, adoption, and market or institutional uptake, while leveraging prior investments and demonstrated results

  Relevant activities from the Multi-Annual Workplan include:
  - Design and approval of follow-on grant packages
  - Contracting of selected AFCIA 1 innovators under performance-based agreements
  - Disbursement of catalytic funding linked to agreed scale and impact milestones

- **Activity 1.3.3: Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress:** Provide follow-on catalytic support to a limited number of high-performing AFCIA 1 grantees through the disbursement and management of performance-based grant tranches linked to clearly defined and verified milestones. This activity will focus on monitoring implementation progress, performance, and delivery of agreed outcomes to ensure that additional support accelerates scale-readiness, consolidates proven business and delivery models, and strengthens evidence of systemic impact. Grant management and oversight will be tailored to the advanced maturity of AFCIA 1 grantees and will emphasize accountability, risk management, and learning, without duplicating onboarding or early-stage capacity-building support provided under other outputs.

  Relevant activities from the Multi-Annual Workplan include:
  - Verification of milestone achievement for AFCIA 1 follow-on grantees
  - Approval and release of performance-based grant tranches in line with agreed milestones
  - Review of financial, operational, and progress reports submitted by grantees
  - Monitoring of implementation progress, delivery risks, and performance against agreed outcomes
  - Documentation of tranche disbursements, milestone verification, and audit trails
  - Reporting on grant performance and implementation progress to programme governance bodies

Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.

Outcome 2 focuses on transforming supported adaptation innovations into investment-ready solutions and integrating them into national and global adaptation, innovation, and finance ecosystems. Through tailored technical assistance, business development support, and strategic partnerships, AFCIA 2 will enable selected innovations to progress from early, mid, and late-growth stages toward scale. This integrated approach will address key barriers to growth—such as financing gaps, limited market access, and insufficient investor confidence—by connecting organizations to development finance institutions (DFIs), venture capital, impact investors, and other actors within the climate finance ecosystem. These measures will contribute to building a robust pipeline of investable adaptation solutions and help position adaptation as a viable and attractive investment class.

AFCIA 2 will provide targeted support to strengthen business acumen and reduce grantees' dependence on grant financing, enabling them to operate hybrid or market-facing models aligned with their mandates. Innovations will receive tailored investment readiness support and strategic ecosystem linkages, including engagement with investors through business school fellowships, mentorship programmes, and curated investor roundtables—creating opportunities for deal flow and follow-on capital mobilization. This support will be structured around a three-tiered model that combines in-house UNDP expertise, specialized external domain experts, and MBA/EMBA fellows to jointly enhance the operational, strategic, and financial capabilities of selected innovators.

Immediately upon selection, grantees will participate in an intensive Onboarding Learning Sprint designed to strengthen core operational disciplines, including business model refinement, unit economics, monitoring, evaluation and learning (MEL), gender-responsive design, and environmental and social safeguard risk management. This accelerator-type phase will ensure that all grantees have a clear outcomes model, basic financial systems, and data collection practices in place before moving into more advanced tailored support. Subsequently, grantees will access sequenced, demand-driven technical assistance modules that deepen their capacities in areas such as scaling strategies, adaptive management, and policy and market engagement.

A defining element of Outcome 2 is the strategic engagement with financial institutions, leveraging existing UNDP partnerships with the private sector. Working with private sector partners which are interested in impact funding and resilience, AFCIA 2 will:

- **Co-design adaptation investment metrics and screening tools** to help financial institutions identify and value resilience benefits in credit and equity decisions;

- **Pilot innovative financing pathways**—such as blended finance facilities, concessional credit lines, revenue-based financing, and insurance-linked mechanisms—to improve access to capital for MSMEs and hybrid community-led organizations; and

- **Leveraging UNDP's and its partners knowledge and experience** to support financial institutions in integrating climate adaptation considerations into their investment strategies and portfolios

These efforts will complement technical assistance provided directly to grantees, supporting CSOs and NGOs in strengthening their business acumen and enabling MSMEs to meet market expectations. Together, these interventions will help close the "missing middle" financing gap, where many community-driven and growth-stage adaptation solutions often stall.

All activities under Outcome 2 will promote gender equality and social inclusion, ensuring that scaling efforts generate fair opportunities and benefits for all members of society, particularly those most at risk. AFCIA 2 will support grantees to embed gender-responsive and socially inclusive approaches into their business models, governance structures, and service delivery mechanisms.

AFCIA 2 will track progress using indicators such as:

- *Number of supported innovations achieving investment-readiness benchmarks;*
- *Number of women-led enterprises achieving investment-readiness benchmarks; and*
- *Number of innovations enabled to develop and implement gender-responsive business models.*

Peer learning and replication will be systematically embedded within Outcome 2 to accelerate scaling and reduce transaction costs. Proven approaches will be documented in practical replication toolkits, while regular replication clinics will create structured opportunities for grantees to exchange lessons, troubleshoot challenges, and adapt successful models across different contexts. This peer-to-peer learning architecture will help move effective innovations from isolated pilots to scalable, portfolio-wide practices.

To support the transition from promising pilots to scalable models, selected innovators will receive tailored technical assistance, investment-readiness support, and strategic ecosystem linkages that enable them to advance from early, mid, and late-growth stages toward scale. These support measures will be complemented by targeted brokering from UNDP and its partners, helping innovators translate their operational track records into credible, investable propositions for a range of capital providers.

By combining high-quality technical assistance, strategic partnerships with financial institutions, and innovative financing models, Outcome 2 will identify and contribute to unlocking new pathways for adaptation investment. This outcome will function as the programme's scaling engine, enabling high-potential, locally led innovations to move beyond grant dependence toward financially viable, institutionally embedded, and policy-aligned adaptation services that can endure and expand over time. This approach will accelerate the shift from pilot initiatives to market-ready solutions and strengthen the integration of locally led innovations into national and global adaptation finance ecosystems.

Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, thematic support on adaptation approaches, gender-responsive design, MEL systems, financial planning and safeguard risk management.

Under Output 2.1, AFCIA 2 will operationalize an integrated technical assistance facility that equips all supported CSOs, NGOs, MSMEs, and cooperatives with the skills, systems, and tools needed to strengthen their business models, adaptation approaches, gender responsiveness, monitoring evaluation and learning (MEL) systems, and environmental and social safeguard risk management. This support will be tailored to organizational type, sector, maturity level, and operational context, while maintaining a common minimum standard of capacity across the portfolio.

The technical assistance will draw on UNDP's internal expertise, specialized external partners, and the MBA Fellowship Programme with leading business schools from the Global North and the Global South. Together, they will provide hands-on support that is practical, context-specific, and aligned with the Adaptation Fund's Environmental and Social Policy, Gender Policy, and Adaptation Fund's Monitoring and Tracking System, as well as UNDP's safeguards and MEL standards. Through this comprehensive technical assistance architecture, Output 2.1 ensures that the concrete adaptation activities implemented by grantees are operationally sound, impactful, and positioned for long-term resilience-building beyond the project period.

The project will actively contribute to and benefit from a broader community of practice, showcasing learning and facilitating peer-to-peer exchange between AFCIA 1 and AFCIA 2 grantees. These efforts will be complemented by additional knowledge-sharing and peer-exchange opportunities supported across the wider AFCIA partnership, including initiatives led by UNEP-CTCN, UNIDO, WFP, and SPC through the UNEP-CTCN coordination function. Together, these collaborative platforms will strengthen cross-learning, enhance replication potential, and promote a cohesive, system-wide approach to advancing locally led adaptation.

- **Activity 2.1.1: Deliver an 8–10-week onboarding sprint for selected innovators:** Deliver an 8–10-week onboarding sprint for selected innovators covering business model refinement, value proposition clarification, unit economics, monitoring and evaluation, environmental and social safeguards, gender responsiveness, financial management, planning, and innovation management.

  Relevant activities from the Multi-Annual Workplan include:
  - Design and delivery of an intensive Onboarding Learning Sprint for selected grantees, with tailored business support for women-led organizations
  - Training modules on business model refinement, value proposition, unit economics, and innovation management
  - Capacity building on monitoring and evaluation, environmental and social safeguards, and gender responsiveness
  - Training on financial management, planning, fiduciary requirements, and operational readiness

- **Activity 2.1.2: Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning:** Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning to selected grantees throughout the piloting phase. This will include the deployment of MBA/EMBA fellows and expert mentors to work directly with grantee teams on:

  (i) testing, iteration, and risk management of innovations;

  (ii) strengthening internal systems such as financial reporting, budgeting, cash-flow forecasting, organizational and operational risk management, market analysis, and preparation of investor-ready data rooms and documentation, with tailored mentoring support for women-led and gender-responsive innovations where relevant;

  (iii) organizational development, governance, succession planning, and change management to support operational resilience, responsible growth, and long-term sustainability; and

  (iv) facilitating peer-to-peer learning through quarterly replication clinics, thematic learning sessions, and South–South exchanges that enable grantees to share tools, standard operating procedures, training materials, and other resources supporting learning, replication, and scaling of innovations.

  Relevant activities from the Multi-Annual Workplan include:

  - Provision of tailored technical assistance and advisory support throughout the piloting phase, including tailored business mentoring for women entrepreneurs and women-led organizations
  - Deployment of MBA/EMBA fellows to work directly with grantees on business development, financial systems, and investment readiness
  - Ongoing expert mentoring on innovation testing, iteration, and risk management
  - Organizational development and leadership coaching for grantee management teams
  - Facilitation of peer-to-peer learning, replication clinics, thematic learning sessions, and South–South exchanges

- **Activity 2.1.3: Assist selected grantees to prepare Gender Action Plans and ESMPs** : Assist selected grantees to prepare contextualized and simplified Gender Action Plans (GAPs) and

Environmental and Social Management Plans (ESMPs), aligned with Adaptation Fund and UNDP standards, ensuring that gender equality, social inclusion, and environmental and social safeguards are systematically integrated across the full innovation project cycle.

Relevant activities from the Multi-Annual Workplan include:

- Technical assistance to develop contextualized and simplified Gender Action Plans
- Support to prepare Environmental and Social Management Plans aligned with Adaptation Fund and UNDP standards
- Guidance on integrating gender equality, social inclusion, and ESP measures across project implementation, including beneficiary engagement, staffing, and monitoring practices
- Ongoing monitoring and advisory support to operationalize GAPs and ESMPs during piloting

Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school and investors partners

Output 2.2 will focus on helping adaptation innovators identify, prepare for, and access appropriate financing pathways, including private commercial, concessional, blended, and public–private mechanisms. Building on UNDP's existing partnerships and ecosystems with DFIs, impact investors, commercial banks, and other financial actors—as well as the networks of leading business schools—the project will facilitate positioning grantees within relevant investment pipelines and policy frameworks. Local investor networks and knowledge platforms established by other UNDP-led programmes, such as the Small Grants Programme (GEF SGP), the BOOST Impact Acceleration Programme, the TADAMON NGO Empowerment Programme, UNDP Accelerator Labs, Youth Co:Lab, the Climate Venture Scaler, and other Country Office adaptation for innovation ecosystems will be explored to identify synergies and specific collaboration opportunities that can help AFCIA 2 grantees identify and access suitable financing pathways and connect with relevant financing ecosystems.

This output will translate the operational and strategic improvements achieved under Output 2.1 into tangible financing opportunities. It will support organizations to articulate their financing needs, understand investor requirements, and structure proposals that align with the expectations of different capital providers, while maintaining their social and environmental objectives. Through these measures, Output 2.2 strengthens the conditions necessary to position adaptation initiatives as credible financing propositions and enables the scaling of locally led adaptation across regions. This function is central to the project's multi-regional value proposition, whereby solutions proven effective in one context can secure financing and strategic partnerships that facilitate expansion into new geographies facing similar climate risks.

Activities contributing to Output 2.2:

- **Activity 2.2.1: Support innovators to identify and access appropriate financing pathways:** Support innovators to identify and access appropriate financing pathways through investor engagement, deal structuring support, preparation of investor-ready documentation, and linkages to private, public, concessional, blended, and public–private finance mechanisms, in collaboration with leading business schools, investors, and strategic partners.

  Relevant activities from the Multi-Annual Workplan include:

  - Support to grantees on investment readiness, including financial modelling, unit economics, and preparation of investor-ready data rooms and documentation, with additional support provided to women-led and gender-responsive innovations where relevant.
  - Engagement with private sector investors, financial institutions, and impact investors to explore financing options for supported innovations.

- Facilitation of linkages to public, concessional, blended, and public–private finance mechanisms
- Targeted advisory support on deal structuring and financing strategies, drawing on partnerships with leading business schools and investment partners, ensuring that financing models do not unintentionally reinforce gender-based exclusion (through collateral requirements or ownership structures, for instance).
- Organization of investor-focused learning sessions, pitch events, and strategic dialogues to connect innovators with potential financiers. The design of these engagement and matchmaking events will have intentional gender balance including through gender-sensitive formats, timing and locations accessible to women.

- **Activity 2.2.2: Generate and consolidate evidence of impact, scale, and systemic influence:** Generate, consolidate, and synthesize evidence from supported adaptation innovations to assess their impact, scalability, and potential for systemic influence. This activity will focus on aggregating technical, financial, organizational, gender, and environmental and social performance data across the portfolio to demonstrate adaptation outcomes, inform scaling and financing pathways, and support engagement with policymakers, investors, and implementing entities. Evidence generated under this activity will feed into learning products, investment readiness processes, and programme-level reporting, without duplicating knowledge dissemination activities under Outcome 3.

Relevant activities from the Multi-Annual Workplan include:

  - Track and document follow-on finance mobilized by grantees: Systematically track and document follow-on finance mobilized by supported innovations by consolidating grantee-level technical, financial, and impact performance data; analyzing monitoring and evaluation results to assess scalability and systemic relevance; and monitoring early signals of adoption, replication, and growth. This will include documenting outcomes related to gender equality, social inclusion, and environmental and social safeguards, and preparing portfolio-level evidence summaries to inform scaling pathways, investment engagement, and programme-level reporting. All evidence will be subject to validation and quality assurance processes to ensure its reliability for decision-making, learning, and engagement with partners and potential financiers.

Together, Outputs 2.1 and 2.2 operationalize Outcome 2 by combining high-quality technical assistance with proactive financing facilitation. This will enable AFCIA 2 grantees to become stronger, more resilient organizations that are capable of absorbing and managing diverse forms of capital, scaling their impact, and contributing to more inclusive and robust adaptation finance ecosystems.

Gender equality and social inclusion will be mainstreamed across all activities under Component 2 through gender-responsive selection criteria, the development and implementation of Gender Action Plans, integration of ESP requirements, targeted technical assistance, leadership coaching, and gender-disaggregated monitoring and reporting. This approach will ensure that gender considerations are systematically reflected in the design and delivery of support to innovators and in the strengthening of investment-ready adaptation solutions.

Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.

Outcome 3 leverages evidence and learning generated through supported adaptation innovations to influence replication strategies, policy processes, and investment practices at local, national, and global levels. AFCIA 2 will capture and disseminate field-tested insights on what works, for whom, and under what conditions, drawing on robust monitoring, evaluation, and learning systems and participatory learning approaches. These insights will inform policy and programme design, support replication across geographies, and shape public and private investment flows, with a strong focus on promoting inclusive and gender-transformative adaptation models. In line with the Adaptation Fund's definition of innovation for adaptation, AFCIA 2 will prioritize solutions that go beyond incremental improvements, address clearly defined climate risks, and evolve through iterative testing, learning, and adaptation with the meaningful participation of vulnerable communities. Central to this outcome is the project's emphasis on capturing how concrete adaptation activities implemented under Outcomes 1 and 2 generate measurable resilience outcomes, and translating these results into actionable guidance for policymakers, practitioners, and investors.

Building on the strategic partnerships established under AFCIA 1, AFCIA 2 will strengthen the role of regional platforms and global knowledge networks in accelerating systemic change. This includes engaging financial institutions, investors, and grantees across the wider AFCIA partnership through curated knowledge products—such as adaptation investment briefs and metrics toolkits—and through targeted dialogues and roundtables that help integrate adaptation considerations into portfolio strategies. Peer-learning exchanges, South-South and South-North collaboration, and knowledge sharing among innovators, local actors, academia, and private-sector partners will further support the uptake and scaling of proven models. From the outset, scalability will be embedded in how learning is structured, including through replication-oriented documents, knowledge exchange, and collaborative mechanisms that connect promising solutions to broader policy and investment pipelines. Outcome 3 will support the development of a knowledge framework that enables concrete adaptation practices proven effective in one country to inform, inspire, and potentially be adapted in other regions facing similar climate risks—providing added value that extends beyond individual country-level projects.

AFCIA 2 will also produce gender-transformative and socially inclusive case studies, ensuring that lessons reflect diverse contexts and promote the meaningful engagement of women, youth, and vulnerable groups. In coordination with AFCIA partnership agencies and the UNEP-CTCN coordination services function, the project will contribute to developing shared knowledge repositories and leveraging digital platforms for global visibility—enabling replication across countries, sectors, and ecosystems. All knowledge products will be designed to be practical, action-oriented, and accessible to local actors, including community-based organizations and Indigenous Peoples, thereby supporting informed decision-making at multiple levels.
Progress under Outcome 3 will be monitored through indicators such as the number of innovation-focused knowledge products disseminated and the number of learning events facilitated, including participation rates of women, vulnerable groups, and local institutions. These indicators will help track how evidence from innovation is translated into improved practice, replication, and policy and investment responses across the participating regions.

By linking evidence on the effectiveness and efficiency of supported innovations to policy dialogues, investment decision-making, and replication pathways, AFCIA 2 will help demonstrate how locally led solutions can inform government priorities and attract finance at scale. The project's principal contribution will be to generate robust, field-based evidence and translate it into actionable insights that inform partner-led processes and strategic initiatives. Through collaboration with financial institutions, local governments, and development partners, these lessons will be reflected in policy recommendations, investment briefs, and scalable business models. The application of clear innovation criteria—including value addition, feasibility, cross-scale acceleration potential, and long-term viability—will further guide how promising practices are adapted and integrated into policy frameworks and investment portfolios.

AFCIA 2's knowledge and learning architecture—anchored in partnerships with leading business schools and global adaptation platforms—will support systematic documentation, cross-country peer learning, and dissemination of proven practices. South-South and South-North exchanges will extend the project's influence on adaptation programming and finance beyond project boundaries. All knowledge products will reflect gender-transformative and socially inclusive practices and will be accessible to local stakeholders. The learning approach will align with the Adaptation Fund's Strategic Results Framework, with emphasis on innovation for

scale, policy integration, and cross-reporting on ecosystems, livelihoods, disaster risk reduction, and awareness and ownership. This architecture will build on a two-stage learning and innovation process—pre-selection and proposal-strengthening support, followed by an intensive Onboarding Learning Sprint for selected grantees—as well as the MBA Fellowship Programme, which links academic expertise with locally led adaptation practice and evidence generation.

Gender equality and social inclusion will be mainstreamed across Outcome 3 by ensuring that evidence generation, learning processes, and knowledge products systematically reflect diverse contexts and perspectives, including those of women, youth, Indigenous Peoples, and vulnerable groups. Scaling, replication, and financing pathways for supported adaptation innovations will build on gender-responsive design principles and environmental and social safeguards established in earlier phases, including Gender Action Plans and ESP measures developed by grantees. Through inclusive learning, partnerships, and investment engagement, Outcome 3 will promote responsible growth and the uptake of inclusive and market-oriented adaptation solutions across policy, replication, and investment pathways.

Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting peers, government partners, investors, and adaptation practitioners.

Output 3.1 focuses on generating high-quality, evidence-based knowledge products that capture the lessons, success factors, and challenges emerging from supported adaptation innovations. Through systematic monitoring, evaluation, and participatory learning processes, AFCIA 2 will document what works, for whom, and under what conditions—ensuring that insights are grounded in field realities and reflect diverse contexts. This includes synthesizing learning into practical case studies, evidence briefs, replication toolkits, and gender-transformative analyses that elevate the experiences of women, youth, Indigenous Peoples, and vulnerable groups.

Knowledge products—including case studies, thematic briefs, and investment-oriented reports—will be co-developed with partners to inform decision-making, influence policy, and support scaling. Special emphasis will be placed on documenting gender-transformative and socially inclusive practices and on demonstrating how concrete adaptation activities carried out by grantees translate into measurable resilience outcomes.
By working in coordination with the UNEP-CTCN coordination services function and the wider AFCIA Partnership, the project will contribute to shared digital repositories that strengthen global access to adaptation learning. These knowledge products will be designed to inform policy development, guide practitioners, support investor decision-making, and enhance the overall enabling environment for scaling and institutionalizing locally led adaptation solutions.

Through Output 3.1, AFCIA 2 transforms project-level knowledge into scalable, transferable adaptation models that can be replicated and institutionalized across regions.

Activities contributing to Output 3.1:

- **Activity 3.1.1: Design and implement a structured learning and knowledge management architecture:** Design and implement a structured learning and knowledge management architecture—including pre-selection learning activities, an Onboarding Learning Sprint, and systematic monitoring and evaluation—to capture technical, financial, organizational, gender, and environmental and social performance data from supported innovations.

  Relevant activities from the Multi-Annual Workplan include:

  - Design and implementation of a learning and knowledge management architecture
  - Delivery of pre-selection webinars and mini-courses to strengthen proposal quality

- Delivery of an intensive Onboarding Learning Sprint for selected grantees
- Establishment of monitoring, evaluation, and learning (MEL) systems
- Preparation of baseline assessments and annual progress reports
- Tracking and reporting on Outcome 3 indicators, including gender-disaggregated data

- **Activity 3.1.2: Develop, maintain, and operationalize a digital knowledge platform:** Develop, maintain, and operationalize a digital knowledge platform, building on existing UNDP, AIM, and wider AFCIA community systems, to host and disseminate case studies, evidence briefs, dashboards, replication toolkits, metrics tools, and gender-transformative analyses for policymakers, practitioners, investors, and local actors.

  Relevant activities from the Multi-Annual Workplan include:

  - Development and maintenance of a digital knowledge platform and dashboard (building on AFCIA 1, UNDP, and AIM systems)
  - Creation and hosting of toolkits, replication kits, case studies, scorecards, fact sheets, and learning resources
  - Integration of learning outputs from the Onboarding Learning Sprint into shared digital repositories
  - Contribution to shared AFCIA knowledge repositories in coordination with UNEP-CTCN AFCIA coordination function

- **Activity 3.1.3: Produce, quality-assure, and disseminate innovation-focused knowledge products:** Produce, quality-assure, and disseminate innovation-focused knowledge products—including adaptation investment briefs, replication toolkits, evidence briefs, and gender-transformative case studies—that translate project-level results into actionable guidance for policy development, replication, and investment decision-making.

  Relevant activities from the Multi-Annual Workplan include:

  - Production of innovation-focused knowledge products, including adaptation investment briefs, metrics toolkits, replication toolkits, and evidence briefs
  - Development of gender-transformative and socially inclusive case studies
  - Develop and Mandate Gender/Social Inclusion (GSI) Guidelines; Specialized Training and Sensitization for Content Teams
  - Synthesis, quality assurance, and dissemination of knowledge products in line with UNDP and Adaptation Fund standards
  - Contribution of knowledge products to global adaptation dialogues and evidence bases

- **Activity 3.1.4: Operationalize the MBA Fellowship Programme and failure-learning protocol:** Operationalize the MBA Fellowship Programme and a structured failure-learning protocol as core knowledge-generation mechanisms, engaging fellows and grantees to document business models, unit economics, impact performance, and implementation challenges, and synthesizing lessons into guidance notes and shared learning products.

  Relevant activities from the Multi-Annual Workplan include:

  - Operationalization of the MBA Fellowship Programme as a core knowledge-generation mechanism
  - Engagement of MBA fellows to document business models, analyze unit economics, and assess impact performance

- Establishment and implementation of a structured failure-learning protocol, including on barriers faced explicitly by women, women-led innovations, and vulnerable populations.
- Synthesis of lessons from implementation challenges into guidance notes and peer-learning products

Gender equality and social inclusion will be mainstreamed across all activities under Output 3.1 by ensuring that evidence generation, analysis, and dissemination systematically amplify women-led and gender-transformative solutions, reflect diverse contexts and build on Gender Action Plans and environmental and social safeguards developed by grantees.

Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organised to promote South-South and South-North collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners.

Output 3.2 aims to deepen collaboration, cross-fertilization of ideas, and the uptake of effective adaptation models through structured peer-learning and knowledge exchange activities. Building on the networks and learning mechanisms initiated under AFCIA 1, AFCIA 2 will convene regular global webinars, cross-country exchanges, replication clinics, and South-South/South-North learning sessions that bring together innovators, policymakers, investors, technical partners, and UNDP Country Offices.

Each grantee will participate in structured peer-learning sessions and thematic exchanges aimed at strengthening capacities in business development, monitoring and evaluation, gender integration, adaptive management. UNDP will facilitate these exchanges in collaboration with partners and external experts. Over time, targeted learning modules will build advanced skills in financial structuring, communication, impact measurement, and policy engagement, supporting grantees in mobilizing follow-on investment and contributing meaningfully to national and regional adaptation agendas. These peer-learning processes will bring together grantees from AFCIA 1, AFCIA 2 and grantees from the “Balkans Climate Adaptation Futures: A Regional Innovation Initiative for Resilience”—all of which operate under AIM into a unified community of practice that strengthens portfolio-wide synergies, supports cross-regional learning, and enables the transfer of tested approaches across AIM-supported initiatives.

These activities will create a dynamic space for sharing practical insights, strengthening technical capacities, and adapting successful solutions across regions and thematic areas. They will also provide opportunities to highlight gender-responsive and socially inclusive practices, showcase women- and youth-led innovations, and promote stronger visibility of locally led adaptation on regional and global platforms.

Beyond the grantee level, AFCIA 2 will serve as a regional and global knowledge broker within the AIM and the broader Adaptation Fund ecosystem. Collaboration with AIM partners, the Adaptation Fund Board Secretariat, and implementing entities such as UNEP-CTCN, WFP, UNIDO, and SPC will enhance knowledge interoperability and broaden access to adaptation learning platforms. Through AFCIA collaboration and coordination activities led by the UNEP-CTCN AFCIA Coordination Project, knowledge products and communication outputs generated under AFCIA 2 will be systematically disseminated also across the AFCIA coordination platform and relevant regional and global fora, for increasing the visibility, credibility, and potential uptake of supported innovations among national authorities and public and private funders, leveraging also the existing ecosystems established by the other AFCIA Partners. The programme will also facilitate South-South and South-North exchanges through workshops, webinars, and study visits (between grantees that work in similar thematic areas and solutions), enabling innovators, policymakers, and investors to share lessons and replicate successful models.

By facilitating ongoing collaboration between grantees and ecosystem actors, Output 3.2 will help translate learning into action, foster replication and policy influence, and contribute to a more interconnected and supportive adaptation innovation ecosystem. By leveraging AIM grantees and by working closely with the AFCIA Partnership (MIEs and RIEs)—these exchanges will support the embedding of tested innovations into policy frameworks, investment pipelines, and institutional programmes across regions. Through structured cross-regional exchange, Output 3.2 will also create opportunities for concrete adaptation practices that have

demonstrated effectiveness in one context to inform and inspire uptake in other geographies facing similar climate risks, enhancing the programme's overall contribution to resilience.

Activities contributing to Output 3.2:

- **Activity 3.2.1: Organise and facilitate structured peer-learning and knowledge exchange activities:** Organize and facilitate structured peer-learning and knowledge exchange activities—including global webinars, replication clinics, thematic learning sessions, and innovation showcases—bringing together innovators, policymakers, investors, UNDP Country Offices, and technical partners.

  Relevant activities from the Multi-Annual Workplan include:
  - Organization of global/regional or thematic webinars to share innovation results, lessons learned, and replication pathways, ensuring participation of women-led innovations, and youth, indigenous and marginalized groups as relevant
  - Facilitation of quarterly replication clinics focused on technical adaptation solutions, business models, and implementation challenges.
  - Delivery of thematic learning sessions on priority topics such as adaptation finance, gender-responsive innovation, and MSME scaling.
  - Coordination of innovation showcases linked to AFCIA and UNDP/AIM platforms to connect innovators with policymakers and investors.

- **Activity 3.2.2: Deliver targeted learning modules and peer exchanges to strengthen grantee capacities:** Deliver targeted learning modules and peer exchanges to strengthen grantee capacities in business development, monitoring and evaluation, gender integration, impact measurement, communication, and policy engagement, supporting follow-on investment and policy uptake

  Relevant activities from the Multi-Annual Workplan include:
  - Development and delivery of modular learning content on business development, impact measurement, and investment readiness.
  - Facilitation of peer-to-peer exchanges enabling grantees to share tools, templates, and standard operating procedures.
  - Capacity-building sessions on gender integration and application of Gender Action Plans across innovation cycles.
  - Targeted support on communication, storytelling, and policy engagement to support policy uptake and investor engagement.

- **Activity 3.2.3: Facilitate cross-country and cross-regional learning exchanges:** Facilitate cross-country and cross-regional South-South and South-North exchanges, including workshops and study visits, connecting grantees across AFCIA 1, AFCIA 2, and other AIM-supported initiatives to support replication, adaptation, and contextualization of proven models.

  Relevant activities from the Multi-Annual Workplan include:
  - Design and facilitation of cross-country and cross-regional workshops connecting innovators across AFCIA phases and regions.
  - Establish and maintain a multi-layered knowledge-sharing and learning activities. Structured exchanges between AFCIA-supported innovators and other AIM-supported initiatives to support contextualization and replication.

- Documentation and synthesis of lessons from exchanges to inform replication toolkits and knowledge products.

- **Activity 3.2.4: Implement coordinated communication, visibility, and dissemination activities:** Implement coordinated communication, visibility, and dissemination activities—aligned with Adaptation Fund and UNDP branding—to amplify learning outcomes, including women- and youth-led innovations, across national, regional, and global platforms and AFCIA coordination mechanisms.

  Relevant activities from the Multi-Annual Workplan include:
  - Development and dissemination of communication materials highlighting innovation results, lessons learned, and replication potential.
  - Visibility activities showcasing women- and youth-led innovations through AFCIA and UNDP platforms.
  - Coordination with UNDP Country Offices to support national and regional dissemination and policy dialogue.
  - Alignment of communication outputs with AFCIA coordination mechanisms.

Gender equality and social inclusion will be mainstreamed across all activities under Output 3.2 by promoting inclusive participation in learning events, addressing power imbalances in adaptation innovation ecosystems by amplifying women and youth-led solutions, highlighting gender-responsive and socially inclusive practices, enabling equitable participation in South-South and South-North in peer-learning processes and supporting equitable replication and responsible scaling of adaptation innovations.

B. Describe how the project /programme would contribute meaningfully to the Expected Results under the Innovation Pillar (i.e. (i) New innovations and risk-taking encouraged and accelerated; (ii) Successful innovations replicated and scaled up; (iii) Access and capacities enhanced for designing and implementing innovation and; (iv) Evidence base generated and shared)

Expected Results under the Innovation Pillar

AFCIA 2 combines performance-based catalytic grants (USD 40,000–200,000), an Onboarding Learning Sprint, tailored technical assistance (TA), MBA Fellowship Programme support, and structured replication & policy pathways to encourage responsible risk-taking, validate and scale viable solutions, build innovation literacy, and generate evidence that informs practice and policy at multiple levels. The design is anchored in Outcome 1 (sourcing & support), Outcome 2 (investment readiness & scale), and Outcome 3 (evidence & learning) of the Theory of Change.

ER1 – Encouraging and Accelerating New Innovations and Responsible Risk-Taking

The project embeds a robust innovation architecture to foster experimentation and adaptive learning while ensuring accountability and safeguards. Open, inclusive, and competitive calls will invite proposals from NGOs, CSOs, cooperatives, and a dedicated MSME window, focusing on three priority themes: climate-resilient food systems, nature-based solutions (NbS), and disaster risk reduction/recovery.

To de-risk bold testing and incentivize performance, catalytic grants will be disbursed in tranches against clearly defined operational and impact milestones. This performance-based approach balances flexibility for innovation with rigorous accountability. An intensive 8–10-week Onboarding Learning Sprint will institutionalize innovation practice among grantees, covering problem framing, development of business plans, monitoring and evaluation (MEL), financial reporting, environmental and social safeguards, gender-responsive design and planning. Learning is built into the project. The project will hold regular reviews and apply a “failure-learning” protocol so grantees can share what worked and what didn’t without fear. These lessons will be documented and used to improve future rounds.

Finally, responsible risk-taking is underpinned by embedded safeguards, including adherence to the Environmental and Social Management Framework (ESMF) and Social and Environmental Standards (SESP), with simplified Environmental and Social Management Plans (ESMPs) and Gender Action Plans (GAPs) tailored for each grantee to ensure “do no harm” principles throughout experimentation.

ER2 – Replication and Scaling Pathways

The project is designed to make sure that successful innovations don’t stop at the pilot stage. AFCIA 2 will create clear pathways for replication and scale-up by linking small-grant results to larger investment opportunities and policy frameworks.

First, every innovation will be assessed against performance criteria—such as cost-effectiveness, user adoption, and safeguard compliance—to identify those ready for scale. High-performing solutions will be showcased to potential private investors to attract co-financing and possible connection with government led programmes that promote LLA, adaptation for innovation or entrepeneurship. Wherever possible, efforts will be made to ensure that proven solutions can inform government-led standards, programmes or policies.

To support replication, the AFCIA 2 will also provide technical assistance and knowledge products—so that other communities and organizations can adopt these solutions. By combining financial linkages, policy integration, and practical guidance, we aim to scale what works and make it part of mainstream adaptation planning.

ER3 – Building Access and Capacity for Innovation

The project will make sure that selected organizations have the skills and systems they need to design and implement innovative solutions. This starts before selection, with short online courses and webinars to help applicants improve their proposals and understand what innovation means in practice.

Once selected, grantees will join an intensive 8–10 week onboarding sprint. This will cover essentials like monitoring and evaluation, gender-responsive design, environmental and social safeguards, financial planning, and how to manage risks and operations. The goal is to facilitate to every grantee the tools to not only successfully implement their grants, but to strengthen their organizational capacities overall to scale and ensute continuality of their initiatives.

Beyond onboarding, AFCIA 2 will deliver a comprehensive package of technical assistance and advisory services. This includes thematic clinics on food systems, nature-based solutions, and disaster recovery, as well as governance, financial controls, procurement, and ESG risk management. Grantees will also benefit from investment brokering and resource mobilization support, connecting them with impact investors, development finance institutions, and blended finance opportunities to accelerate scaling. Tailored advisory services will help organizations refine business models, strengthen partnerships, and adopt innovation-friendly policies and procedures.

To make innovation last, the project will help partner institutions adopt practical tools—such as innovation-friendly procurement templates, sandbox procedures, and gender-responsive monitoring systems. Peer learning will be a big part of this effort, with quarterly replication clinics and South–South and South-North exchanges connecting grantees with other grantees under AIM, the AFCIA Partnership and extended global networks.

By the end of the project, each grantee to deliver a tailored Gender Action Plan and an Environmental and Social Management Plan. This will create a strong foundation for scaling innovation beyond the life of the project.

ER4 – Generating and Sharing Evidence

The AFCIA 2 will not only test new ideas but also make sure the lessons are captured and shared widely. Every innovation will be tracked through a strong monitoring and learning system that collects sex, age, and disability-disaggregated data and uses geospatial tagging where relevant. We will also apply a “failure-learning” protocol so grantees can openly share what worked and what didn’t.
To turn these insights into action, we will produce practical knowledge products—such as case studies, replication toolkits, investment briefs, and open-source designs for nature-based solutions. Public dashboards and scorecards will make progress transparent.

The project will develop an integrated Learning and Knowledge Management Framework that will contribute directly to cost-effectiveness by embedding capacity development, MEL, and adaptive management within implementation. Knowledge sharing will happen through multiple channels: an online repository of knowledge briefs, factsheets and a dashboard, annual peer-learning events, global and regional webinars, thematic based webinars, South–South and South-North learning exchanges. Project will also coordinate with platforms like AFCIA Partnership community platform that will be developed under UNEP-CTCN coordination services project and UNDP Climate Promise to reach a wider audience.

Finally, the project will use this evidence to inform policy through online and offline channels. This includes building the capacity of local innovators, sharing communication and knowledge products, facilitating peer exchanges, and documenting lessons learned. By doing this, the project ensures that successful innovations contribute to national adaptation plans, sector standards, and local regulations.

C. Describe how the project/programme will source innovation small grant proposals, and screen them for the potential to support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience.

Promoting New and Innovative Solutions to Climate Change Adaptation

The project is designed to identify, support, and advance **locally led, innovative adaptation solutions** that respond directly to the climate vulnerabilities. Drawing on lessons learned from AFCIA 1, AFCIA 2 introduces a challenge fund model that combines catalytic finance, technical assistance, and investment readiness support—a relatively new and transformative mechanism in the adaptation landscape. This approach empowers non-traditional and underrepresented actors—such as grassroots organizations, social enterprises, cooperatives, Indigenous innovators, and women- and youth-led ventures—to design and scale context-specific climate adaptation solutions.

Unlike conventional adaptation projects, innovation under this initiative extends beyond technological invention. It includes any improved or adapted solution that delivers greater efficiency, effectiveness, inclusivity, or sustainability. These principles are operationalized through a transparent, competitive selection process paired with structured technical and business development support system, ensuring that innovations are both bold and grounded in local realities.

The project fosters innovation for adaptation considering:

- **New approaches and technologies** tailored to local socio-ecological realities;
- **Revived and contextualized knowledge of social, economic, and political marginalized communities and traditional, Indigenous knowledge** that supports adaptation;
- **Enterprise-based solutions** that integrate adaptation into sustainable business models;
- **Social innovations** that strengthen inclusion and climate leadership among women, youth, and marginalized groups.

In line with the project's design, AFCIA 2 will source innovation proposals through a global, open call for proposals disseminated across UNDP's regional bureaus, country offices, AIM partners, civil society networks, and private-sector and academia. As explained in the proposal in detail and in Annex 11. Communications and Visibility Strategy, multi-channel outreach campaign—including targeted communication to women-led organizations, youth groups, Indigenous Peoples, CSOs, NGOs, MSMEs, and local innovators—will ensure inclusive participation and broaden access to adaptation finance. Dedicated information sessions, Q&A webinars, and accessible application guidance will further support equitable access, especially for actors with limited exposure to international funding mechanisms.

The screening and review process will follow a structured, multi-stage approach. Following submission, proposals will undergo eligibility checks, technical screening, and scoring using the formats set out in Annex 2a (Preliminary Online Application Format), Annex 2b (Preliminary Detailed Proposal Application Format), and Annex 2c (Selection Process and Evaluation Criteria). Calls for proposals will be restricted to innovators operating in, and delivering adaptation benefits within, countries that meet the Adaptation Fund's eligibility requirements. The Grant Selection Committee—operating in alignment with UNDP governance, procurement and programming rules—will review and recommend proposals for approval by the AFCIA 2 Project Board. In line with feedback received during stakeholder consultations, the Grant Selection Committee will also include one or two former AFCIA grantees (after verifying that there is no conflict of interest), ensuring that the perspectives and practical experience of locally led adaptation actors are represented in the decision-making process. This ensures competitive, transparent, and accountable decision-making across all stages of the grant award process.

All small grant proposals are screened against a rigorous set of innovation criteria, including:

- **"Different or Better"**: The solution must represent an improvement or alternative to existing practices;
- **Value-Driven**: The innovation must address a specific, quantifiable adaptation problem;
- **Scalability**: A clear strategy must exist for replication or policy uptake;
- **Feasibility**: Solutions must be viable within current capacities and resources.
- **Testing**: Although AFCIA 2 will mainly focus on accelerating proven innovative adaptation solutions, there will be also room to assign some grants for solutions which need to be tested from scratch and refined.

Additionally, proposals must outline pathways for financial and operational sustainability, including co-financing strategies, risk mitigation, and exit plans. Each will be reviewed through gender equality and environmental safeguards lenses to ensure social inclusion and resilience benefits. All proposals will be reviewed through gender equality and environmental safeguards lenses to ensure social inclusion and resilience benefits.

To support fairness, coherence, and innovation quality, the programme will integrate a structured post-selection proposal-strengthening and capacity-building process. All selected grantees will participate in a mandatory 8–10-week Onboarding Learning Sprint, which combines interactive webinars, mini-courses, and practical exercises on problem framing, adaptation rationale, safeguards, gender integration, Monitoring, Evaluation and Learning (MEL), communication, and business-model refinement—including unit economics and financial planning. This integrated approach enables grantees to refine their proposals, strengthen technical and operational readiness, and ensure comparability across submissions without restricting innovation.

The Onboarding Learning Sprint will serve as an accelerator-type phase that prepares grantees for implementation by establishing clear operational frameworks, outcomes models, and mechanisms for data capture, reporting, and adaptive management. Monitoring and evaluation of small grants will be integrated into AFCIA 2's overall MEL framework and supported by simplified Environmental and Social Management Plans (ESMPs), Gender Action Plans (GAPs), and structured reporting tools. Grant disbursements will follow a performance-based approach linked to milestone completion, verified progress, and adherence to operational,

financial, impact, and safeguards standards.

Innovation for Adaptation Approach

The definition of innovation for adaptation as defined by the Adaptation Fund, has been adopted by UNDP in both AFCIA 1 and 2: '*The creating, testing, deployment or diffusion of new, adapted or improved adaptation solutions, developed contextually and with the inclusion of the communities most vulnerable to climate change, to enable those communities to become more resilient to climate change. Innovation solutions may include approaches, technologies and mechanisms. Innovation projects and programmes differ from concrete adaptation projects and programmes in the nature of their stakeholder engagement, including with unconventional actors, and in the emphasis on iterative deployment where change, learning, and new information is embraced and can take innovation projects and programmes in different directions.*'

The Project will advance the Adaptation Fund's innovation agenda by supporting a diverse portfolio of community-driven solutions that strengthen resilience and generate evidence to inform policy. By linking innovation with measurable adaptation outcomes, the Project ensures that successful local initiatives can evolve from pilot interventions into institutionalized models with national and regional relevance. This support will cultivate a rich portfolio of locally appropriate innovation activities, each contributing to a broader ecosystem of learning, experimentation, replication, and scaling for sustainable adaptation impact.

Key Criteria for Scalable and Self-sustainable Innovation for Adaptation Solutions

1. **Different or Better Solutions:** Proposed innovations must demonstrate a clear value addition compared to existing practices—whether through the introduction of new technologies, nature-based approaches, or the integration of traditional knowledge and social inclusion mechanisms. The innovation should go beyond incremental improvements, offering a distinct or more effective way to address adaptation challenges.

   Projects are expected to:
   - Present novel or enhanced approaches that improve efficiency, effectiveness, equity, or sustainability compared to current practices;
   - Show potential for systemic and long-term improvement, ensuring that benefits extend beyond the immediate project context;
   - Encourage collaboration with non-traditional or underrepresented stakeholders, fostering inclusive innovation ecosystems and broadening impact.

   By promoting approaches that are both innovative and contextually grounded, the project will contribute to a more diverse and resilient portfolio of adaptation solutions that can inspire replication and policy integration.

2. **Delivers Value/ Addresses a Clear Adaptation Challenge:** Proposed innovations must respond to a specific and significant climate adaptation problem that imposes tangible costs—financial, environmental, or social—on target communities. The solution should clearly demonstrate how it reduces vulnerability or addresses identified climate risks, such as water scarcity, crop failure, or livelihood insecurity.

   For example, reviving indigenous water-harvesting technologies to enhance access to water during dry spells can lower agricultural production costs and improve community resilience.

   Each proposed innovation must:

- Deliver measurable value and impact for the intended beneficiaries;
- Present a clear strategy for operational sustainability and long-term viability beyond project funding;
- Show potential for replication and scaling in other contexts or regions.

While direct financial contributions from beneficiaries are **not required**, proponents must articulate how the solution will continue functioning effectively and sustainably after the completion of project support— show evidence of long-term viability beyond project funding and contribution to climate resilience.

3. **Cross-Scale Policy and Acceleration Potential:** Scalability and replicability must be embedded in the project design from the outset, ensuring that successful practices can be expanded, institutionalized, or integrated into relevant policies, programmes, and investment pipelines. Proposals should demonstrate how the innovation has the potential to influence or align with broader adaptation strategies at local, national, or regional levels, to promote policy uptake and cross-country replication.

   Projects are expected to:

   - Integrate scale-up and replication strategies into their implementation plans from the beginning;
   - Foster partnerships with governments, investors, private sector actors, and regional networks to enhance policy uptake and mobilize co-financing opportunities;
   - Identify and engage tested or complementary solutions that can be adapted, replicated, or scaled through collaborative mechanisms;
   - Outline concrete steps to promote knowledge exchange and acceleration, such as organizing knowledge fairs, showcasing best practices, or engaging social impact investors.

4. **Doable and Practical:** Feasibility is a cornerstone of successful innovation. Proposed solutions must be realistic, contextually appropriate, and practically implementable within the project's scope and available resources. The project will support applicants through targeted technical assistance to refine and strengthen promising ideas, ensuring they are viable, desirable, and grounded in local realities, and designed for practical implementation and sustainability.

   Projects are expected to:

   - Demonstrate technical and operational feasibility, showing that the concept can be effectively implemented under existing local conditions;
   - Reflect the capacity, commitment, and track record of the implementing team or organization, ensuring that the idea can be developed into a successful, sustainable venture;
   - Present solutions that are testable and adaptable, with potential for validation, learning, and improvement through implementation.

   Through this approach, the project ensures that even early-stage or high-potential innovations receive the necessary support to become practical, scalable, and sustainable adaptation solutions.

5. **Evolves and Strengthens Through Learning and Innovation Practices:** Innovations are expected to grow through continuous learning, feedback, and adaptive design, ensuring they remain relevant, effective, and sustainable over time. Proposals should show openness to iterative testing, community engagement, and technical refinement using innovation frameworks such as human-centered design, systems thinking, and foresight.

To enable this evolution, the project will draw on the expertise and innovation practice of UNDP, providing structured support and capacity building at two key stages:

1. Pre-selection and Proposal Strengthening Phase: Between the long-listing and short-listing stages, applicants will be invited to participate in interactive webinars or mini-courses designed to improve their understanding of problem framing, proposal writing, and alignment with international standards. These sessions will help applicants refine their ideas, clarify objectives, and strengthen the quality of submissions—ensuring comparability across proposals and enabling UNDP to identify the most promising solutions.
2. Onboarding and Capacity-building Phase: Following selection, successful grantees will participate in an 8–10 weeks accelerator programme that provides targeted technical assistance, mentorship, and business development support. This phase will deepen their capacity in key areas such as Monitoring, Evaluation and Learning (MEL), Gender and Safeguards, Communications and Business Model Development, drawing from tested UNDP methodologies and global best practices.

Through this two-stage learning and innovation process, the project not only enhances the quality and readiness of proposals but also builds a stronger, more investable pipeline of locally led adaptation innovations. This approach ensures that both selected and non-selected applicants benefit from knowledge transfer and skills development, contributing to a broader ecosystem of innovation and climate resilience.

6. **Embed Gender Equality and Social Considerations into Business Operations:** Projects must demonstrate a strong commitment to gender equality and social inclusion, ensuring that proposed innovations deliver equitable benefits and do not exacerbate existing inequalities. Special attention will be given to initiatives that actively engage and benefit women, youth, and vulnerable groups, while promoting inclusive participation and leadership.

   Proponents are required to:

   - Quantitatively assess (where feasible) the economic, financial, social, and environmental costs and benefits of their proposed innovations, highlighting advantages for vulnerable populations;
   - Compare the benefit–cost ratio of their innovation against existing practices or baselines to demonstrate its added value and cost-effectiveness;
   - Meet at least Gender Marker 2, signifying that gender equality is a significant objective of the project;
   - Conduct a simplified gender analysis to identify and address the specific needs, priorities, and structural barriers faced by different groups, particularly women and marginalized communities;
   - Ensure that all projects **screen for environmental and social risks** and formulate relevant, proportionate **risk mitigation measures** as part of the proposal/implementation plan.
   - Screen for environmental and social risk, and formulate relevant risk mitigation measures.

In line with the Adaptation Fund and UNDP Environmental and Social Policies, each proposal will include a brief environmental and social impact analysis, along with a Gender Action Plan, monitoring, and evaluation plan proportionate to the scale and risk level of the intervention. Based on this assessment, grantees may be required to develop targeted management plans.

All proposals under AFCIA 2 will include a brief environmental and social analysis, identifying potential risks and outlining mitigation measures using simplified templates provided by the program. This screening process ensures alignment with UNDP Social and Environmental Standards and the Adaptation Fund's Environmental and Social Policy. Based on the screening results, grantees will be required to develop simplified management

plans, such as detailed ESMPs or expanded GAPs, for higher, medium and lower -risk activities. A project-level Stakeholder Engagement Plan (SEP) will be develop to guide inclusive engagement principles across all grantees. Each grantee will apply these principles and, where relevant, prepare a simplified engagement approach for their specific context, ensuring consistency with the project GAP and SEP requirements.

Projects must clearly outline how gender equality and women's empowerment are embedded throughout design, consultation, implementation, monitoring, and evaluation phases, and ensure that adequate budgetary provisions are allocated to deliver these objectives.

Ultimately, all supported innovations must contribute to building inclusive, resilient communities where both women and men are equally empowered to adapt to climate change impacts, ensuring that no activity or outcome reinforces existing inequalities.

Through this architecture, the programme ensures that sourcing, screening, awarding, monitoring, and learning from small grants reinforce a robust pipeline of high-potential, locally led innovations. These processes allow AFCIA 2 to broaden participation, foster responsible risk-taking, accelerate evidence-based adaptation, and strengthen climate resilience across participating countries.

D. Describe how the project / programme would screen innovation small grant proposals for their potential to 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.

Economic, Social, and Environmental Benefits and Safeguards

AFCIA 2 applies a structured and safeguards-aligned screening process to ensure that innovation small grant proposals provide clear economic, social, and environmental benefits for vulnerable communities, while avoiding or mitigating negative impacts in line with the Environmental and Social Policy (ESP) and Gender Policy (GP) of the Adaptation Fund. The screening approach emphasizes inclusive and equitable participation and ensures that innovations are locally led, socially acceptable, environmentally sound, and gender-responsive.

Screening for Economic, Social and Environmental Benefits

All applications undergo a structured review process to assess the potential of each proposed innovation to generate equitable and sustainable adaptation benefits:

Economic Benefits

Screening criteria require proposals to identify both direct and indirect economic gains for vulnerable populations. Each small grant proposal must identify both direct and indirect economic impacts—such as reduced loss and damage from climate hazards, improved agricultural productivity, and new or strengthened livelihood opportunities. The project also encourages innovations that lower climate-related costs for at-risk communities and foster long-term financial sustainability, recognizing the varied economic structures and challenges across different regions and income levels.

Social Benefits

The project is committed to strengthening social equity and resilience across diverse cultural and social contexts. Proposals must describe how they address differentiated vulnerabilities across social groups, with a particular focus on enhancing the adaptive capacity and leadership of women and girls, while also empowering youth, Indigenous Peoples, persons with disabilities, and other vulnerable groups. Proposals are required to articulate how they will promote inclusive participation, strengthen community networks, and contribute to improved access to information, resources, and services, considering context-specific barriers and opportunities.

Environmental Benefits
Funded innovations are expected to contribute to environmental protection and ecosystem resilience, including through nature-based solutions, climate-resilient food systems and disaster risk reduction. Applicants must identify expected environmental co-benefits for biodiversity, soil and water quality, and long-term ecosystem services.

Screening for Inclusive, Equitable and Gender-Responsive Participation

In alignment with the Adaptation Fund's Gender Policy and UNDP Social and Environmental Standards, the screening process embeds gender equality and social inclusion at every step. All grantees will be required to:

- Conduct a simplified gender analysis as part of project planning;
- Ensure inclusive participation of women and men in consultations and decision-making;
- Embed gender-responsive objectives and indicators in their results frameworks, including commitments to address structural barriers, promote leadership roles, and ensure equitable access to resources, benefits, and decision-making.
- Allocate sufficient resources to implement gender-focused activities.

Proposals must also show how project design and implementation will contribute to addressing structural barriers, ensuring equitable access to benefits, and strengthening the agency of women and girls, youth, peoples with disabilities, elders, Indigenous Peoples, ethnic and religious minorities, refugees and internally displaced persons, and other marginalized groups in local adaptation efforts. Proposals that do not demonstrate tangible benefits and meaningful participation for vulnerable groups will not advance past the screening stage. Please refer to Gender Analysis and Gender Action Plan (GAAP) in the Annex 5.

Screening for socially acceptable and locally led Solutions

To promote **locally led adaptation**, the screening process will evaluate how well proposals reflect:

- **Local priorities,** knowledge systems and community decision-making structures.

- **Integration of National Priorities**: Localized knowledge from project teams and stakeholder input will be used to align the grantee-projects with national climate adaptation priorities, international commitments (including NDCs, NAPs, TNAs and TAPs), and contextual realities across participating countries. This approach is applied before and throughout the identification of specific grantee-led interventions, helping ensure local relevance, ownership, and enhanced safeguard responsiveness from the outset.

Screening for Environmental and Social Safeguards

All project activities will be assessed and implemented in accordance with the Environmental and Social Policy (ESP) of the Adaptation Fund and UNDP's Social and Environmental Standards. Environmental and social risks will be proactively identified and managed through a phased, consultative approach.

Site-Specific Safeguard Measures: Once grantees are selected, and as part of the Onboarding Learning Sprint, guidance on environmental and social safeguards will be provided to support the integration of simplified safeguard and gender actions into their implementation plans and budgets. Using project-developed templates and guidance, grantees will prepare the required instruments proportionate to the scale and nature of their interventions. The PMU´s Gender and Safeguards Specialist will undertake a review of the instruments and based on the review, targeted screenings and or community-level consultations will be conducted. Safeguard considerations will also be incorporated into national coordinators' visits to grantees, alongside their broader

support functions. These screenings may require the preparation of targeted and detailed safeguard and gender-related instruments such as:

- Environmental and Social Management Plans (ESMPs)
- Stakeholder Engagement Plans (SEPs)
- Gender Action Plans (GAPs)
- Risk mitigation frameworks

This phased safeguards approach enables responsible expectation management, ensures compliance with AF and UNDP policies, and provides transparency throughout the project lifecycle—especially in the early stages when grantee selection and project sites are still being finalized.

More information is found in Annexes 3, Social and Environmental Screening Procedure and Annex 4, Environmental and Social Management Plan.

Integrated Risk and Benefit Management

Through the screening and review process, all grantee proposals will be evaluated for:

- **General due diligence process;** including checking legal registration documents, social media accounts, and other relevant documents to ensure compliance with the minimum application pre-requisites, including the alignment with National, Sub-National and Regional Adaptation and Development Strategies' (as specified in Section F of the proposal) (if applicable);
- **Economic and financial viability**, including direct and indirect benefit potential;
- **Social inclusiveness and gender-responsiveness**, with clear targets for vulnerable groups and consideration of context-specific vulnerabilities;
- **Environmental sustainability**, with impact mitigation plans where necessary.

A portion of the project's technical assistance facility is dedicated to helping grantees **implement safeguards, exit strategies, and sustainability measures**, ensuring that adaptation innovations deliver long-term, transformative impact without causing harm across the diverse global contexts.

E.Describe or provide an analysis of the cost-effectiveness of the proposed project / programme and explain how the regional or multi-regional approach would support cost-effectiveness.

Cost-Effectiveness of the Project and Added Value of the Global Approach

The project employs an open, competitive, and transparent process to identify, test, and scale locally led adaptation innovations. Rather than predetermining intervention sites or thematic areas, the 'open call for interest' mechanism allows a bottom-up selection process through which the best ideas emerge based on merit and contextual relevance. This avoids inefficiencies often associated with top-down project design and ensures that resources are directed to interventions with the highest potential for impact. Proposals are assessed through clearly defined multi-criteria screening that evaluates adaptation relevance and innovation potential; financial, technical, and operational sustainability; economic, social, and environmental co-benefits; and compliance with the Adaptation Fund's Environmental and Social Policy and Gender Policies. Only initiatives demonstrating strong value for money and alignment with adaptation priorities will be supported.

Resources are allocated through a performance-based disbursement model, with catalytic grants released in tranches tied to milestone achievements. This approach strengthens accountability, ensures that funds are

disbursed only upon delivery of measurable outcomes, and enhances both fiduciary assurance and adaptation impact per dollar invested. By leveraging UNDP's existing infrastructure, mechanisms, governance systems, and global partnerships, the project avoids establishing new delivery mechanisms, thereby reducing overhead costs and start-up time. Administrative, procurement, and MEL functions are managed through UNDP's established corporate systems, drawing on the experience of AFCIA 1 and comparable global initiatives that advance local action work such as the GEF Small Grants Programme which has been implemented for years by UNDP and also brings a wealth of lessons learnt to draw upon. Likewise, existing teams in UNDP that could provide technical assistance, mentoring, investment brokering and broader connections at the national level, will be engaged (e.g. SDG Finance Hub, Innovation Teams, Youth Co:Lab in Asia and the Pacific, the Regional Bureous and associated Country Offices), making the model cost-effective and efficient as these capacities already exist within UNDP.

AFCIA 2 demonstrates strong cost-effectiveness by building on the tested architecture, partnerships, and delivery systems established under AFCIA 1, thereby avoiding the costs of developing new mechanisms while substantially expanding its reach and impact. The Project's global approach allows the efficient deployment of resources across countries, linking local innovation with regional/thematic and global knowledge networks. By consolidating technical support, capacity building, and learning under a single framework, AFCIA 2 minimizes duplication of effort and ensures that multiple countries benefit from shared expertise, advisory services, and learning platforms. This enables greater impact per dollar invested compared to isolated national initiatives.

Implementing AFCIA 2 as a global initiative rather than as separate national projects creates multiple opportunities for cost-efficiency and knowledge synergies. Shared technical and advisory resources across countries reduce duplication of effort and enable access to a wider pool of expertise and knowledge. Joint learning platforms and global coordination mechanisms streamline governance, reduce transaction costs, and improve implementation consistency, while cross-border replication of successful solutions eliminates the need to redesign adaptation models in each national context. As a result, a greater proportion of available funding directly supports innovation development and scaling, rather than administrative costs.

The project applies a portfolio approach to innovation and risk management, supporting grantees at different stages of maturity to balance experimentation with performance. This diversified investment strategy hedges against individual project underperformance while increasing the likelihood of identifying scalable, investable models. It maximizes learning returns and minimizes sunk costs, ensuring a higher aggregate impact per dollar invested.

Cost-effectiveness is further enhanced through strong strategic partnerships and co-financing opportunities. Building on AFCIA 1 collaborations, AFCIA 2 will explore engaging key partners such as UNCDF, the Global Resilience Partnership (GRP), ICCCAD, CDKN, Climate-KIC, and other public, private, and philanthropic networks that operate in the five regions, to expand technical capacity and mobilize complementary resources. These partnerships enhance reach and visibility, enable resource pooling, unlock additional investment pathways for scaling successful innovations, and align technical and financial support with investor expectations. Strategic collaboration with academic institutions, innovation networks, and impact finance actors also extends the reach of project investments and strengthens co-financing potential. Through this collaborative model, AFCIA 2 leverages global synergies and explore co-financing opportunities to deliver adaptation impact at scale, ensuring that collective learning, risk-sharing, and replication across geographies enhance both the cost-effectiveness and long-term sustainability of the Project.

Under the UNDP-AFCIA MBA Fellowship Programme and thought leadership workstream, three informal Collaborative Working Groups have been established with key systemic stakeholders—including Alti Global, BNP Paribas, UNCDF, Euroclear, Fidelity, and Acumen—to explore and advance the potential of micro-bonds and blended finance as innovative mechanisms to mobilize capital for climate resilience and adaptation at the local level. A key focus of this initiative is addressing one of the most critical bottlenecks facing adaptation projects in the Global South: the small ticket sizes and high perceived risks that deter private investment. The Collaborative Working Groups are developing pathways to de-risk such investments, making them more attractive to private sector and institutional investors while ensuring financial models that enable scalability and long-term sustainability. By aligning with partners that share the goal of accelerating innovation for climate

resilience, the project amplifies its impact without requiring proportional increases in budget.

The project also leverages UNDP's institutional capabilities and global expertise, to provide technical guidance on innovation, systems thinking, and ecosystem development. Proven UNDP tools, and portfolio and foresight methodologies are integrated to strengthen project design, implementation quality, and scaling potential, thereby improving cost efficiency.

The project's integrated Learning and Knowledge Management Framework contributes directly to cost-effectiveness by embedding capacity development, MEL, and adaptive management within implementation. Initiatives such as the Onboarding Learning Sprint, advanced training modules, and the MBA Fellowship Programme strengthen grantees' technical, financial, and operational capacities early in the cycle, reducing the need for costly corrective measures and improving implementation quality. This proactive learning structure accelerates scaling, fosters adaptive management, and enhances both efficiency and sustainability of results.

Through its global coordination, competitive selection, results-based financing, and strategic partnerships, AFCIA 2 ensures that resources are deployed efficiently to deliver maximum adaptation impact per dollar invested. The combination of UNDP's proven infrastructure, shared global services, and collaborative partnerships allows the project to minimize duplication, pool expertise, and scale successful innovations across geographies. This structure delivers strong value for money with a focus on sustainability, scalability, and inclusive impact—fully aligned with the Adaptation Fund's objective of achieving transformative, cost-effective climate adaptation outcomes.

F. Describe how the project / programme is consistent with national or sub-national sustainable development strategies, adaptation planning processes, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action, national adaptation plans (NAPs), nationally determined contributions (NDCs), adaptation communications, and other voluntary adaptation reports, where they exist, as well as with the UNFCCC technology framework, and other relevant instruments.

Alignment with National, Sub-National and Regional Adaptation and Development Strategies

AFCIA 2 is designed as a catalytic enabler to translate locally led innovations into nationally recognized climate impacts, aligning them with national and sub-national priorities. While the project will not preselect countries at the concept stage, it is structured to integrate with existing policy frameworks, such as NAPs and NDCs ensuring that innovations are both contextually grounded and aligned with broader national climate goals at different stages of the project.

Right from the start, the project is designed to target three key priority areas Climate-resilient Food Systems, Nature-Based Solutions, and Disaster Risk Reduction and Recovery, implementing interventions that directly address these sectors. These areas were selected based on a comprehensive review of priority actions identified in NAPs and NDCs across multiple regions, as referenced in Section "Project/Programme Background and Context", numeral 5 "Climate-Change Adaptation Priorities".

Moreover, during the screening stage, grant proposals are assessed against criteria that explicitly consider alignment with national sustainable development strategies, NAPs, NDCs, Technology Needs Assessments (TNAs), Technology Action Plans (TAPs) and other relevant instruments. Further, to ensure alignment with national strategies, AFCIA 2 will closely engage with UNDP Country Offices, who are well-positioned to guide the selection of grantees and ensure that their efforts support national development objectives. UNDP Country Offices also provide final confirmation that each selected solution maps effectively to relevant national instruments and contributes to the country's broader adaptation goals, including those reflected in

Once grantees are selected, the operational model for AFCIA 2 further ensures vertical integration between local-level innovation and national adaptation planning processes. Through UNDP Country Offices involvement in the selection process, each supported innovation will be mapped against national adaptation priorities and tracked for its potential contribution to national targets under the Paris Agreement and other multilateral framworks as appropiate. The program uses a flexible, demand-driven approach that tailors its support to the specific needs of grantees, while also helping to elevate their work in line with national adaptation targets.

At the same time, AFCIA 2 facilitates horizontal integration through regional peer learning and cross-country exchange, allowing countries with similar climate risk profiles to identify replicable adaptation technologies and practices. This strengthens coherence with regional adaptation frameworks and supports transboundary resilience where relevant.

Alignment with Technology Needs Assessments & Technology Action Plans

AFCIA 2 complements national and regional adaptation technology priorities as identified in Technology Needs Assessments (TNAs), Technology Action Plans (TAPs), and National Adaptation Plans (NAPs)[172]. According to the Fourth UNFCCC TNA Synthesis Report, adaptation priorities consistently include agriculture, water management, and climate-resilient livelihoods, with over 94% of countries preparing TAPs to implement these priorities[173]. The report estimates that USD 4.4 billion is required for adaptation technology actions, and over 440 project ideas focus on agriculture and water sectors—areas directly addressed by AFCIA 2's thematic pillars: Climate-Resilient Food Systems, Nature-Based Solutions, and Disaster Risk Reduction.

Regionally, TNAs reveal distinct priorities. For example, Africa emphasizes technologies for climate-smart agriculture, drought management, and water harvesting (UNFCCC, 2020). Asia-Pacific prioritizes early warning systems, resilient crop varieties, and integrated water resource management (UNFCCC, 2020). Similarly, Latin America and the Caribbean focus on agroforestry, soil conservation, and nature-based solutions for disaster risk reduction[173]. These priorities align closely with AFCIA 2's approach, which supports innovations that address these technology gaps.

Rather than pre-selecting technologies, AFCIA 2 adopts a demand-driven approach identifying innovations through competitive screening and ensuring alignment with national instruments, including TNAs, TAPs, and NAPs. UNDP Country Offices validate this alignment, ensuring that supported solutions contribute to national adaptation objectives and technology pathways under the Paris Agreement. Once onboarded, AFCIA 2 strengthens **vertical integration** by mapping innovations to national priorities and **horizontal integration** through regional peer learning, enabling replication of adaptation technologies across countries with similar risk profiles.

By embedding practical tools and fostering investment brokering, AFCIA 2 creates an enabling environment for scaling technologies prioritized in TNAs and TAPs—such as drip irrigation, rainwater harvesting, climate-resilient crop varieties, and nature-based disaster risk solutions. This approach accelerates deployment of adaptation technologies and supports systemic change in line with national and regional adaptation pathways.

G. Describe how the project / programme would screen innovation small grant proposals for meeting the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund.

[172] UNEP Copenhagen Climate Centre. (2025). TNA step by step: A guidebook for countries preparing Technology Needs Assessments and Action Plans (2nd ed.). UNEP-CCC. https://tech-action.unepccc.org/resources/

[173] UNFCCC. (2020). Fourth synthesis report on technology needs identified by non-Annex I Parties. United Nations Framework Convention on Climate Change. Retrieved from https://unfccc.int/ttclear/tec/techneeds.html

Compliance with National Technical Standards and the Adaptation Fund's Environmental and Social Policy

AFCIA 2 is designed to ensure full compliance with relevant national technical standards, sectoral regulations, and the Environmental and Social Policy (ESP) and Gender Policy (GP) of the Adaptation Fund. Alignment with these frameworks is embedded in both the design and implementation modalities of the project.

Integration into Grant Proposal and Selection Process

As part of the competitive grant process, all applicants will be required to:

- Demonstrate alignment with national technical regulations and standards, including but not limited to environmental assessments, building codes, agricultural practices, water management protocols, and public health standards relevant to the nature and scope of their proposed innovation;
- Describe how proposed products, services, or technologies comply with applicable national and—where relevant—international standards, especially for innovations intended for broader replication or export.

This requirement is clearly outlined in the grant application template and forms a core part of the proposal evaluation and due diligence process.

Verification During Implementation

Once grants are awarded, grantees will be expected to:

- **Report on their compliance** with the national technical standards outlined in their original proposal;
- **Provide supporting documentation or certificates** (where applicable), such as approvals, permits, or independent verification of conformity with standards;
- **Submit to compliance monitoring** conducted through the project's monitoring and evaluation framework, in collaboration with UNDP Country Offices and technical experts.

This process will ensure that innovations supported by the project are not only context-appropriate and effective, but also safe, legally compliant, and scalable.

Environmental and Social Safeguards

Since the project includes a range of activities and sub-projects with yet unknown design parameters and uncertain social and environmental risks that cannot be fully assessed during the project appraisal, this Environmental and Social Management Framework (ESMF) has been developed to guide further assessment and management of the expected environmental and social risks of the project based on the applicable UNDP's Social and Environmental Standards (SES) and the Adaptation Fund's ESP and GP.

In line with the ESMF: All grantees will undergo a preliminary environmental and social risk screening as part of the proposal assessment process; A qualified Gender and Safeguards Specialist in coordination with the Grant Coordinator and Data Analyst will provide technical support and quality assurance to grantees throughout the project lifecycle. UNDP will ensure that no activity causes or contributes to adverse environmental or social impacts, particularly on vulnerable or marginalized groups. Local consultations and grievance mechanisms will be implemented where necessary, consistent with national requirements and the Adaptation Fund´s policies.

H. Describe if there is duplication of project / programme with other funding sources, if any.

Maximizing Synergy: Enhancing Regional Climate Resilience through Complementary Adaptation Initiatives

The UNDP-AFCIA 2 has been designed to complement, rather than duplicate, existing global adaptation initiatives, ensuring its alignment with, and complementarity to, the broader global climate adaptation agenda. By addressing local vulnerabilities and supporting climate resilience, the project will build on and scale up adaptation innovations in synergy with ongoing initiatives in an effort to showcase deeper learnings, more scalable examples of investable projects and promote greater awareness of successful locally led adaptation (LLA) approaches and practices. Careful attention to leveraging existing resources, structures, infrastructures, and services from other projects to maximize efficiency and impact. Where there are close similarities between projects, the goal is to amplify, multiply and expand learning and system influence.

During the preparatory phase, the project will reassess relevant ongoing and past initiatives to ensure proper alignment, complementarity, and compatibility. By prioritizing consultation and collaboration (at the project development and implementation stages), the project will avoid redundancy and ensure that activities are well-integrated within the broader landscape of regional adaptation efforts.

Through a structured approach to coordination, AFCIA 2 enhances its contributions to adaptation goals, driving innovation while supporting and building on existing frameworks. This proactive strategy will ensure that the project complements, amplifies and strengthens existing efforts, fostering a collaborative environment where synergies can be realized, and outcomes can be maximized.

The following provides a comprehensive analysis of how the proposed project aligns with and contributes to the broader spectrum of existing innovation for adaptation initiatives globally:

1. Complementarity within the Adaptation Fund's Implementing Partners

- **World Food Programme (WFP) – Innovation Accelerator**: Adaptation Fund Climate Innovation Accelerator[174] : WFP's Innovation Accelerator supports climate adaptation in food systems. Each year it targets a different region and countries (e.g. Asia in 2025), and selects SMEs, CSOs/ NGOs or social enterprises to receive equity-free funding plus a 6–9-month intensive acceleration program. WFP's focus on food-system resilience complements UNDP-AFCIA 2, which funds a broader range of community-driven adaptation solutions at the global level. UNDP-AFCIA 2 targets predominantly civil society, hybrid organisations and MSMEs in three areas such as climate-resilient food systems, disaster risk reduction and recovery and nature-based solutions, whereas WFP specializes solely in food systems and targets specific regions and countries. This thematic distinction prevents overlap and allows each entity to build on its strengths. In practice, UNDP brings local adaptation expertise, an SDG13 (climate action) framing, and a global perspective, which allows for cross-learning and resource sharing, while WFP offers operational scale-up pathways linked to SDG2 in specific regions and focus countries. In addition to this, in the specific thematic area targeting climate-resilient food systems concrete synergies and collaboration between the UNDP-AFCIA 2 Project and the WFP AFCIA Project will be identified and advanced (if possible and applicable).

- **United Nations Industrial Development Organisation (UNIDO) – Adaptation SME Innovation Facility (ASIF)**[175]: ASIF supports private-sector climate adaptation innovation. It targets MSMEs with marketable adaptation solutions. UNIDO's MSME-focused approach is complementary to UNDP-AFCIA 2's community-based focus. UNDP-AFCIA 2 will fund NGOs, CSOs, and hybrid solutions in

[174] Adaptation Fund Climate Innovation Accelerator | WFP Innovation. (2024). Wfp.org. Retrieved November 13, 2025, from https://innovation.wfp.org/adaptation-fund-innovation-accelerator

[175] UNIDO. (n.d.). The Adaptation SMEs Innovation Facility (ASIF). Retrieved November 13, 2025, from https://www.adaptation-fund.org/project/the-adaptation-smes-innovation-facility-asif/

addition to MSMEs, whereas ASIF deliberately supports only for-profit MSMEs with scalable, market-based models. This creates a natural pipeline: innovations supported by UNDP-AFCIA 2 can be trialed and de-risked at the community level, and those with strong market based bankable solutions could be potentially connected to UNIDO's ASIF acceleration ecosystem. Furthermore, learnings between the two entities can be shared: UNDP-AFCIA 2 grantees can draw insight from MSME scaling from the UNIDO AFCIA program, while UNIDO grantees can gain valuable learnings in the creation of positive societal and environmental externalities through UNDP´s NGOs and CSOs.

- **Pacific Small Grants – SPC and SPREP (Pacific Community and Pacific Regional Environment Programme)**[176] : SPC and SPREP jointly manage dedicated adaptation-grant windows for Pacific Island countries. The flagship is SPC's Climate Innovation Co:Lab, which aims to "incubate, catalyze, de-risk and scale locally led climate adaptation innovations across Pacific SIDS". SPC's Climate Innovation Co:Lab establishes a climate-specific funding stream within SPC's existing Funding with Intent programme, financing community-driven solutions (for example, traditional knowledge practices, coastal resilience measures and low-tech innovations) tailored to the high vulnerability of Pacific atolls. The grants support hyper-local projects that build resilience in island communities using SPC's regional networks. While UNDP-AFCIA 2 will be available to Pacific applicants, its scope is worldwide. SPC/SPREP's windows, by contrast, are 100% Pacific-focused. Together, they form a continuum of support: UNDP-AFCIA 2 can disseminate broad learnings and open calls to Pacific NGOs, CSOs and MSMEs, while SPC/SPREP provide deep, contextualized support to Pacific projects. Additionally, the global nature of UNDP-AFCIA 2 allows for a wider cross learning between grantees, thereby strengthening the learning and support system for the Pacific grantees.

- **UNEP – Climate Technology Centre & Network (CTCN)**[177]:The program supports developing countries through demand-driven technical assistance, capacity building, and technology transfer for climate adaptation and mitigation. Within the broader AFCIA Partnership, UNEP-CTCN plays a cross-cutting role by coordinating implementing partners, offering technical advisory services, and maintaining global knowledge-sharing platforms. UNEP-CTCN complements UNDP-AFCIA 2 by working upstream to strengthen enabling environments and policy frameworks, while UNDP-AFCIA 2 supports grassroots innovation led by NGOs, CSOs, MSMEs, and hybrid models. The two approaches are synergistic: UNEP-CTCN's technical expertise and national-level government engagement seek to provide a foundational system and context for UNDP-AFCIA 2 grantees to build and scale solutions (in the countries where both programmes have grantees). Conversely, successful community-driven innovations supported under UNDP- AFCIA 2 can inform UNEP-CTCN's broader advisory and policy work. Together, they offer a coordinated innovation-to-impact pathway that spans from policy and feasibility to local implementation.

2. Complementary Focus with other Climate Funds

- **Green Climate Fund (GCF)**[178] focuses on paradigm-shifting investments and balances its portfolio 50/50 between mitigation and adaptation, with over half of adaptation funding benefiting LDCs, SIDS, and African states. However, GCF projects are typically multi-million-dollar interventions, and it uses instruments like concessional loans, equity, or guarantees to mobilize private capital for resilience infrastructure.. UNDP-AFCIA 2 complements GCF by nurturing a pipeline of grassroots innovations

[176] Pacific Community (SPC). (n.d.). SPC's Climate Innovation Co:Lab. Retrieved November 13, 2025, from https://www.adaptation-fund.org/project/spcs-climate-innovation-colab/

[177] Environment, U. (2017). Climate Technology Centre and Network. UNEP - UN Environment Programme. Retrieved November 13, 2025, from https://www.unep.org/explore-topics/climate-action/climate-technology-centre-and-network

[178] Fund, G. C. (2023b, March 20). Adaptation. Green Climate Fund. Retrieved from https://www.greenclimate.fund/theme/adaptation

that can later be scaled up. While GCF de-risks and scales proven models (e.g. resilient infrastructure or climate-smart agriculture at the national scale), UNDP-AFCIA 2 supports early-stage, locally led ideas that would be too small for GCF initially. In this way, UNDP-AFCIA 2 funded pilots could mature into larger projects suitable for GCF support, creating a continuum from innovation to investment. Coordination through national climate focal points and knowledge-sharing ensures UNDP-AFCIA 2 grants align with countries' specialized adaptation plans (e.g. NDCs/NAPs) so that successful grantees can attract GCF or other donor financing later, rather than overlapping with existing GCF projects.

- **Global Environment Facility (GEF) - Small Grants Programme (SGP)**[179]: GEF-SGP implemented by UNDP, has delivered support to 30,000+ community-level projects in 127 countries, supporting community-led initiatives that address global environmental issues. GEF-SGP empowers local civil society and community-based organizations, including women, indigenous peoples, youth, and persons with disabilities, through a decentralized delivery mechanism at the country level. UNDP-AFCIA 2 is aligned with the same locally driven ethos as GEF-SGP: empowering community organizations, women and youth as agents of adaptation. However,UNDP- AFCIA 2's exclusive focus on innovation for adaptation sets it apart. For example, the GEF-SGP might fund a broad range of community resilience projects (from biodiversity to clean energy), whereas UNDP-AFCIA 2 specifically targets novel climate adaptation solutions for scaling up. Likewise, UNDP-AFCIA 2 grants (from 40,000 USD up to 200,000 USD) are somewhat larger than regular SGP micro-grants, enabling support for technologies or business models that require more capital and time to mature and scale. UNDP- AFCIA 2 complements the GEF-SGP implemented by UNDP, by focusing on innovative early-stage solutions and by creating a bridge between community-based innovation and larger-scale implementation. Successful innovations emerging from UNDP-AFCIA 2 could be replicated or scaled with GEF/LDCF(Least Developed Countries Fund) financing, ensuring a continuum of support.

- **Least Developed Countries Fund (LDCF) & Special Climate Change Fund (SCCF)**[180]: The LDCF (for LDCs) and SCCF are GEF-managed funds that typically support government-endorsed adaptation projects. Recently, these funds have also started to back innovation and private sector engagement – for example, the SCCF is co-funding the Adaptation SME Accelerator Program (ASAP) (described below) to spur entrepreneurial solutions. UNDP AFCIA 2 shares the goal of helping vulnerable countries innovate, but operates through a different modality. LDCF/SCCF projects (often $3–10 million each) work at the policy or sector level, whereas UNDP AFCIA 2 provides smaller grants directly to local actors. By aligning with national adaptation priorities, UNDP AFCIA 2 ensures it complements LDCF/SCCF initiatives. Essentially, AFCIA's flexible small grants fill the gaps by reaching non-governmental innovators and MSMEs, complementing the public-sector projects financed by LDCF/SCCF.

- **GEF Challenge Program for Adaptation Innovation**[181]: The GEF's SCCF launched an Adaptation Innovation competition that awarded funds to pilot new private-sector solutions toa dress climate risks. The strong response to GEF's global innovation call (400+ proposals) shows the huge demand for adaptation innovation funding. UNDP-AFCIA 2 helps meet this demand on an ongoing basis. Unlike the one-off GEF challenge (which made a handful of larger grants through international partners), UNDP-AFCIA 2 runs continuous support and provides many direct grants along with direct TA packages to local organizations (NGOs, CSOs and MSMEs) in developing countries. This inclusive approach reaches grassroots innovators that big global competitions might miss. There is no duplication, as UNDP-AFCIA 2's grants are smaller and more locally focused. In fact, UNDP-AFCIA 2 can feed promising ideas into future rounds of GEF or other donor funding.

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[179] GEF Small Grants Program. (2024, November 22). Global Environment Facility. Retrieved from https://www.thegef.org/what-we-do/topics/gef-small-grants-program

[180] New initiative aims to leverage climate adaptation investment | UNIDO. (2023). UNIDO. Retrieved from https://www.unido.org/news/new-initiative-aims-leverage-climate-adaptation-investment

[181] Challenge Program for Adaptation Innovation. (2024). Global Environment Facility. Retrieved November 13, 2025, from https://www.thegef.org/what-we-do/topics/challenge-program-adaptation-innovation

- **Climate Investment Funds – Pilot Program for Climate Resilience (PPCR)**[182]: The PPCR (under the World Bank's Climate Investment Funds) historically provided funding to highly vulnerable countries to integrate climate resilience into development plans. It financed large-scale interventions and readiness activities. Programs like PPCR built the enabling environment and national plans that pave the way for local innovation. UNDP-AFCIA 2 will be aligned with those national adaptation plans, ensuring that the grassroots solutions it funds support the priorities identified through programs like PPCR. There is no duplication: PPCR did not typically fund small NGOs, CSOs or startups – in fact, many AFCIA applicants come from countries that now have climate strategies thanks to PPCR and similar efforts. By operating in this improved policy environment, UNDP-AFCIA 2´s investments have a higher chance to scale and integrate into government programs, achieving synergy with past multilateral investments.

3. Innovation and SME-Focused Initiatives

- **Adaptation SME Accelerator Program (ASAP)**[183]: This is a global initiative led by Lightsmith Group and supported by the GEF-SCCF, Inter-American Development Bank, and Conservation International. ASAP is an ecosystem-building program to identify and accelerate climate adaptation SMEs in developing countries. ASAP provides only acceleration services (mentorship, investment readiness) and helps connect SMEs with investors. Moreover, ASAP's focus in certain regions (e.g. Latin America and Africa) and sectors (tech-based adaptation solutions), whereas UNDP AFCIA 2 has a much broader scope in terms of both geography and sectoral focus. Additionally, ASAP's acceleration service offers a valuable opportunity to share knowledge and information.

- **UNCDF´s LoCAL**[184]: The UNCDF runs the LoCAL program, providing climate finance to local governments; while LoCAL gives performance-based climate grants to municipalities, UNDP AFCIA 2 funds NGO, CSOs and MSME solutions in those same communities – together strengthening locally led adaptation from both the public and civil society sides. By coordinating through AIM, such efforts ensure coherence: LoCAL funds a community's climate-resilient infrastructure, UNDP AFCIA funds a complementary community-based solution, each aware of the other. Additionally, UNCDF is a strategic partner for UNDP AFCIA 2 and therefore we can purposefully align with UNCDF on such programs to maximize synergy and outcomes.

- **Global Innovation Fund (GIF) – Climate Resilience Window**[185]: In partnership with the UK's FCDO and Sida, GIF launched an Innovating for Climate Resilience fund to invest (via grants, equity, or debt) in scaling climate adaptation innovations that benefit the poorest. It seeks out high-impact innovations and helps de-risk and scale them, often co-investing with other donors. The GIF climate resilience initiative operates more like an investor than a small-grants provider – it looks for innovations that have proven potential and can reach millions of people if funded to grow. This is a natural next step for successful innovations emerging from UNDP AFCIA 2. There is no overlap in funding approach: UNDP AFCIA's mandate is to target early-stage and demonstrate locally led solutions, whereas GIF can later provide larger follow-on funding (including equity investments) to those that show evidence of impact. In fact, GIF explicitly aims to "partner with other investors, large and small, to identify innovations and feed into a growing pipeline" for climate adaptation. UNDP AFCIA 2 is exactly such a pipeline of early

[182] Pilot Program for Climate Resilience | Climate Investment Funds. (n.d.). www.cif.org. Retrieved from https://www.cif.org/topics/climate-resilience

[183] The Adaptation SME Accelerator Program (ASAP): Africa Focused Adaptation SME Market Study. (n.d.). Retrieved from https://climateasap.org/wp-content/uploads/2023/09/ASAP-Africa-Adaptation-SME-Market-Study-September-2023.pdf

[184] LoCAL Climate Adaptive Living Facility Homepage. (2024). Uncdf.org. Retrieved from https://www.uncdf.org/local/homepage

[185] Innovating for Climate Resilience. (2025). Global Innovation Fund. Retrieved November 13, 2025, from https://www.globalinnovation.fund/innovating-for-climate-resilience

innovations. By maintaining dialogue with these key partners (GIF is a strategic partner of the Global Resilience Partnership and the Adaptation Research Alliance, which are also UNDP AIM´s partners), AFCIA 2 will ensure that its most promising grantees are visible to scale-up financiers like GIF, rather than both programs unknowingly funding the same stage of the same project. Thus, GIF and UNDP-AFCIA 2 form a synergistic ladder of finance – with AFCIA at the early stage and GIF at the mature growth stage – collectively accelerating innovation for resilience.

- **Global Ecosystem-based Adaptation (EbA) Fund**[186]: The Global EbA Fund provides seed capital for innovative ecosystem-based adaptation measures worldwide. It offers rapid, targeted grants to projects that use nature-based solutions to help communities adapt. The EbA Fund specializes in nature-based solutions, whereas UNDP-AFCIA 2 has a broader innovation mandate with three thematic areas. The knowledge exchange between the EbA Fund and UNDP-AFCIA 2 can multiply impact – lessons from EbA projects can inform UNDP-AFCIA 2 grantees pursuing similar objectives, and vice versa. UNDP-AFCIA 2 offers integrated support to innovators via its TA provision. Through AFCIAs deep and extensive networks with business schools, it can leverage and multiply the outcomes of both programs to a wider private sector audience.

In addition to funding coordination, UNDP-AFCIA 2 actively contributes to shared learning platforms to prevent siloed efforts. The project's knowledge management approach will document lessons from local innovation projects and disseminate these globally. Building on this, AFCIA 2 will also leverage UNDP's and partners' business school networks to convene and expose different strands of adaptation work, including through dedicated roundtable-style workshops (in-person and hybrid) hosted in business schools per quarter.

These sessions will provide a neutral, safe space for Adaptation Fund implementing entities, Green Climate Fund and Global Environment Facility partners, and other adaptation-focused funds and programmes to exchange insights, compare what has worked (and what has not), and explore opportunities for a more coordinated approach to adaptation support. By sharing evidence with the wider community of practice, UNDP-AFCIA 2 helps other funders adjust their instruments and avoid duplicating approaches. Likewise, UNDP-AFCIA 2 will stay updated on outcomes from parallel programmes and feed this intelligence back into its own TA offer to maximize adaptation results. In summary, UNDP-AFCIA 2 is explicitly designed to maximize synergies with other climate funding sources, occupying a complementary niche in supporting grassroots innovations while partnering closely with the broader UNDP system and international climate finance architecture.

I.Describe the learning and knowledge management system to capture and disseminate evidence, particularly of effective, efficient adaptation practices, products or technologies generated, as a basis for potential scaling up.

Learning and Knowledge Management Component

Empowering Grantees and Strengthening Local Adaptation through Knowledge Exchange

Knowledge exchange and peer-to-peer learning are central to the project, creating opportunities for grantees to share insights, best practices, and lessons learned from implementation. By facilitating direct communication and collaboration among grantees, the project fosters a learning community where participants collectively address challenges and learn from practical solutions. This approach promotes the cross-pollination of ideas, strengthens adaptive capacity, and accelerates the scaling of effective adaptation practices. The project adopts a "learning-by-doing" approach to ensure that knowledge is continuously applied to improve both institutional and community-level resilience.

[186] https://www.unep.org/gef/focal-areas/climate-change-adaptation/our-work/access-adaptation-finance

The Learning and Knowledge Management plan aims to systematically strengthen the capacity of AFCIA 2 grantees to design, implement, monitor, and scale innovative, inclusive, and gender-responsive adaptation solutions. It combines structured learning processes with adaptive feedback loops to ensure that knowledge is captured, applied, and shared throughout the project cycle.

Integrated Learning Architecture

AFCIA 2 will adopt a two-stage learning and capacity-building structure aligned with the Adaptation Fund's Strategic Results Framework and UNDP's Monitoring, Evaluation, and Learning (MEL) standards. Learning will be embedded across all implementation stages—from project selection and proposal refinement to scaling and policy integration.

- **Stage 1 – Pre-selection and Proposal Strengthening:** Interactive webinars and mini courses will support long-listed applicants to strengthen problem framing, proposal design, and alignment with environmental, social, and gender standards.

- **Stage 2 – Onboarding Learning Sprint and Capacity Development:** An intensive 8-10 weeks Onboarding Learning Sprint will guide selected grantees to refine their business models, strengthen monitoring and reporting systems, and embed gender and social inclusion measures from the outset.

AFCIA 2 will formalize this process through an integrated MEL system that captures lessons across the project cycle—from selection and implementation to scaling and replication. The resulting lessons will be synthesized into actionable guidance, toolkits, and policy briefs to inform adaptation programming at national, regional, and global levels.

Immediately following selection, grantees will participate in a structured Onboarding Learning Sprint designed to strengthen their technical, financial, and operational readiness. The Sprint will combine group workshops, one-on-one mentoring, and peer-to-peer exchanges, complemented by expert sessions from academia, finance, and innovation ecosystems. Through this process, grantees will refine their business models and value propositions, strengthen financial management and resource mobilization, and explore sustainable hybrid models such as social enterprises. They will also prepare contextualized Gender Action Plans, apply gender marker criteria to ensure equitable participation and benefits, and develop simplified Environmental and Social Management Plans (ESMPs) in line with Adaptation Fund and UNDP standards. Practical training on monitoring, reporting, and data quality will enhance accountability and support consistent aggregation of results across the portfolio.

Within the Onboarding Learning Sprint, grantees will further benefit from advanced thematic modules on business development and scaling, gender-responsive monitoring and evaluation, policy and investment engagement, and communication tools, sequenced to match their stage of implementation and evolving capacity needs.
During implementation phase, AFCIA 2 will pilot a "Onboarding Learning Sprint Review"—a structured reflection exercise engaging grantees from both AFCIA 1 and 2, EMBA/MBA partners, and investors. The review will help identify emerging trends, needs, and adaptive measures, ensuring that lessons directly inform project improvement and investment strategies.

Fostering Knowledge Exchange and Capacity Building through the MBA Fellowship Programme

The MBA Fellowship Programme is a cornerstone of UNDP-AFCIA's knowledge and capacity-building framework. It strategically connects academic expertise from leading business schools with the operational realities of locally led climate adaptation initiatives. This partnership—between UNDP, a responsible party

selected under UNDP procurement processes, and top-tier universities—creates a structured platform for applied learning and collaboration.

By embedding EMBA/MBA students within AFCIA-supported organizations, the project will enable the transfer of business and financial skills, particularly in enterprise development, investment readiness, and impact measurement. In turn, students gain first-hand experience with adaptation challenges in the Global South, bridging academic knowledge with practical implementation. This collaboration also supports the development of a new generation of climate and development professionals equipped to advance innovation for resilience at scale.

From a knowledge management perspective, the project serves as a dynamic repository for continuous documentation and learning. Grantees receive tailored business development and scaling support, while students contribute to case studies, data collection, and evidence generation. These outputs will be consolidated into a shared knowledge library and inform publications and joint learning events focused on scalable adaptation business models.

Through AFCIA 2, EMBA/ MBA fellows also gain hands-on exposure to locally led adaptation models, community priorities, and the practical realities of delivering climate resilience on the ground. AFCIA 2 allows them to take this learning into their places of work and influence, to better assign and allocate capital based on a more nuanced and deeper grasp of local adaptation. This immersive experience builds a deep appreciation for context-driven solutions, social equity, and long-term sustainability—elements often overlooked in traditional business and policy training. As these fellows transition into influential roles across the private sector, public institutions, multilateral organisations, consulting, research, and philanthropy, they carry forward this understanding and values-based mindset. Over time, they become champions who shape decisions, policies, and market behaviours—driving change not only in investment flows, but also in corporate practice, product design, procurement models, risk management, and public–private partnerships.

While the impact may not be immediately visible at the project level, this intentional cultivation of future leaders contributes to long-term systemic transformation. It seeds a global network of informed and committed decision-makers who can shift institutional norms, unlock climate and development finance, influence policy agendas, and advance inclusive and locally led approaches to adaptation. By investing in the next generation of academics and leaders, AFCIA 2 strengthens the enabling environment needed for climate resilience—ensuring that the principles of localisation, equity, and sustainability gain influence in boardrooms, ministries, financial markets, and global development platforms.

For further reference, check the blog "Shaping the future of climate adaptation through academic collaboration" which captures the main lessons learnt of this academic collaboration with AFCIA 1.

Creating a Knowledge Platform to Support Scaling and Replication

The project will establish a multi-layered knowledge-sharing and learning structure to support the exchange, replication, and scaling of climate adaptation solutions. This approach aligns with the Adaptation Fund's Monitoring and Tracking System (AF MTS), particularly Strategic Focus 3, which prioritizes knowledge sharing and guidance on adaptation action and finance.

AFCIA 2 will operationalize a structured Learning and Knowledge Management Framework that ensures systematic documentation, aggregation, and synthesis of evidence emerging from each innovative solution that is supported by the project. This framework will use harmonized templates, progress indicators, and reflection tools to ensure comparability across regions and thematic areas, while allowing flexibility for diverse local contexts. Lessons from grantee monitoring data, field missions, gender assessments, and community consultations will be consolidated into periodic learning summaries and thematic evidence notes. These insights will feed into adaptive management processes at both project and portfolio levels, enabling timely adjustments to technical support, partnership brokering, and investment-readiness interventions. Building on AF's requirement to identify effective and efficient adaptation practices, AFCIA 2 will prioritize the extraction of

practical, scalable, and gender-responsive solutions that demonstrate strong potential for replication and financing.

Key outcomes include the identification, codification, and dissemination of lessons learned; the development of replication toolkits and case studies; and the strengthening of learning networks at local, national, and global levels. Rather than building new systems, AFCIA 2 will leverage existing UNDP´s (and in particular UNDP AIM´s) platforms, and collaborate with the broader AFCIA community under UNEP-CTCN coordination services project, to ensure efficient and wide-reaching dissemination through existing communication channels, such as policy briefs, social media, webinars, and virtual communities of practice.

Coordination among AFCIA´s MIEs and RIEs will be strengthened through joint learning cycles, shared reporting structures, and co-curated knowledge products that synthesize results generated across the AFCIA portfolio to date. UNDP will collaborate closely with AFCIA implementing agencies including UNEP-CTCN, WFP, UNIDO, SPC as well as UNCDF, other AIM partners to avoid duplication and ensure that emerging lessons flow into regional exchanges, the Adaptation Fund Community of Practice, and global platforms.
Findings from AFCIA 1 will be systematically integrated into AFCIA 2's capacity-building and learning architecture to reinforce continuity and accelerate uptake of proven models. Cross-regional learning sessions, thematic deep-dives, and peer-to-peer clinics will further enable cross-fertilization of insights between countries and regions, supporting the identification of common barriers, shared opportunities, and emerging innovation pathways. These processes will ensure that learning from individual sub-projects is aggregated into portfolio-wide evidence that can inform policy, investment, and future adaptation innovation programming.

Knowledge exchange will also be deepened through South-South and South-North knowledge exchanges, cross-country peer learning events, and thematic learning series. A depository of knowledge/ communication products will host gender case studies, and field lessons to inform both policy and practice.
Knowledge exchange and ecosystem engagement will be advanced through global, regional, and thematic learning events, including innovation showcases, investor roundtables, replication clinics and alliance networking sessions, as well as through the Onboarding Learning Sprints, which will serve as a platform for peer learning and collaboration. Each event will incorporate gender-transformative and socially inclusive perspectives, ensuring balanced participation and equitable access to learning opportunities.

To further strengthen technical expertise and communication, the Project will coordinate with the UNDP Country Offices, on how to best connect grantees with academia, accelerators, incubators, and their local innovation ecosystems, integrating emerging insights from climate technology, adaptation finance, and social innovation. The AFCIA PMU will oversee the synthesis, validation, and dissemination of knowledge products, ensuring alignment with UNDP and Adaptation Fund standards.

With the aim of increasing visibility of community-driven adaptation, supporting knowledge sharing among grantees (internally) and with the global community (externally), and strengthening stakeholder engagement, coherent and consistent communication will overall serve the purpose of highlighting the importance and urgency of fostering innovation for climate adaptation.

Visibility and Branding of the Adaptation Fund

The Adaptation Fund's contribution will be visible at all key stages—sourcing, screening, grant administration, and knowledge dissemination. UNDP will produce branded knowledge products that highlight the Fund's impact and leadership in advancing locally led innovation for adaptation. Grantees will be encouraged to acknowledge both the Adaptation Fund and UNDP in their communications and visibility materials, ensuring appropriate recognition in line with the Adaptation Fund´s communication and visibility guidelines (including AFCIA´s specific ones).

A targeted communications and visibility strategy will highlight the Adaptation Fund's contribution through case studies, videos, and impact stories disseminated via regional and global platforms. Particular attention will be

given to documenting and showcasing women- and youth-led success stories, amplifying their visibility and positioning them as role models within the adaptation innovation landscape.

Through a comprehensive and inclusive learning ecosystem, AFCIA 2 ensures that knowledge is not only captured and shared, but actively translated into better design, stronger policies, and greater investment in adaptation innovation—ultimately strengthening resilience and fostering long-term sustainability across the Global South. A preliminary communications strategy for AFCIA 2, can be found in **Annex 11** for further reference.

J. Describe the consultative process that would take place, and how will it involve all key stakeholders, and vulnerable groups, including gender considerations.

Consultative Process and Stakeholder Engagement Approach

At the stage of the AFCIA 2 project´s proposal formulation, it was not yet feasible to conduct deeper consultations at the level of specific project sites or with stakeholders that will ultimately be engaged by the grantees. This is because the specific sub-projects and implementing partners (grantees) across the regions will be identified through a global open call for proposals, which will take place at the beginning of the implementation stage. As such, the project currently includes Unidentified Sub-Projects (USPs), consistent with the nature of the innovation process being supported and in line with guidance from the Adaptation Fund (Decision B.39/52).

Given this structure, UNDP´s approach to stakeholder consultation has been adapted accordingly in a two-phased approach to consultations: a) During project design and b) Once grantees are selected. In line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy (GP), initial virtual consultations with key stakeholders were undertaken by UNDP. These consultations include past grantees from AFCIA 1, grantees supported by other UNDP Programmes (that advance adaptation, local action or innovation acceleration), representatives from other UN partner agencies, civil society organizations, research centres and other relevant institutions. Consultations inside UNDP with the five Regional Bureous were also undertaken (mainly with the Environment Regional Technical Leads and additional teams which were brought in into these preliminary consultations) to strengthen the project design. These consultations inform the overall project framework, including implementation principles and safeguards. A full list of the stakeholders consulted is available in **Annex 6a. Stakeholder Consultations and Engagement during the Design Phase** and the results and notes from said consultations are available in **Annex 7. Minutes of the Stakeholder Consultations.**

While specific grantee-led activities cannot yet be defined, UNDP will ensure that stakeholder input shapes the overarching implementation approach and risk identification processes at the grantee level. Once grantees are selected and specific interventions are identified through the open call process, more detailed, locally grounded stakeholder consultations will be conducted. These will include consultations with vulnerable or marginalized groups, women, Indigenous Peoples, and other directly affected communities as relevant. At that stage, each grantee in collaboration with UNDP will also develop and disclose detailed risk assessments and management instruments—including gender action plans, stakeholder engagement plans, and environmental and social management plans—supported by the PMU's Gender and Safeguards Specialist as part of project support and quality assurance.

This phased approach allows each grantee and UNDP to manage stakeholder expectations responsibly and transparently, recognizing that not all organizations applying for the grants may ultimately be selected or have the capacity to implement. However, UNDP us fully committed to ensuring that, in line with Adaptation Fund guidance on USPs, risk identification, gender considerations, and stakeholder engagement are addressed at both the framework level (during proposal formulation) and the sub-project level (once grantees are known). These measures will ensure robust safeguards and inclusive engagement throughout the project lifecycle.

Further to this, **Annexes 6 and 7** outline the 2-phased consultation process that started during project design and proposal development, and that will further advance during implementation—to meet the requirements of the UNDP´s and the Adaptation Fund´s Environmental and Social Safeguards Policies and Gender Policies.

Initial Consultations with Key Stakeholders

The consultative process undertaken during the preparation of the AFCIA 2 proposal has been designed to ensure broad stakeholder engagement, with particular attention to vulnerable groups and gender considerations, in compliance with the Environmental and Social Policy (ESP) of the Adaptation Fund. The process has been structured in phases, enabling effective and local input integration throughout the project's development. The following table provides an overview of the stakeholders consulted and the main insights from the consultations. Detailed information can be found in the following annexes to this proposal **Annex 6a. Annex 6a. Stakeholder Consultations and Engagement during the Design Phase**, and **Annex 7. Minutes of Stakeholders Consultations**.

Stakeholder	Key takeaways
UNDP AFCIA grantees	- AFCIA's flexibility, experimentation space, and risk-tolerant approach were highly valued, distinguishing it from other funders. - AFCIA's holistic support package (financial resources + technical assistance + mentorship + organizational strengthening) was highlighted as a core strength. - Collaborations with MBA students and other forms of tailored technical assistance created impact beyond the project lifecycle. - In-person visits from AFCIA/UNDP staff were seen as critical for understanding grantee contexts and fostering stronger, ongoing engagement. - Peer-to-peer learning, capacity building, and technical support were highly appreciated; grantees recommended expanding these components in AFCIA 2. - Grantees emphasized the importance of thematic and cross-cutting collaboration (e.g., climate-smart agriculture, gender, finance) to deepen expertise and address shared challenges. - Feedback on reporting tools was mixed: some found them clear and manageable, while others requested improvements for AFCIA 2. - Key reporting improvements needed: clearer communication of the overall Theory of Change and indicator framework; co-defining indicators with grantees; and dedicating sessions to explain templates and expectations. - Need to better contextualize ESG metrics and provide dedicated sessions to explain their purpose, relevance, and practical application. - Grantees identified scaling and business model challenges, noting that innovations are impactful but often unattractive to investors due to low financial returns in climate-vulnerable contexts. - Highlighted the value of partnerships (CSO–SME consortiums, collaboration with UNDP country offices, linkages with other organizations) as essential for scaling, government engagement, and resource convergence. - Increasing engagement and visibility with local governments—along with recognition such as letters confirming collaboration with UNDP—can enhance grantee credibility and partnership opportunities. - UNDP's institutional credibility is an important asset that helps smaller organizations gain recognition, build networks, and access opportunities.
UNDP-funded challenge funds	- Grantees emphasized the importance of stage-appropriate capacity building, noting that early-stage organizations benefit from foundational training while growth-stage innovators require more advanced, specialized support.

grantees	- Iterative feedback and coaching were highlighted as essential, with grantees stressing that learning is strengthened through regular review, adjustment, and practical guidance—not only through static deliverables. - Participants called for longer funding windows, particularly for organizations transitioning from pilot to scale, to enable sustained impact and stronger business development. - UNDP's convening power was consistently valued, with grantees crediting networking opportunities for expanded partnerships, visibility, and strategic collaboration. - Application processes can be challenging for smaller or women-led organizations due to extensive documentation requirements, limited access to formal financial records, and systemic barriers such as lack of land ownership. - Reporting requirements were seen as important but sometimes difficult to navigate; grantees requested clearer guidance, standardized tools, and more flexible expectations, particularly in contexts with data limitations. - Peer learning is considered highly beneficial, with demand for thematic cohorts, case study libraries, and simple communication channels (e.g., WhatsApp, Telegram) to support ongoing exchange. - On gender and inclusion, participants stressed the need for early planning, culturally sensitive approaches, and tailored capacity-building to ensure meaningful engagement of women, youth, and vulnerable groups. - Reaching women, especially in restrictive or fragile contexts, requires local partnerships, non-digital outreach strategies, and safe spaces for women to engage and share experiences. - Participants encouraged AFCIA to improve clarity, accessibility, and targeting of Calls for Proposals to ensure they reach relevant CSOs and MSMEs across diverse geographies and capacity levels.
Women-led Science, Technology, Engineering and Mathematics (STEM) organisations	- Women remain severely underrepresented in STEM and climate-related technical roles, particularly in agriculture, due to entrenched cultural norms and limited mobility. - Women face restricted access to technology, information, land, and finance, preventing them from benefitting from early-warning systems and digital advisory services, despite being primary agricultural workers. - Opportunities exist in vertical farming and climate-smart agriculture, but structural barriers (e.g., land ownership patterns) limit women's participation. - Effective engagement requires intentional, early planning, partnerships with women-led organizations, and non-digital outreach tools such as radio to reach rural women. - Participants valued UNDP's role in facilitating partnerships with ministries, universities, and research institutions, as well as providing cross-country knowledge exchange and case studies. - Short grant durations, complex application processes, and slow reporting and disbursement procedures hinder implementation and sustainability; participants called for longer funding windows and simpler, more accessible application processes. - Peer learning is highly beneficial, with demand for thematic groups, WhatsApp/Telegram channels, and practical case libraries to support continuous exchange and learning.
AFCIA-implementing agencies (UNEP,	- Generated impact need to be showcased more effectively to strengthen private-sector engagement and attract investment. - Harmonizing impact categories and standardizing tracking frameworks across agencies would help ensure portfolio diversity and minimize duplication of

UNIDO[187])	technologies and solutions. - Early coordination with key stakeholders, including implementing entities, UN country offices, and government bodies at local, regional, and national levels, is essential for coherent planning and implementation. - Implementing entities agreed on the need for stronger alignment across the AFCIA programme, including the potential for a shared M&E framework and indicators to enable collective measurement of adaptation impact. - Grantees should be directed to the implementing agency best suited to their technical needs, ensuring efficient access to specialized support and resources. Coordination among AFCIA implementing agencies will facilitate collabrations for smooth referral process. - Cross-agency collaboration was recommended to facilitate investment by pooling networks and providing grantees wider access to investors, partners, and complementary expertise. - When supporting SMEs, assistance should integrate both profitability and impact, helping businesses maintain financial sustainability while achieving measurable adaptation outcomes. - Knowledge sharing and communication products (e.g., videos, web stories, webinars) should be jointly planned under the coordination services of UNEP-CTCN, from the outset to ensure coherence and visibility across agencies. - Implementing entities should leverage communities of practice and jointly engage local media through country offices to enhance outreach and learning.
UNDP Regional Technical Leads	- Strong consensus on leveraging existing UNDP structures (Country Offices, SGP, Biodiversity Finance Initiative (BIOFIN), Climate Promise) to strengthen local presence, reduce duplication, and support robust pipeline development. - Regions stressed the importance of systematically monitoring grantees' progression from grant to scale, capturing and institutionalizing lessons from AFCIA 1, and prioritizing high-potential, innovative, and community-driven solutions—including those emerging from South–South collaboration. - Regional differences in adaptation ecosystems were highlighted: sectors, value chains, and types of target organizations vary significantly and must inform how AFCIA 2 tailors outreach and selection across regions. - AFCIA 2 should aim for exponential—not linear—impact by expanding pathways for private finance attraction, strengthening business model viability, and linking grantees to national and regional adaptation finance ecosystems. - Lessons from AFCIA 1 (e.g., growth from 20% to 59% revenue-generating grantees; 32% earning over USD 100,000 annually) were viewed as strong foundations for investment-readiness and scaling support in AFCIA 2. - Clear opportunities identified to link AFCIA 1 grantees with SGP and Western Balkans project portfolios for structured peer learning, knowledge exchange, and replication of proven models. - Regions emphasized the need to highlight AFCIA's support methodology (technical assistance, mentoring, pipeline development, investment-readiness) as a core value proposition that Country Offices see as equally important as financing. - Inputs emphasized articulating how AFCIA's support model can be replicated by Country Offices and how it strengthens local organizations' engagement with national systems and financing mechanisms. - Strong emphasis on maintaining community-embedded approaches, elevating

[187] The WFP AFCIA focal points were contacted to carry out an interview, but at the time of submitting this proposal, the interview was not confirmed by WFP.

	Indigenous-led and women-led innovations, and ensuring grantees work within environments that can sustain scaling pathways. - Regional Technical Leads emphasized the importance of strategic geographic prioritization, including consideration of whether to maintain a global call for proposals or narrow eligibility to countries with conducive enabling environments, more mature MSME ecosystems, and stronger potential for scalable outcomes. These insights will guide decisions on AFCIA 2's geographic focus, replication pathways, investment linkages, and technical support modalities. To ensure inclusive participation, the programme will apply targeted, context-specific outreach and communication efforts informed by regional and country contexts, thematic priorities, and stakeholder mapping. This will help increase the diversity and quality of applications and enable the programme to attract high-potential, locally led adaptation innovations from civil society organizations and MSMEs.
UNEP-CTCN AFCIA	- Need for early and continuous engagement with national focal points, governments, and implementing partners to ensure coherence from the design stage of AFCIA 2. - Stronger demonstration of concrete, measurable, and commercially relevant impacts is required to attract private-sector engagement and enhance the scalability of CSOs and MSMEs. - Under the coordination services of UNDP-CTCN function, a shared M&E framework with common indicators on innovation, adaptation, and resilience should be established across AFCIA implementing partners to ensure coherent reporting and comparability. - Establishing a repository of projects, stakeholders, and sectors would facilitate cross-country and cross-sector collaboration, reduce silos, and strengthen alignment among AFCIA implementers. - Joint learning and communication activities (e.g., videos, web stories, webinars, communities of practice) should be planned from the outset under a coordinated communications strategy. In addition, they stressed the importance of adopting a joint communications strategy from the outset—leveraging videos, web stories, local media engagement, and grantee-generated visual content—to improve visibility, support knowledge sharing, and help avoid siloed approaches across AFCIA implementers. - Grantees should be encouraged to budget for visibility materials (e.g., professional photography), while country offices and partners collaborate on broader communication products and local media engagement. - Establishing a shared M&E framework with common innovation- and resilience-focused indicators that can be used consistently across implementing partners is critical. UNEP-CTCN also highlighted the benefits of creating a consolidated repository of country and sector activities, strengthening communities of practice, and facilitating regular cross-partner exchanges to enhance coherence and collective learning. - It is advised to maintain the AFCIA dashboard that remains simple, practical, and comparable across the different Implementing Partners.

Impact investment networks (AVPA, AVPN, Latimpacto)	- Need for stronger multi-sectoral collaboration and inclusion of vulnerable and marginalised communities in adaptation efforts. - Persistent financing barriers highlight the importance of flexible, context-appropriate capital and complementary capacity building. - Investors stressed the value of community-driven, locally led solutions and clear pathways for long-term sustainability and ownership transfer. - Significant disconnect between small local projects and investor expectations, requiring reframing of risk perceptions and stronger business model support. - Grantees need enhanced investment-readiness skills, including clearer communication and pitching capacity. - Lack of standardized metrics for resilience underscores the need for adaptable, context-sensitive measurement frameworks. - Political, safety, and contextual factors challenge climate resilience financing and should be better accounted for in design and risk assessment.
Private Sector-Sector agnostic Impact investors (Global Innovation Fund, Acumen, Six Capital, SAB Foundation)	- Catalytic capital is most valuable as an early validator and pipeline builder: it reaches solutions few others will fund, lets locally rooted innovators test and refine models, and acts as an "institutional ambassador" that makes later investors take them seriously. - The deepest barriers to investability are weak financial management and governance: poor or non-existent financial records, informal structures, over-extraction by founders, valuation mismatches, and thin documentation make otherwise promising solutions very hard to back. - Investors and catalytic funders are looking for clear proof of concept and product–market fit: paying clients, real invoices, movement towards breakeven, simple ownership structures, committed founders, and alignment with investor values and mandates. - High-impact technical assistance clusters around four areas: strategic finance (realistic projections, cashflow and capital-raising plans), go-to-market (customer, pricing, distribution at margin-positive unit economics), governance and compliance (boards, ESG, audited accounts), and team/talent (senior capacity and incentives). - Across consultations, the most effective programme support has been very practical: producing strong investor materials and organised data rooms, coaching founders on how to engage with investors, and using showcases and peer-learning events to build networks and visibility. - Early-stage grants are often best used in sequenced, milestone-based ways: first to experiment and validate key assumptions, then to close specific investor-readiness gaps, ideally after or within a structured accelerator-style process rather than as stand-alone cheques. - Co-funding and risk-sharing structures (e.g. pairing AFCIA solutions with impact funds, blending international climate capital with local sources like Broad-Based Black Economic Empowerment (B-BBEE) are seen as powerful tools to move "borderline but promising" deals over the line, especially when combined with clearer geographic or thematic focus. - Funders place real weight on the programme's own credibility: a track record of "finding gems," transparent and cost-effective grant governance, clear outcomes and success metrics, and UNDP's ability to connect ventures into markets, large institutional partners and follow-on investors are all central to whether they engage with AFCIA 2.
MBA Fellows that participated MBA Fellowship	- AFCIA 1 TA was strongest because it was flexible, co-created and community-first, helping grantees with business plans, financial models, impact/data systems, localised marketing, digital literacy and linking to clear carbon and market pathways. - The hardest barriers to moving from pilots to investable scale were structural: insecure land tenure and control over natural resources in the case of indigenious communities,

Programme in AFCIA 1	high verification/certification and due-diligence costs, weak supply chain and logistics, poor connectivity, and thin or poor-quality documentation and data - Many AFCIA 1 grantees had strong technical and impact foundations but were still clarifying their core model while being asked for “investor-ready” materials, with gaps in revenue strategies, basic financial projections, governance structures, outward communication and regular financial/impact reporting. - Stakeholders converged that AFCIA 2 should make matching and scoping more intentional: clearer project descriptions, categorisation by primary TA need and stage, preference matching, alignment calls, and time allocations calibrated to project maturity to avoid generic outputs. - Short but focused in-country or in-community engagement was repeatedly highlighted as critical for context, cultural fit and implementation, with physical visits producing more tailored and actionable outputs than purely remote support. - There is a clear need for simple, standard, but adaptable tools: step-by-step roadmaps from pilot to scale, shared templates and libraries, scenario-based financial models, and standard data-room structures that reduce duplication and transaction costs for both grantees and investors. - Fellows and grantees both asked for stronger peer learning and mentorship: thematic clusters for fellows, grantee-to-grantee exchanges, co-mentors with policy/market/technical expertise, structured orientation, continuity across cohorts and proper handover processes. - To better connect TA, financing and long-term sustainability, AFCIA 2 should help organisations shift from philanthropic NGO mindsets to revenue-generating social enterprises, build simple durable data/reporting systems (potentially supported by AI/automation), diversify revenue streams, and integrate governance strengthening and clearer career/visibility pathways for fellows.
Academia Partners (Professors – University of Oxford, University of Cape Town)	- Academic stakeholders see big untapped value in MSc/MBA fellows, but only if there is a dedicated “bridge” role that co-creates problem statements with grantees, turns them into clear briefs for students, and then ensures outputs are implemented rather than parked. - Grantees currently spend a lot of time explaining their context from scratch; short project videos, concise written cases and clear problem statements, prepared in advance, would let students arrive better oriented and free up time for real support. - Matching should be much more intentional: projects classified by primary need (finance, marketing, carbon/MRV, governance, etc.), students selected for relevant skills and interests, and early three-way alignment calls (grantee–student–programme) to agree scope, expectations and limits. Rather than only creating new tools, future student cohorts should help refine and implement existing tools, supported by stronger handover, shared repositories and staggered cohorts that build on each other’s work over multiple years. - Knowledge and data management is a core bottleneck: organised folders, accessible documentation and common toolsets are essential if multiple cohorts are to work on the same organisations and if insights are to feed back into programme design and monitering, evaluation and learning. - For monitoring and quality assurance, self-reported grantee narratives and financials need to be complemented by light external evaluations, simple standardised Monitoring and Evaluation tools, and student projects that validate reported results in the field, with impact/ESG certifications or simplified “impact audits” used as higher-level quality signals where feasible.
Global Resilence Partnership	- Catalytic facilities like AFCIA create the most value when treated as structured learning engines rather than simple grant windows, using cohort-based cycles to surface what works, why, and under which conditions.

	- The biggest barrier to evaluating early-stage adaptation solutions is limited time and support to deeply understand the underlying problem and local context; once this clarity is achieved, assessing solution–fit becomes significantly easier. - The diversity of adaptation ventures—from tech-enabled tools to deeply community-rooted initiatives—requires experienced, hands-on mentors who can help organisations articulate the real problem and sharpen their models, rather than relying solely on generic TA or student projects. - The integrated package of grants, tailored technical assistance and intentional learning cycles is a clear strength; neither grants nor TA alone are sufficient without a strong learning loop that improves programme design over time. - Investor alignment depends as much on educating investors as preparing ventures; many capital providers struggle to clearly articulate expectations, so programmes need to shape investor understanding while maintaining a disciplined impact–scalability lens. - A persistent gap exists between proof of concept and early commercial viability; meaningful follow-on funding often takes several years, implying that AFCIA 2 should plan for longer-term support pathways rather than short project cycles. - For funders, the critical proof point remains evidence that “the model works”: credible resilience outcomes, combined with a business or community engine that generates more value than it costs and can be scaled or replicated. - Strong, science-informed resilience measurement is essential: starting from a clear conceptualisation of resilience, then using mixed methods and systematic field engagement to understand community-level effects and feed back into programme design.

Future Stakeholder Consultations and Detailed Risk Assessments

As the project progresses at the implementation stage, further consultations will be conducted at the grantee level and specific project sites, once specific grantees and interventions are identified through the global open calls for proposals. These consultations will focus on localized engagement across diverse geographical and cultural contexts, particularly with vulnerable groups, women, Indigenous Peoples, and vulnerable communities, ensuring that interventions are tailored to the specific needs and priorities of the communities they aim to serve.

Grantee-level consultation approaches will be adapted to local contexts, languages, and cultural practices, utilizing participatory methods that enable meaningful engagement of all stakeholders, including those who may face barriers to participation due to literacy, mobility, language, or other factors. Consultations will be consistent with the principle of Free, Prior and Informed Consent (FPIC). Detailed stakeholder meeting summaries, responses to stakeholder comments, and stakeholder engagement plans will be included in the application forms and made available in locally appropriate formats and languages where feasible.

Additionally, context-specific risk assessments, gender action plans, and environmental and social management plans will be further developed in more detailed and refined, in consultation with affected communities and disclosed in accordance with the Adaptation Fund's policies and UNDP's Social and Environmental Standards, ensuring the safeguarding of vulnerable groups across all participating countries.

This consultative process ensures that the voices of all stakeholders, particularly vulnerable groups and those historically excluded from decision-making processes, are actively heard and incorporated into the project's design and implementation across diverse regional contexts. The phased approach allows for continuous learning, adaptation, and responsiveness to emerging challenges and opportunities, ensuring that the project remains aligned with the principles of the Adaptation Fund's Environmental and Social Policy and Gender Policy throughout its lifecycle.

Annex 6b. Stakeholder Engagement Plan During the implementation Phase, presents a high level workplan for future consultations, with an estimated timeline and the means to be utilized for the consultations (e.g. who will carry the consultations, how, and when).

K. Describe how the project/programme draws on multiple perspectives on innovation from e.g., communities that are vulnerable to climate change, research organizations, or other partners in the innovation space, in the context in which the project/programme would take place.

Incorporating Diverse Perspectives on Innovation from Different Stakeholders

The project draws on multiple perspectives on innovation by actively engaging a diverse range of stakeholders across participating countries, including local communities, research organizations, academic institutions, and development partners. Building on learnings and best practices from AFCIA 1, the project incorporates proven approaches while adapting them to new geographical and cultural contexts.

Communities most affected by climate change—including Indigenous Peoples, local communities, marginalized groups, women, youth, persons with disabilities, rural and remote populations, small-scale farmers, and urban informal settlement residents—are central to the project's innovation process, as they bring valuable lived experiences and unique insights into context-specific adaptation challenges. Their participation ensures that the solutions developed are culturally appropriate, contextually relevant, and grounded in the real-world needs of those who are most impacted by climate change across diverse global settings.

In addition to local and traditional knowledge systems, the project incorporates expertise from research organizations, academic institutions, and think tanks, whose findings help shape the technical and scientific aspects of the adaptation solutions. These research entities provide evidence-based approaches, innovative methodologies, and a deeper understanding of regional and global climate trends, which are crucial for developing scalable and sustainable solutions that can be adapted across different contexts.

The project also benefits from the MBA Fellowship Programme, which connects EMBA/MBA students from leading global business schools with grantees participating in the AFCIA 2 project. Drawing on experience from the previous phase, this programme has been refined to better match student expertise with grantee needs and to provide culturally sensitive mentorship. These students provide valuable expertise in business strategy, financial planning, market analysis, and scaling pathways, helping to refine and strengthen the business models of local organizations. By integrating academic insights with local adaptation efforts, the MBA Fellowship Programme ensures that innovative solutions are not only technically feasible but also financially sustainable and scalable across different economic contexts.

The project will continue to collaborate with the UNDP Country Offices and as an extension, with their national innovation ecosystems, regional climate centers, private sector partners, impact investors, non-profits, social enterprises, and networks of local adaptation practitioners across multiple regions. Drawing on lessons learned from the AFCIA 1 regarding effective partnership models and knowledge exchange mechanisms, the project fosters a multi-stakeholder environment that spans diverse geographical, economic, and cultural contexts. Through AIM, AFCIA 1 harnessed a broad network of technical and strategic partners, including ICCCAD, CDKN, LUCCC, GRP, Climate KIC, and UNCDF, to support its work and collaborated with impact investment networks like AVPN, AVPA, and Latimpacto to build private sector finance capacity in Asia Pacific, Africa and Latin America and the Caribbean.

As part of the development of this proposal, the above mentioned partners have also provided inputs through a series of consultations. By integrating diverse perspectives from across these sectors and regions, the project ensures that adaptation solutions are not only innovative but also feasible, scalable, and adaptable to the changing realities of different countries and communities.

This approach encourages cross-pollination of ideas across borders and sectors, strengthens South-South,

South-North and triangular cooperation, and enhances the project's ability to identify and implement effective, locally driven, and globally informed climate adaptation strategies. The project establishes peer learning networks and knowledge exchange platforms that enable grantees from different regions to share experiences, challenges, and innovations, building on the successful knowledge-sharing mechanisms piloted in the previous phase.

Through this inclusive and globally informed process, the supported solutions not only address the immediate needs of vulnerable communities but also contribute to the broader global climate resilience agenda, fostering long-term sustainability, innovation, and transformative change across participating countries and regions.

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

Justification for Funding Requested: Addressing the Full Cost of Climate Adaptation

When it comes to climate resilience, the economics are clear: acting early is far cheaper than responding late. The cost of rebuilding after extreme weather events is often several times higher than the cost of investing in adaptive measures beforehand. According to the Global Commission on Adaptation, investing $1.8 trillion in climate adaptation globally between 2020 and 2030 could generate $7.1 trillion in total net benefits, a return of nearly 4 to 1[188]. For vulnerable communities already on the frontlines of climate disruption, even modest improvements in preparedness can significantly reduce future fiscal, social, and environmental burdens. AFCIA 2 presents a timely opportunity to direct resources toward locally led solutions that offer far greater returns than waiting to pick up the pieces after disaster strikes.

AFCIA 2 has been designed to extend well beyond the scope of a standard grant initiative, but instead aims to act as a transformational mechanism. The funding request represents the comprehensive cost of generating adaptation impact through using a pipeline model strengthening and validating context-specific, growth-stage solutions, and positioning them for scale, investment and policy uptake. This approach is essential to closing the adaptation gap not only in volume, but in structure, equity and long-term impact.

Ensuring Sustainability of Project Outcomes in the Design Process

188 Global Commission on Adaptation Report ADAPT NOW: A GLOBAL CALL FOR LEADERSHIP ON CLIMATE RESILIENCE #AdaptOurWorld. (2019). page 3.

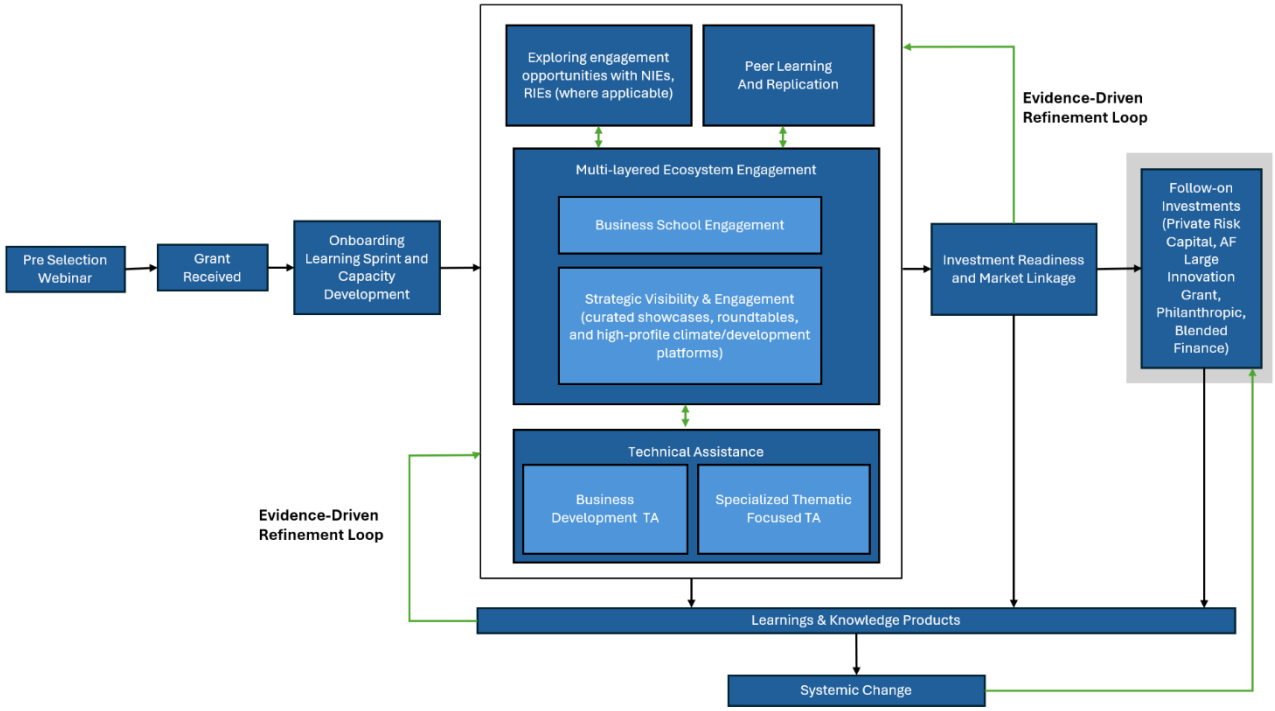


Figure 3: AFCIA 2's approach to sustaining grantee outcomes

Long-term dependence on grants is a significant risk for climate resilience initiatives, particularly those implemented by NGOs, CSOs and hybrid organizations, due to a lack of availability in follow-on funding. This is compounded by other structural vulnerabilities that due to their nature, are often felt more by local, smaller projects, including weak financial management systems and unclear unit economics; exposure to foreign exchange losses for models reliant on imported inputs; over-reliance on a small number of buyers or suppliers; policy and public-procurement delays; fragile supply chains; and the absence of a clear, time-bound sustainability or transition plans.

Long-term sustainability is a core pillar of the AFCIA 2 design, helping to shift local innovative projects from being grant reliant, to more self-sustaining and market friendly business models. This helps ensure that AFCIA 2 is an effective catalyst for durable, scalable climate resilience. The project "doubles-down" on sustainability from the outset by integrating forward-looking sustainability planning, strengthened financial governance, and deliberate, targeted support for institutional and organisational development.

Finally, AFCIA 2 seeks to extend the boundaries of a grant provider, to learn from lessons gained in AFCIA 1, and also to respond to system dynamics that place increasing pressure on the concessional funders to be even more innovative, catalytic and effective in the use of grant finance. Therefore, AFCIA 2 will consider the unlocking role of a grant provider within this lens, and will necessarily cascade this dual role (bridge between grant/development and the private sector) down to its local grantees (NGOs and CSOs that are aiming to scale into market friendly solutions). The sustainability strategy and expected outcomes will therefore reflect the duality of the funding landscape. Figure 3 illustrates AFCIA 2's end-to-end approach to sustaining grantee outcomes beyond the grant period, by combining tailored technical assistance and ecosystem engagement with structured investment readiness and market linkage. The approach is designed not only to strengthen each grantee's organizational and financial capacity, but also to translate implementation evidence into replicable learning and knowledge products that inform broader practice.

Crucially, AFCIA 2 positions these learnings as an enabling mechanism for system-level change—shaping how private and institutional capital identifies, assesses, and engages with climate adaptation innovations.

Through the evidence-driven refinement loops shown in Figure 3, lessons from delivery are continuously fed back into programme support and market engagement, improving the quality of the investment pipeline and reducing friction for follow-on financing (including DFI, impact, philanthropic, and blended finance pathways).

The AFCIA 2 will ensure the sustainability of project outcomes using the following approaches:

Sustainability of project outcomes: AFCIA 2 will help communities adopt and sustain their initiatives over time beyond the life of the project through drawing on the strengths of locally led adaptation by focusing on community ownership and employing flexibility with the project to respond to local needs.

Through flexible programming, the use of community-defined indicators shall help to foster local ownership, creating more relevant, effective and impactful solutions for the local context

Fostering relationships with innovative partners, while aiding in the testing and refinement of solutions as part of the innovation and learning process to ensure the long-term effectiveness, resilience and sustainability of solutions.

To support the transition from testing to replication and scaling, AFCIA 2 will provide sequenced, hands-on support that enables successful grantee solutions to validate their models, strengthen the evidence base, and develop replicable approaches. This will allow innovations that have demonstrated results in one context to be adapted and applied across new geographic and sectoral settings, expanding their reach and impact.

Policy and institutional mechanisms will further sustain innovation ecosystems beyond the programme's lifetime. By ensuring alignment with NAPs, NDCs, TNAs and TAPs, facilitating engagement with NIEs (where applicable), and connecting innovators to public-sector pipelines, AFCIA 2 will help embed validated models into long-term national systems. As indicated before, through AIM and the AFCIA Partnership platforms and mechanisms, and UNDP’s existing networks of multiple stakeholders (including governments, investors and knowledge partners), the AFCIA 2grantees will continue to access, adopt, and scale proven models long after project closure.

Impact on the grantee: **Capacity Building for Institutional and Financial Sustainability:**
AFCIA 2 places sustainability at the core of its support model, aiming to ensure that climate resilience initiatives are impactful in the short term and structurally equipped to endure, grow, and mobilise resources beyond the grant period. The project adopts a capacity-building approach that seeks to embed practical systems, sound financial governance, and disciplined sustainability planning from the outset. This ensures that grantees develop the institutional strength, financial resilience, and strategic clarity required to sustain and scale their impact over time. To translate this vision into practice, AFCIA 2 establishes clear sustainability requirements and provides structured support to help grantees meet them. The following elements ensure that partners build strong foundations for long-term institutional and financial resilience:

a. **Upfront Sustainability Planning and Financial Integrity**: All successful grantees must have shown a clear and credible pathway for technical, financial, and operational sustainability. including evidence of either potential co-financing or self-sustainability, a fundraising strategy, and identification of relevant long-term partners. Furthermore, financial integrity and institutional transparency are ensured through strict compliance with UNDP’s financial management regulations. Financial audits will be conducted in accordance with UNDP Programme and Project Management Policies, ensuring the institutional trust necessary for future investment.

b. **Mandatory Exit Strategy and Risk Mitigation**: An exit strategy and risk mitigation strategy will be required for each grantee. In this context, the exit strategy is a pre-defined plan outlining how the grantee will achieve full or partial financial and operational independence and sustained impact after AFCIA 2 support ends, focusing on clear pathways for scaling and securing subsequent funding (from either public or private sources). This requirement ensures that the support provided to each grantee leads to long-term self-reliance; this transition is actively supported by dedicated technical assistance

that guides the grantees toward their best position to secure follow-on capital and achieve self-sustainability and reliance. Identified risks will be fully integrated into the TA support to develop and implement proactive mitigation strategies. AFCIA 2 will support grantees operating under a purely NGO/CSO model to transition toward a hybrid structure (non-profit plus social enterprise spin-offs). This model has been proven to enhance long-term sustainability and create a crucial pathway for attracting private risk capital, as successfully demonstrated by SAMPLE Uganda Aquaculture Association, AFCIA 1 grantee. AFCIA 2 grantees will also support few MSMEs through innovation challenges or grants, as a main differential to AFCIA 1 (which only focused on NGOs and CSOs).

Strengthening the Feedback Loop: AFCIA 2 reinforces a culture of accountability, adaptive learning, and continuous performance improvement across its portfolio. By embedding structured feedback mechanisms, the project ensures grantees evolve into stronger, more resilient and investment-ready organisations over time. More information can be found in section I of the proposal.

Failure Learning Protocol: AFCIA 2 will establish a safe mechanism for grantees to confidentially share lessons from technical setbacks, market rejections, or unsuccessful pilots. Insights gathered through this Failure Learning Protocol will be anonymised and synthesised into practical guidance for the entire portfolio, accelerating collective learning and enabling rapid course-correction. This approach fosters a culture of transparency, innovation, and adaptive management—ensuring that challenges become shared assets rather than isolated setbacks.

Multi-layered Ecosystem Engagement for Long-Term Systemic Change: MBA Fellowship Programme and AFCIA 2's engagement with leading GNAM business schools and with broader innovation ecosystems will further enhance sustainability by facilitating continuous cross-sector collaboration and the showcasing of successful scaling. This is particularly important for the catalysing and influencing of currently unlocked capital: many funders have the desire to invest in resilience, but lack the pathways, knowledge and importantly the successful case studies and examples on how to do this. AFCIA 2 aims to support in this bridging in several ways:

a. **Safe Space and Knowledge Dissemination to interested funders:** Universities provide a safe space for dialogues and discussions around climate resilience models that might be too sensitive or nascent for public policy debate, accelerating idea refinement. They also act as a channel to spread the word and conduct research on scaling mechanisms.

b. **Building Future Levers of Change:** Through AFCIA 2, EMBA/ MBA fellows gain hands-on exposure to locally led adaptation models, community priorities, and the practical realities of delivering climate resilience on the ground, The AFCIA 2 MBA Fellowship Program allows them to take this learning into their places of work and influence, to better assign and allocate capital based on a more nuanced and deeper grasp of local adaptation.

- **Pathways to Scaling Up**: Securing the Systemic Foothold to Scale AFCIA 2 goes beyond strengthening individual organisations and enterprises—it embeds locally led innovations into the wider policy, market, and institutional systems needed for long-term scale and durability (Figure 4 illustrates the ecosystem linkages). PMU, in coordination with UNDP Country Offices will support the identification and assessment of potential scaling pathways at local, regional, and global levels. This will include context-specific ecosystem mapping and, where relevant, engagement with national institutions such as Designated Authorities (DAs), National Implementing Entities (NIEs), alongside other public, private, and development partners, to inform opportunities for scaling and sustainability. AFCIA 2 supports grantees to secure legitimacy, demand, and integration into national adaptation, innovation and financial priorities, while also preparing their leadership to manage growth and navigate complex ecosystems.

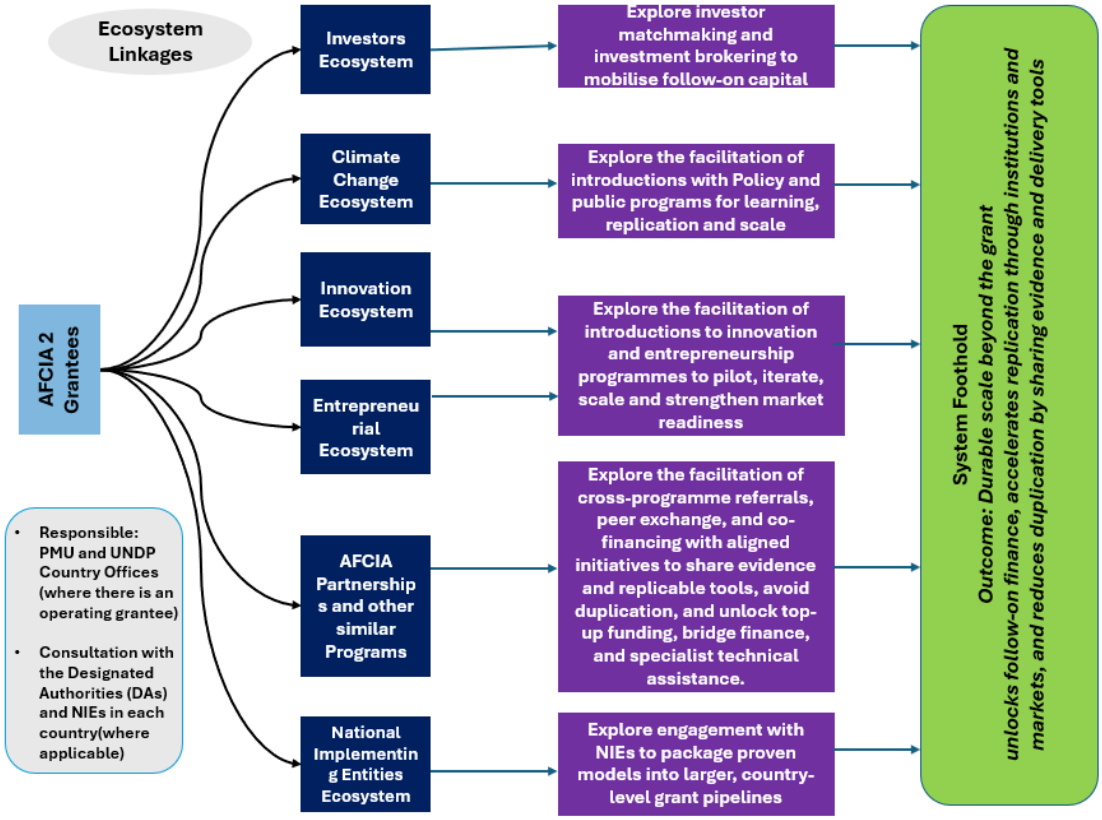


Figure 4: Ecosystem Mapping for Scaling Pathways

a. **Identifying the "right" enabling environments:** AFCIA 2 prioritizes early alignment with national and regional climate adaptation priorities, ensuring solutions are not developed in isolation but aligned with relevant policy and institutional frameworks. Working closely with UNDP Country Offices and their associated adaptation, innovation, entrepreneurship and climate finance ecosystem actors, AFCIA 2 will explore ways to transition successful models from "project status" into broader public or private sector, through learning and information-sharing processes. This could be done, for example, by documenting in detail and showcasing successful grantee case studies that scaled or replicated thanks to appropriate enabling environments in a particular country.

b. **Engagements with National Implementing Entities (NIEs):** As another pathway for scaling up, AFCIA 2 will actively work on identifying and supporting engagements between NIEs and grantees. Building on the partnerships and lessons from AFCIA 1 and other multilateral agencies implementing the AFCIA Partnership and other AF-Innovation or LLA Grants, the project will also explore opportunities to aggregate promising solutions and pursue engagements with NIEs for larger, country-level grants to help unlock further resources from the Adaptation Fund or other potential funding sources. Where innovations demonstrate strong performance and clear potential for scale, AFCIA 2 will *selectively* operationalize engagements with relevant National Implementing Entities (NIEs through a structured and time-bound process facilitated by the PMU in collaboration with UNDP Country Offices). During the final year of the grant implementation cycle, the PMU may identify a small number of scale-ready

innovations and, on an indicative basis, support initial dialogue between grantees and interested NIEs. Subject to mutual interest and alignment with NIE priorities and Adaptation Fund programming cycles, this support may include facilitating exploratory discussions, sharing lessons and evidence generated, and providing light-touch assistance toward the development of concept ideas or potential integration into existing or pipeline projects. This piloting approach ensures that successful innovations are anchored within national and Adaptation Fund delivery mechanisms, thereby strengthening the long-term sustainability and scaling potential of programme outcomes beyond the duration of the small grants. These engagements will be intended to strengthen learning, readiness, and visibility of high-potential solutions, rather than to predetermine specific scaling or financing outcomes.

c. **Investment Readiness and Market Linkage:** As illustrated in Figure 5, AFCIA 2 embeds investment readiness and market linkage within the broader technical assistance (TA) pathway to help grantees scale. AFCIA 2 will provide tailored brokering and facilitation of connections with Development Finance Institutions (DFIs), impact investors, and other relevant financial actors, helping to showcase grantees and support their transition from grant reliance to more diversified funding pathways.

Investment readiness will be accelerated through targeted, hands-on TA that strengthens the practical capabilities required to engage confidently with external capital providers—such as business model refinement, governance and operational readiness, financial management and reporting, impact evidence and results articulation, and investor-facing materials. This support aims to “exit” the grantees with high-quality skillsets, as well as financial and organizational documentation that enables them to meet and withstand rigorous investor due diligence processes of a range of funders.

At the mid-point of the TA phase, the PMU will undertake a structured maturity and readiness assessment to segment grantees into one of three pathways (Figure 4), enabling differentiated support that is fit for purpose and appropriate to grantee life stage, and the most viable route to follow-on resources:

- Category 1 – Market-ready innovations: demonstrated demand and revenue or cost recovery, with a market-facing delivery model in place and readiness for follow-on capital.
- Category 2 – Scale-ready innovations: a credible pathway towards partial cost recovery, but requiring additional technical and/or financial support to scale and qualify for market-ready investment.
- Category 3 – Public-good anchored innovations: high social returns with limited monetisation potential, yet essential context-specific solutions that are best sustained through public finance and grant-based mechanisms.

This segmentation will directly shape the PMU’s follow-on TA and investment brokering approach. Category 1 will receive targeted introductions and deal support with private and commercial financiers (including blended finance facilities and larger grant windows). Category 2 will be prioritized for intensified TA alongside linkages to concessional and blended finance options and small-to-medium grant pipelines. Category 3 will be supported through tailored capacity building, strategic visibility, and linkage to public funding channels and institutional adoption pathways. Overall, by matching support to readiness (Figure 5), AFCIA 2 strengthens the investable pipeline, reduces transaction costs for both innovators and financiers, and increases the likelihood that proven solutions transition beyond grant dependency ensures long-term sustainability and sustained scale.

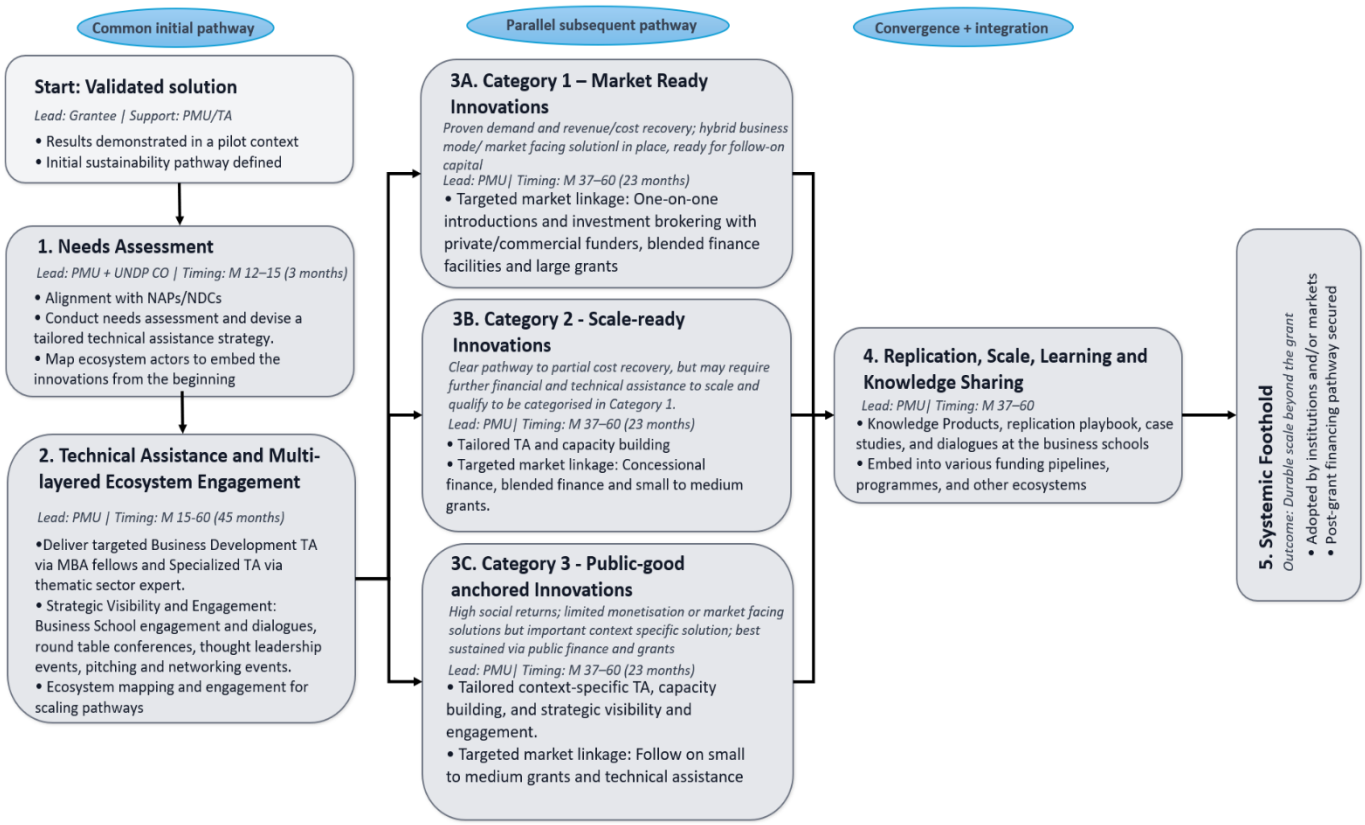


Figure 5: Scaling Pathways: Investment readiness operational flow

d. **Operational Longevity through Organizational Capacity Building:** Long-term sustainability is supported by ensuring the leadership team can effectively scale the organization itself. AFCIA 2's expanded TA, through its relationship with business schools, will focus on strengthening the executive board's ca

e. Capacity to manage rapid growth, specifically aiding in the implementation of hybrid governance structures. This includes supporting the leadership in developing internal structures for talent retention and succession planning around key operational and financial roles, securing the organization's future capacity.

By combining upfront sustainability planning, rigorous financial governance, and targeted post-grant support throughout the grant window, AFCIA 2 ensures that the innovations it funds are not one-off interventions but catalysts for long-term, scalable climate resilience.

AFCIA 2 is not just a grant project; it is a transformation mechanism. It addresses the full cost of adaptation by integrating capital, capacity, and connectivity. Without this intervention, high-impact innovations, especially from marginalised actors, will remain underdeveloped and invisible to financiers and policymakers. The USD 15 million request reflects the full cost of delivering adaptation impact through a pipeline approach: from strengthening and validating context-specific, growth-stage solutions to positioning them for scale, investment, and policy integration. This is the only viable way to close the adaptation gap, not just in volume, but in structure, equity, and impact.

Alignment and collaboration with NIEs, RIEs and MIEs: As outlined under the project components, AFCIA 2 will organize innovation showcases, solution fairs, regional dialogues and investment roundtables, and will generate knowledge and communication products that will be shared with MIEs, RIEs and NIEs (as applicable) through AFCIA collaboration and coordination mechanisms led by the UNEP-CTCN Coordination Project. These efforts will elevate grantee solutions across global and regional platforms—including the AFCIA coordination platform—expand their visibility within the wider AFCIA ecosystem, and strengthen pathways for integration into national systems and policy processes.

This multi-layered collaboration across different entities working in the innovation for adaptation space, will serve as a strategic catalyst for embedding tested innovations into policy frameworks and investment pipelines, ultimately magnifying the programme's contribution to long-term, systemic climate resilience.

Connection and synergies with appropriate innovation, adaptation and financing national ecosystems:

In addition, AFCIA 2 will reinforce long-term sustainability by strengthening deliberate connections and synergies with appropriate national innovation, adaptation, and financing ecosystems. The programme will work closely with UNDP Country Offices, Small Grants Programme (SGP) Coordinators through "national support focal points" to ensure that grantees are effectively positioned within the institutional and market environments most relevant to their growth. These focal points will play a catalytic role in guiding grantees toward national platforms, networks, and financing pathways that extend beyond the project's lifecycle. At the local level, AFCIA 2 will foster linkages with community structures, cooperatives, local authorities, and civil-society partners to ensure that project learnings, evidence, and tested models inform broader government-supported programmes and can be absorbed into ongoing initiatives. By embedding grantees within these interconnected ecosystems, AFCIA 2 strengthens the prospects for replication, enhances demand for successful solutions, and supports their transition into durable, nationally anchored adaptation and innovation pathways.

M. Provide an overview of the environmental and social impact and risk screening process that will be put in place for the subgrant project.

Overview of Environmental and Social Impact and Risk Screening Process

As the specific small-grant activities under AFCIA 2 will be identified only during implementation, all sub-grants will be treated as Unidentified Sub-Projects (USPs) in line with the Adaptation Fund's *Updated Guidance for Implementing Entities on the Use of USPs*. The project has developed an Environmental and Social Management Framework (ESMF) and uses UNDP's Social and Environmental Screening Procedure (SESP) to operationalize the project-level Environmental and Social Management System (ESMS). These instruments define the procedures for screening, categorizing, approving, and monitoring all sub-projects once selected.

Screening and Categorization Process

Once a grant proposal is submitted, UNDP as Implementing and Executing Entity will apply the following steps:

1. **Initial Eligibility Screening:**
   Submissions are reviewed against AFCIA 2 eligibility criteria, including thematic relevance, innovation potential, and compliance with the Adaptation Fund's policies on safeguards and gender.

2. **Environmental and Social Screening (SESP):**
   Each USP will undergo a structured SESP screening to identify potential environmental and social risks. The results will assign the USP to a risk category (low/moderate/substantial/high) as per AF and UNDP standards.

3. **Determination of Required Safeguard Instruments:**
   Grantees will be required to prepare simplified specific instruments (e.g., ESMP, Gender Action Plan, stakeholder engagement plan). Depending on the categorization, they may be required to develop more detailed and targeted risk mitigation frameworks, ESMPs, and GAPs, with technical support from the PMU and safeguard experts.

4. **Review and Approval:**
   The PMU reviews all safeguard instruments for quality and compliance before approving the USP. Higher-risk sub-projects will undergo an additional peer review and clearance by UNDP safeguard specialists.

Selection and approval mechanism of grants

A transparent, competitive, and inclusive selection process will be used, consisting of:

- **Open call for proposals**, with outreach to NGOs and CSOs working or led by women, youth, Indigenous Peoples, people with disabilities and other vulnerable groups. MSMEs will also be invited to apply for a smaller, specific windows of the AFCIA 2 call for proposals.
- **Clear evaluation criteria** published in advance (innovation potential, climate rationale, feasibility, Environmental and Social risk acceptability).
- **Independent review panel** comprising the AFCIA PMU, and the Gender and Safeguards specialist.
- **Approval thresholds** based on grant size and Environmental and Social Risk category, with upper moderate (e.g. Moderate risk with heightened impact likelihood, sensitivity, or migration complexity) proposals requiring additional clearance.
- **Onboarding Learning Sprint** which includes essential training on safeguards and gender-responsive approaches to enhance grantees' proposals before implementation.

Roles and Responsibilities

- **Implementing Entity (UNDP):**
  Leads Environmental and Social screening, provides technical support to grantees, approves categorization and safeguard instruments, ensures disclosure, and follows up with each grantee and ensures comprehensive reporting to the Adaptation Fund.

- **National Support Focal points (in UNDP Country Offices where there is an AFCIA grantee):**
  Facilitate outreach, support grantees in completing screening tools, support with specific aspects of implementation and troubleshooting, and flag any changes in risk profile.

- **Grantees:**
  Prepare required documentation (simplified SESP, ESMP, and GAAP formats to be provided by the AFCIA PMU), implement mitigation measures, and report on compliance.

Monitoring, Reporting, and Learning Across USPs

All USPs will be monitored through:

- **Periodic safeguard compliance checks** using tools in the ESMF
- **Site visits** by the AFCIA PMU or National Support Focal points (in UNDP Country Offices)
- **Annual reporting** on implementation of mitigation measures
- **Adaptive management**, updating safeguard plans as needed

The lessons that emerge from the environmental and social risk management across all projects will be documented and shared across the AFCIA network through regional learning events and knowledge products.

Overview of Environmental and Social Impacts and Risks Relevant to the Project

(further detailed in Annex 4)

While the project is expected to have mainly positive social and environmental impacts and integrates social and environmental standards in its design, a number of risks were identified as per UNDP's Social and Environmental Screening Procedure. As per UNDP's Social and Environmental Standards policy and the AF's Environmental and Social Policy, the principles outlined in the table below are triggered. Potential adverse social and environmental risks and impacts are few in number, limited in scale, largely reversible and can be identified with a reasonable degree of certainty and readily addressed through application of recognized good international practice, mitigation measures and stakeholder engagement during project design and implementation. The overall project risk category is Moderate as per UNDP's Social and Environmental Standards policy and B as per the AF's Environmental and Social Policy. A description of planned screenings, assessments and management measures is provided in the relevant sections of this document including the annexed Environmental and Social Management Framework.

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
Compliance with the Law *UNDP SES Accountability Principle*		Low risk: All supported activities will be required to comply with applicable domestic law and relevant international obligations. Compliance will be verified through UNDP's environmental and social screening process prior to grant award and will be embedded as an obligation in each grant agreement, with ongoing monitoring through grantee reporting and PMU oversight. Any activity that cannot demonstrate legal compliance will be redesigned, deferred, or excluded from support in line with the programme's screening and categorization procedures
Access and Equity *UNDP SES Human Rights Principle*		**Moderate risk** The project will operate in a broad range of socio-economic contexts and there is some risk of unequitable access to project benefits if grants are insufficiently screened for this risk. In response, all project-supported activities shall be screened in order to ensure that provide fair and equitable access to benefits in a manner that is inclusive for potentially affected populations, including marginalized individuals and persons with disabilities, and not exacerbate existing inequities, particularly with respect to marginalised or vulnerable people who live in extreme poverty or face disadvantage(s) that limit their choices and opportunities relative to others in society.

		Equal access to project benefits will be further promoted by requiring inclusive design, meaningful consultations, and transparent information sharing through grantee stakeholder engagement processes. Where access barriers are identified, grantees will be required to integrate practical mitigation measures into their implementation plans and budgets, and implementation will be monitored through reporting, spot checks where relevant, and the project-level grievance redress mechanism.
Marginalized and Vulnerable Groups *UNDP SES Human Rights Principle*		Moderate risk: The project may exclude potentially affected stakeholders, particularly marginalized groups, from fully participating in grant selection and decision-making processes. It is expected that this risk has a high probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector). This risk is partly managed through project design as all innovations supported by the project will be required to integrate gender-responsive and inclusive approaches, ensuring measurable benefits for vulnerable communities. Furthermore, all project-supported activities shall be screened to ensure that they do not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups. Where risks of potential risks to access and equity arise, the supported actions shall be required to: • identify potential impact of the proposed activities on the potentially affected individuals and groups, including those who have lesser access to its benefits and/or marginalised or vulnerable groups, • Identify practical measures that avoid, reduce or offset such adverse impacts, and • uphold the principles of accountability, inclusion, non-discrimination, and participation and increase the inclusion of potentially affected groups in decision-making processes that may impact them (consistent with the non-discrimination and equality human rights principle). The programme will prevent disproportionate adverse impacts on marginalized and vulnerable groups by integrating inclusion requirements into the grant screening and selection process and by requiring grantees to identify who may be excluded and how barriers will be addressed. Each supported action will be required to prepare customized stakeholder engagement arrangements and—where risks are identified—apply avoidance and mitigation measures that uphold non-

		discrimination, participation, and equitable benefit sharing. These requirements will be reinforced through onboarding safeguards guidance and PMU quality assurance, with implementation tracked through periodic progress reporting and an accessible grievance mechanism designed to remove barriers to reporting and resolution for marginalized groups
Human Rights *UNDP SES Human Rights Principle*		Moderate risk: The project ensures the mainstreaming of a human-rights based approach and the Sustainable Development Goal (SDGs) commitment to “leave no one behind” through its design. By working with supporting NGOs/CSOs at local level on building resilience and finding innovative solutions for climate change adaptation; the project aims to increase the overall resilience and social and economic status for the communities and frequently excluded population groups. Small grants will be provided to NGOs/CSOs and community-based organizations involved with local environmental protection and poverty eradication activities; and/or climate change adaptation challenges that still require some level of experimentation to identify possible solutions. This project is a new way to develop climate change resilience at the local level. The expected overarching development outcome is innovation for effective, long-term adaptation to climate change accelerated promoted and enabled with particular emphasis on supporting vulnerable groups and gender equality. The human rights principle is still triggered out of precaution, as the project operates in a range of countries and sectors. In particular, there is a risk that if stakeholder engagement is not sufficiently inclusive, project activities could contribute to (exacerbating) conflicts among communities due to business expansion. In response, al project-supported activities shall be screened for potential Human Rights risks. Where related risks are identified, the project shall duly consider any such risks and assist the grant applicants in adequately addressing them based on standards set in international law or national law (whichever is more stringent). The programme will require transparent stakeholder engagement and disclosure so affected people can understand potential impacts and participate in decisions that affect them, and will maintain accessible grievance channels for project-affected people, including escalation pathways through UNDP’s accountability mechanisms where concerns are not resolved through the project GRM.

Gender Equity and Women's Empowerment *UNDP SES Gender Equality and Women's Empowerment Principle*		Moderate risk: The project is expected to have mainly positive effects on gender equity and women's empowerment. Still, it recognizes that if GAPs are insufficiently developed and/or implemented GAPs at grantee level, the grant recipient NGOs/CSOs may limit women's ability to use, develop and protect natural resources, taking into account different roles and positions given the employment choice and local culture. If this were to happen, the project could potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits through grant selection. In response, the project will work with grantees to integrate rigorous gender analysis to understand and meaningfully address the particular needs, priorities, structural and systemic barriers, status and roles of men and women in their business. The grantee will work with the project team to develop a business plan to advance gender equality and women's empowerment. All grantees must adhere to UNDP and AF policies and requirements on gender. Gender equality is imbedded in the project design, consultation, implementation, monitoring, reporting, and evaluation. The Grant committee will also ensure existing gender inequalities are not be exacerbated by any activities or innovative solutions of grantee. Overall, the project will provide technical assistance to potential grantees to expand their innovative solutions that could advance social and economic status for women; either from a business perspective of from their customers' perspective. Project-supported activities shall be screened to ensure that they are gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them. The project will (where relevant) promote women-led initiatives. To proactively manage and mitigate any potential gender-related risks, this project has embedded a robust gender-responsive strategy throughout the entire project cycle, from design and grantee selection to implementation and evaluation. This strategy ensures that project activities will not exacerbate existing gender inequalities but will instead actively advance gender equality and women's empowerment.

		Grantees will be required to integrate gender considerations into design, implementation, and monitoring, including through proportionate Gender Action Plans and gender-responsive stakeholder engagement, with technical guidance provided through onboarding and ongoing PMU support. Progress on gender commitments will be monitored through regular reporting and compliance review, and the grievance mechanism will be available to capture and address gender-related concerns safely and confidentially where needed. To proactively manage gender-related risks, a robust, gender-responsive strategy is embedded throughout the entire project cycle. The process begins with the Grant Committee, which will screen all potential activities to ensure they do not exacerbate existing gender inequalities but instead actively promote them. Upon selection, the project will provide grantees with technical assistance to integrate a rigorous gender analysis into their work. This analysis will identify the particular needs, priorities, and systemic barriers faced by both men and women. Based on this, each grantee will be required to develop a proportionate Gender Action Plan (GAP) to advance gender equality and women's empowerment. This process will be supported by dedicated technical guidance from the Project Management Unit (PMU), delivered through initial onboarding sessions and continuous support. Throughout implementation, these GAPs will guide efforts to ensure meaningful and equitable participation of all genders in decision-making. The goal is to ensure both women and men obtain comparable social and economic benefits from all supported actions, with a specific focus on promoting women-led initiatives where relevant. Progress on gender commitments will be systematically monitored through regular grantee reporting and compliance reviews, and all grantees must adhere to the gender policies of both the Adaptation Fund and UNDP. To ensure full accountability, the project's grievance mechanism will be available to all stakeholders to safely and confidentially capture and address any gender-related concerns.
Core Labour Rights *UNDP SES Standard 7 Labour and Working Conditions*		Moderate risk: Labour and working condition risks will be managed by requiring grantees to comply with national labour laws and core labour standards, including fair terms of employment, fair payment conditions, limited working hours and paid leave, clear employment terms, non-discrimination, abolition from child or forced labour, and

		prevention of violence and harassment, including GBV. In response, all project-supported activities shall be screened for the potential labor risk violations. Likewise, occupational health and safety requirements will be integrated into screening and grant conditions. Still, there is a chance that NGOs/CSOs receiving grants would insufficiently implement and monitor occupational health and safety guidelines or human resource policies in line with national legislation and international standards. In that case, the grant recipient NGOs/CSOs might fail to comply with national and international good practices on Occupational Health and Safety for workers engaged in the project activities. In this scenario, employment with the NGOs/CSOs could pose a potential risk to health and safety of individuals employed by grantees during project implementation. Grantees will be expected to implement proportionate OHS measures and incident reporting procedures. Worker access to grievance channels will be ensured in line with UNDP guidance, and compliance will be monitored through reporting, oversight, and corrective actions where gaps are identified. Specifically the supported organizations will be required to: • Provide project workers with clear and understandable information on terms and conditions of their employment (e.g. payment in a timely manner, written notice of termination, and payment of all wages and benefits on termination, etc.). • Prevent and address violence, harassment, intimidation, or exploitation, including any form of gender-based violence. • Ensure that workers engaged have appropriate health and social insurance. Exclude unsafe working practices and implement relevant occupational health and safety measures, such as: • Provide workers with introductory job- focused safety trainings before starting work; training event is properly registered in the instructions' book. • Ensure that workers' protective equipment based on the local requirements and international good practice (e.g. hardhats, masks, safety glasses, harnesses, safety boots, etc.) • Make first aid kits available on site and fire-extinguisher easily accessible in all sections of the site. • Introduce appropriate signposting of the sites will

		inform workers of key rules and regulations to follow. • Record and report health & safety incidents to UNDP.
Indigenous Peoples *UNDP SES Standard 6 Indigenous Peoples*		Moderate risk: It is highly likely that the project will affect Indigenous Peoples, either as grantees, customers of grantees or suppliers of grantees. This is expected to lead to positive outcomes for Indigenous Peoples, but could entail adverse outcomes if free, prior and informed consent processes are not duly followed. In that case, the project could lead to exclusion of Indigenous Peoples from fully participating in decisions that may affect their lands, natural resources, territories, traditional livelihoods, and cultural heritage, entailing inequitable or discriminatory impacts or their access to rights, resources and livelihoods; and/or lack of access to project benefits. In response, all project-supported activities shall be screened for potential risks to Indigenous Peoples. Where such risks are identified, the following measures shall be applied: • Undertake meaningful, inclusive, and culturally appropriate consultations with Indigenous Peoples, consistent with the principle of Free, Prior, and Informed Consent (FPIC), to ensure their effective participation in project design and implementation. • Identify and assess potential impacts on Indigenous Peoples' rights, lands, resources, cultural heritage, and traditional livelihoods. • Avoid adverse impacts where possible. Where avoidance is not possible, minimize, mitigate, or compensate for such impacts in a manner agreed upon with affected Indigenous Peoples. • Ensure Indigenous Peoples share equitably in project benefits, respecting their rights, dignity, and cultural identity. • Support Indigenous Peoples in strengthening their adaptive capacities and traditional knowledge systems relevant to climate resilience.
Involuntary Resettlement *UNDP SES Standard 5 Displacement and Resettlement*		Low risk: While likelihood is assessed to be low, there is some chance that grant recipient businesses and social enterprises expansion limit community access to land and/or natural resources. In that case, communities in the project area (including ethnic minorities) could face economic displacement, changes to land rights and/or restricted access to resources. All project-supported activities shall be screened for potential displacement risks. Where such risks would

		arise, the actions seeking project support shall be required to conduct a dedicated due diligence of any displacement activities before they take place to: • Identify and assess any potential physical and economic displacement risks • Prohibit any forced evictions. • Include measures for avoiding, or, when avoidance is not possible, minimizing any potential displacement risks and their adverse social and economic impacts. • Consult the potentially affected stakeholders (with specific attention to poor and marginalized groups) on the proposed measures and opportunities for improving their living standards and the overall socioeconomic status through the project interventions. Any required design changes and mitigation measures, will be documented in project instruments prior to grant signature. Compliance will be monitored through PMU review and periodic reporting, and any emerging issues can be raised through the GRM for timely resolution.
Protection of Natural Habitats *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to habitats, e.g. associated with harvesting of natural forests or harvesting of fish populations or other aquatic species. Grantees might have business activities within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities. They may have business activities that result in secondary or consequential development activities which could lead to adverse environmental effects, or generate cumulative impacts with other known existing or planned activities in the area. All project-supported activities shall be screened for risks related to natural Habitats. They shall be generally required to: • as far as possible, conduct the proposed activities in areas where natural habitats have already been converted to other land uses or that have low value for biodiversity and ecosystem services, and low sensitivity to the anticipated impacts, • keep interventions in natural and semi-natural habitats to minimum in order not to disturb the existing flora and fauna, degrade the habitat and resident species populations • where possible avoid interventions that would

		reduce ecological connectivity in the ecosystem (e.g. restricting the free movement of species between important habitats) or changes in the important ecosystem processes (e.g. hydrological regimes and nutrient flows) that support ecosystems and their services. • assess and manage the impacts of proposed interventions on critical, natural and modified habitats and their ecosystem services in accordance with the UNDP SES 1 requirements, • use cost-effective opportunities to enhance the existing habitats and ecosystem services as part of the proposed interventions. The exclusion list to prevent Substantial/High-risk activities will be applied. Supported actions will be required to prioritize work in already-modified or lower-sensitivity areas where feasible, minimize interventions in natural and semi-natural habitats, and avoid actions that reduce ecological connectivity or disrupt key ecosystem processes. Where habitat-related risks are identified, proportionate environmental management measures will be required and reviewed by the PMU prior to approval, with ongoing monitoring during implementation
Conservation of Biological Diversity *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to biological diversity, e.g. associated with introduction of invasive alien species or through promoting monoculture. All project-supported activities shall be screened for biodiversity risks. They shall be generally required to consider the presence of any endangered species and any potentially significant adverse impacts on their habitats, breeding grounds, free movement, and migration needs and will be optimised to ensure that they: • do not cause any reduction of any recognized Vulnerable, Endangered, or Critically Endangered species, • avoid adverse impacts on endemic species, restricted-range species, and migratory species, and • minimize unwarranted impacts on resident species populations. They shall also be required to: • not introduce species known to be invasive into new environments, • promote the use of native species or more resilient varieties of native species as a priority, and • use any potentially suitable alien species (e.g.

		climate resilient crop seed varieties) only if they were duly approved as posing no risks of potential invasive behaviour by the relevant authorities. Where biodiversity risks are present, measures will be reflected in management instruments and monitored through implementation reporting and oversight.
Climate Change *UNDP SES Standard 2 Climate Change and Disaster Risks*		Moderate risk: The project is expected to have a positive effect on adaptive capacity of communities and is not expected to pose significant risks related to climate change and disaster risks. Any risks are expected to be addressed through stakeholder engagement and good practices. It is recognized that grantees may propose activities: • within or adjacent to habitats that are especially sensitive to impacts of climate change, • that could cause GHG emissions, • that could positively or negatively affect the adaptive capacity of communities/community members to the effects of climate change. Potential impacts on communities will be mainly assessed and avoided through the required stakeholder engagement. Negative impacts on communities will be part of the grant-level screening. Furthermore, the supported actions shall be screened for any potential project-related increases in emissions that may exacerbate climate change, such as GHG emissions and black carbon emissions. Where any such risks would arise (e.g. the use of cooling systems), the action shall be asked to consider and adopt technically and financially feasible alternatives for reducing proposal-related greenhouse gas emissions. Such options may include, but are not limited to: • alternative project locations, • adoption of renewable or low-carbon energy sources, or energy efficiency measures • use of low-global-warming-potential coolants for air-conditioning and refrigeration, • promote climate-smart agricultural, forestry, and livestock management practices, and ecosystem-based adaptation and mitigation measures (including potential integration of carbon sinks). In parallel, the programme's risk management approach recognizes the operating context of climate vulnerability and therefore strengthens resilience through design requirements, technical assistance, and adaptive management, including updates to screening as grantees and locations are identified. Progress and emerging risks will be monitored through periodic reporting, and

		mitigation measures adjusted where needed to maintain risk at acceptable levels.
Pollution Prevention and Resource Efficiency *UNDP SES Standard 8 Pollution Prevention and Resource Efficiency*		Low Risk: While impact and likelihood are assessed to be at the lower-moderate end, there is a chance that if NGOs/CSOs receiving grants are insufficiently informed of pollution/waste management risks and/or fail to identify appropriate management measures, activities could lead to pollution/inadequate waste management. The supported actions shall be screened for pollution prevention and resource efficiency risks. They will be required to avoid, minimize, and mitigate environmental and related public health risks associated with the potential release of pollutants in routine and non-routine circumstances in accordance with the national law and international best practices used in the region. Where risks of pollution release would arise, the project will: • require operators to conduct orientation training addressing relevant environmental and occupational health and safety issues prior commencement of the relevant operations, • conduct regular surveillance is conducted to avoid leaks, spills, incidents or accidents occurring during the use of equipment and during storage, • monitor, manage and remediate any chemical oil leaks or spills, and incidents/accidents occurring during the use of equipment and their effects, and undertake all necessary immediate actions to ensure they do not adversely affect water bodies/sources. Where the risks of inadequate waste management would arise, the supported actions shall be required to: • reduce the generation of any generated waste • separate waste at the source (where possible) • reuse waste in a manner that is safe for human health and the environment. • transport all waste that cannot be reused to an appropriate waste recovery-or-treatment facility that appropriately controls its emissions and residues in accordance with the national law and international best practices used in the region.
Public Health *UNDP SES Standard 3 Community Health, Safety and Security*		Moderate Risk *Project-supported activities are not expected to pose significant risks to community health, safety and security. However, if NGOs/CSOs receiving grants do not sufficiently implement and monitor occupational health and safety guidelines in line with national*

		legislation and international standards, then project-funded activities may create certain health and safety risks or construction-related risks to communities. The supported actions shall be screened for public health and safety risks. They will be required to be designed, implemented, and operated in accordance with the national law and will also respect the following UNDP requirements for construction process management: • have design and management plans which were: i) prepared by suitably qualified and experienced professionals who are certified for such design process, and ii) cleared by the competent authorities for construction process management. Low-risk designs will require at least a peer-review by qualified professionals. • be constructed and operated by the experienced contractor(s) having relevant certifications and permits for the relevant works, • implement preventive/protective measures to avoid/minimize the relevant health and safety risks for the construction workers and the surrounding communities based on the national law and international good practice, and • be before the beginning of their actual use/operation approved (and where needed certified) by either competent authorities or independent professionals not involved in their design and construction. Where potential impacts on public health arise, the supported actions shall be required to: • use qualified health and safety experts to assess the risks to, and potential impacts on, the safety of affected communities during the project design, construction, operation, and decommissioning, • adopt preventive measures and plans to address any identified risks in a manner commensurate with their potential impacts based on good practices and standards used by the international organizations working in the region, • prepare, implement, and monitor emergency preparedness plans in collaboration with stakeholders and relevant authorities, where relevant, and require periodic safety inspections and monitoring, and report to UNDP should any issue be found.
Physical and Cultural Heritage *UNDP SES Standard 4 Cultural Heritage*		Moderate risk: NGOs/CSOs grantees will share their lessons learned in their innovative approach to climate change adaptation. This may include references to traditional knowledge. While the project itself will not commercialize traditional knowledge, UNDP is expected to act as a facilitator to find potential commercial investors to invest commercially

		in scalable grantees. If Indigenous Peoples and/or local communities are not sufficiently engaged through the principles of free, prior, informed consent, commercialization of traditional knowledge without consent and/or agreed benefit-sharing and/or do not obtain an equitable share of benefits derived from any commercial development of their traditional knowledge, they would face adverse impacts. The supported actions shall be screened for risks related to cultural heritage. They will be required to: • comply with the local requirements for their protection and preservation and fully respect the requirements of the World Heritage Convention (if they might affect the World Heritage sites). • Where moderate risks arise, consult the relevant authorities and explore all viable and feasible alternatives for the reduction of these risks (including changes in the planned activities, in situ conservation and rehabilitation, etc.) to avoid, minimize, or offset such risks, and apply "chance finds" procedures and documentation practices consistent with recognized good practice. • Ensure that it does not lead to the destruction of unknown cultural heritage and follow national requirements and/or globally recognized good practices for field study, inventorying, and documentation of archaeological heritage Management measures will be documented in safeguard instruments where required, quality-assured by the PMU, and monitored through implementation reporting and grievance channels.
Lands and Soil Conservation *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: See risks of impacts on habitats. The supported actions shall be screened for risks related to impacts on lands and soil. They will be required to: • avoid conversion of productive lands or lands that provide valuable ecosystem services • avoid, and where avoidance is not possible, minimize adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity • adopt appropriate measures to ensure that the supported activities promote soil conservation support. They will also be used as a reference during the review process of the project application. Where land-based activities intersect with biodiversity-sensitive areas, the programme will apply the same mandatory screening criteria for sustainable natural

		resource management, including requirements to minimize interventions in natural and semi-natural habitats, protect ecological connectivity and key ecosystem processes, and promote cost-effective enhancement of habitats and ecosystem services where relevant. Compliance will be verified through PMU safeguards clearance prior to signature and monitored through periodic reporting, with corrective actions required where needed to maintain soil and ecosystem service functions.

(Table 3: Overview of Environmental and Social Impacts and Risks Relevant to the Project)

PART III: IMPLEMENTATION ARRANGEMENTS

A.Describe the arrangements for project / programme management at the regional and multi-regional level, including coordination arrangements within countries and among them. Describe how the potential to partner with national institutions, and when possible, national implementing entities (NIEs), has been considered, and included in the management arrangements.

1. Project Management and Oversight Arrangements

1.1. UNDP as Implementing Entity (IE) and as Executing Entity (EE)

UNDP will serve as the Implementing Entity (IE) for AFCIA 2 bearing responsibility for the oversight of the project in full compliance with the AF and UNDP policies, regulations and procedures. UNDP shall ensure compliance with fiduciary, procurement, legal, gender, and safeguard standards throughout the project cycle, and will serve as the project assurance function within the project governance structure.

As a Multilateral Implementing Entity, UNDP provides also end-to-end project oversight services, including specialized technical advice through the Regional Technical Specialist (RTA) and Head of Climate Change Adaptation (PTA) for the executing team, financial, legal, safeguards and gender oversight services, the Mid-term evaluation (MTR)189, the Terminal Evaluation costs and the Baseline/Inception Report costs, allowing the project to fully comply with UNDP's rules and regulations and AF's policies and standards. These oversight services will be covered by the IE fee of 10%, permitted for Global Projects. The IE fee will also cover the oversight required for the preparation of the annual project reports and project evaluation reports, steering committee supervision meetings, and ensuring compliance with audit requirements. A detailed breakdown of the IE costs is presented in **Annex 8.**

UNDP shall also serve as the Executing Entity (EE) for this project, drawing upon the expertise and operational reach of global and regional teams, including UNDP´s Local Action Team, UNDP Innovation Facility, SDG Finance Hub, the five UNDP Regional Bureaus (for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and Central Asia) and will leverage as needed the existing network of over 150 country offices, to ensure alignment with national priorities, identify synergies and facilitate integration with

189 According to the Adaptation Fund Evaluation Framework "Projects and programmes that have more than four years of implementation will conduct a mid-term evaluation after completing the second year of implementation", which means that for AFCIA Phase 2 an MTR will be mandatory. Available: https://www.adaptation-fund.org/wp-content/uploads/2023/11/AFBEFC.318Add.8-09.15.23.pdf

existing adaptation, innovation and finance ecosystems. Building upon UNDP' s existing networks, the project will be structured to promote cross coordination across grantees, engagement with key stakeholders in country, to help foster knowledge sharing, peer learning, and the transfer of innovative practices across regions.

As the Executing Entity under the DIM modality, UNDP is directly responsible for the execution of the project. Thereby, the Project Execution Costs include expenditures to be incurred by UNDP directly in the provision of services related to operational and administrative support activities carried out. The global project proposal provides a detailed estimation and description of the project execution costs, at the level of 3% of the total project budget (kindly refer to **Annex 8**). While this exceeds the 1.5% cap set by the Adaptation Fund Board for initiatives implemented and executed by the same Implementing Entity, the request is made on an exceptional basis in line with item (b) iii of Decision B.38/42.

The higher execution costs are justified by the programmes´ operational requirements and covers essential administrative and project management support personnel needed to administer a large-scale, global project, with multiple grants and transactional services across numerous small organizations (NGOs/CSOs and MSMEs). Consequently, the operational burden is greater in ensuring robust coordination, transparency, and accountability. Operational demands are further heightened by the project's design, which necessitates the provision of support at both global, regional and national levels, as well as sustained engagement with community organizations across multiple countries. To ensure effective implementation, this structure requires operational and administrative backstopping, and real-time, in-country problem-solving all requiring a significant operational budget.

The higher execution costs ensure that project activities are implemented efficiently, accurately, and in compliance with operational standards, while remaining responsive to the specific needs of each grantee and maintaining sufficient flexibility to provide tailored support which may have greater implications for administrative and project management costs. This one-on-one dedicated administrative and operational support was one of the most valued characteristics during the implementation of UNDP-AFCIA 1 as expressed by the participating grantees, because it allowed them to conclude their LVGA´s implementation with following an adaptative management process throughout the process.

1.2. General Implementation Arrangements

As part of this project, UNDP shall establish a Global Project Management Unit (PMU) (Refer to Organigram below and in **Annex 10**) to serve as the central coordination and support hub that will directly execute the project using a global Direct Implementation Modality (DIM). The PMU will be in charge of project implementation, ensuring project coherence and providing comprehensive management support. The global PMU will be based in UNDP's Office in Bonn with key managerial and operational positions, to optimize cost-efficiency, facilitate engagement with stakeholders and support streamlined delivery across geographies. The PMU will be integrated by a Project Manager, a Finance and Operations Analyst, a Procurement Analyst, and a Project Associate as the core operational personnel to be placed in UNDP´s Bonn Office.

To support the achievement of the three Outcomes (1, 2, and 3), the project will draw on the expertise of specialized professionals across key technical and operational domains. The project will establish in-house technical expertise that will consist of specialists in Investment and Partnership Development, Grant Coordination and Data Analysis, Learning and Knowledge Management Coordinator, Communications, Business Development, Safeguards and Gender. This structure builds on the successful approach implemented under AFCIA 1.

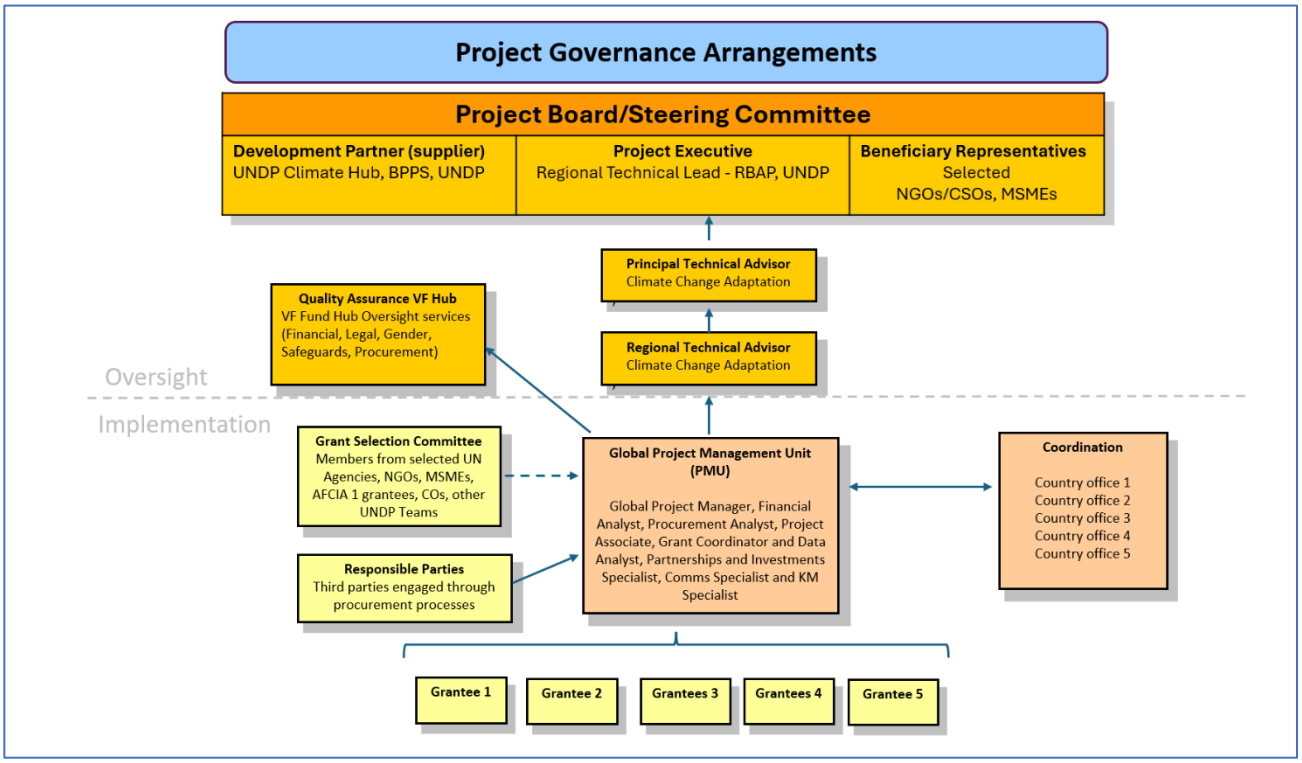


Figure 6 : Project Organigram

The experts will contribute directly to the delivery of each outcome:

- Outcome 1, selected experts will strengthen systems for identifying and supporting high-potential, locally led adaptation innovations.
- Outcome 2, they will facilitate investment readiness, foster strategic partnerships, and enhance integration into adaptation finance ecosystems;
- Outcome 3, they will ensure that evidence, lessons, and knowledge generated from implementation are effectively documented, communicated, and leveraged to inform replication, government programmes, and investment practices.

Due to the non-core operational nature of these roles, some positions may be home-based to optimize efficiency, minimize project overhead costs, and ensure cost-effective delivery of high-quality support to the project. This hybrid model of having key positions based in a selected duty station, plus remote specialists, proved to work well in AFCIA 1 and reduce costs.

UNDP will ensure consistent application of the project-level ESMS by using standardized screening tools, review procedures, and safeguard requirements outlined in the ESMF and SESP. A central registry of all approved USPs will be maintained by the Project Team, capturing screening outcomes, risk categorizations, required safeguard instruments, disclosure actions, and monitoring updates. To ensure quality and compliance, a dedicated Gender and Safeguard Expert will provide ongoing guidance to grantees. In addition, all selected innovations will participate in a tailored onboarding learning sprint, which includes essential training on monitoring, evaluation and reporting, gender-responsive approaches, and lite business development. The sprint serves as the primary entry point for establishing core operational disciplines across the portfolio, including articulation of a clear outcomes model, development of basic unit economics, and the early adoption

of systematic data-capture practices covering financial, operational, impact, and gender-related information.

As a Multilateral Implementing Entity, UNDP provides also end-to-end project oversight services, including specialized technical advice through the Regional Technical Specialist (RTA) and Head of Climate Change Adaptation (PTA) for the executing team, financial, legal, safeguards and gender oversight services, the Mid-term evaluation (MTR)[190], the Terminal Evaluation costs and the Baseline/Inception Report costs, allowing the project to fully comply with UNDP's rules and regulations and AF's policies and standards. These oversight services will be covered by the IE fee of 10%, permitted for Global Projects. The IE fee will also cover the oversight required for the preparation of the annual project reports and project evaluation reports, steering committee supervision meetings, and ensuring compliance with audit requirements. A detailed breakdown of the IE costs is presented in **Annex 8.**

2. Detailed Governance Arrangements, Roles and Responsibilities

a) Roles of the Project Management Unit (PMU)

The PMU will be responsible for day-to-day operations, overall management, ensuring project coherence, the preparation and implementation of work plans and annual audit plans; preparation and operation of budgets and budget revisions; disbursement and administration of funds; recruitment of national and international consultants and personnel; financial and progress reporting; and monitoring and evaluation.

Specific tasks of the PMU include:

- Procurement of goods and services, including human resources;
- Financial management and reporting, including ensuring that financial expenditures are aligned against project budgets;
- Approving and signing the multiyear work plan;
- Approving and signing the combined delivery report at the end of the year;
- Signing the financial report or the funding authorization and certificate of expenditures.:
- Manage the overall conduct of the project.
- Plan the activities of the project and monitor progress against the approved workplan.
- Execute activities by managing personnel, goods and services, training and low-value grants, including drafting terms of reference and work specifications, and overseeing all contractors' work.
- Monitor events as determined in the project monitoring plan, and update the plan as required.
- Provide support for completion of assessments required by UNDP, spot checks and audits.
- Manage requests for the provision of UNDP financial resources through funding advances, direct payments or reimbursement.
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports.
- Monitor progress, watch for plan deviations and make course corrections when needed within project board-agreed tolerances to achieve results.
- Ensure that changes are controlled and problems addressed.
- Ensure the communication and visbility plan is implemented accordingly.
- Perform regular progress reporting to the project board as agreed with the board, including measures to address challenges and opportunities.
- Prepare and submit financial reports to UNDP on a regular basis (milestone-bound).
- Manage and follow up the project risks – including social and environmental risks - initially identified and submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learned during project implementation.

- Prepare revisions to the multi-year workplan, as needed, as well as annual and quarterly plans if required.
- Prepare the inception report no later than one month after the inception workshop.
- Assess major and minor amendments to the project within the parameters set by UNDP & AF
- Monitor implementation plans including the gender action plan, stakeholder engagement plan, and any environmental and social management plans;
- Monitor and track progress against the donors' required result framework.
- Provide information as required by the MTR and TE Evaluation process, facilitate coordination of field visits and interviews as required.

b) Project Board

The Project Board is the governing body of the project. It is responsible for the overall strategic steering of the project activities. The Board takes corrective action as needed to ensure the project achieves the expected results. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition.

In case consensus cannot be reached within the Project Board, UNDP senior management (or their designated) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board include:

- Approve the TORs for the Governance Arrangements of the Project and the SOPs
- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Agree on project manager's tolerances as required, within the parameters set by UNDP and AF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP and AF;
- Ensure coordination with various government agencies and their participation in project activities;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
- Address project-level grievances when escalated at the Project Board level;
- Approve the project Inception Report, Mid Term Evaluation Report, Terminal Evaluation reports and corresponding management responses;
- Review the final project report package during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

c) Grant Selection Committee:

UNDP will invite 5 to 7 experts in fields that are relevant to this project to be part of the Grant Selection Committee. Grant Selection Committee member will be responsible for providing grant selection function and grantee implementation recommendation to the Project Board. In addition, the committee will be responsible for the selection of project grantees supported by the PMU (longlisting conducted by PMU, shortlisting and by Committee, final selection will be approved by the Project Board), provide guidance and suggestion to grant

selection criteria designed by the PMU. Final grantee recommendation and grant selection criteria will be submitted to Project Board for approval. Based on member's expertise, they will be providing advisory and guidance to grantees' acceleration plan; supported by the PMU, the experts will assist each individual grantees to provide guidance on business development, climate change risks planning, safeguard risks planning and gender mainstreaming (depends on the needs from each grantee). Performance will be tracked by the PMU and report back to committee for any actions/changes.

Members of grant selection committee will be nominated by the project board based on their specific technical expertise, provided however that:

- ✓ No individual or entity (including, if applicable, members of the technical advisory committee) shall be nominated to be part of the Grant Selection Committee for funding windows in which such individual or entity also intends to provide any technical assistance
- ✓ in relation to advising on or setting the grant award criteria and/or assessing proposals submitted in response to these funding windows
- ✓ Grant Selection Committee members cannot be an organization, be affiliated to an organization, or have ownership in an organization that might apply for a grant from the project. Grant Selection Committee member will meet virtually after a funding window is opened.

Specific responsibilities of the Grant Selection Committee include:

- Advise technical issues raised by the PMU in the selection process;
- Provide guidance and advise on member's area of expertise;
- Working with the project team and following instructions from the Project Board, advise on the final design of the grant selection criteria;
- Approve and select shortlisted grantees; provide recommendation the Project Board on the selected grantees;
- Provide high-level strategy and guidance to grantees' acceleration plan;
- Serve as a "second layer" in the selection process to help identify any potential concern regarding the shortlisted applicants, related to their project design, legal entity status, gender or safeguard related aspects.

d) UNDP and UNDP Country Offices and Bureaus

The Project shall actively engage the UNDP Regional Bureaus and the UNDP Country Offices at multiple stages of the project to leverage localized expertise, networks and contextual knowledge throughout the project life cycle. This collaboration will enhance the project's local relevance and ensure that grantee support is responsive to local contexts. During the initial stages of the project, the PMU shall involve the UNDP Regional Bureaus and the UNDP Country Offices in the grantee selection phase. This process will involve mapping proposed solutions to national objectives.

Beyond selection, the UNDP Regional Bureaus and the UNDP Country Offices shall be involved in compliance monitoring and oversight of grantee activities. Further, to help strengthen technical capacity and local relevance, Country Offices will play a key role in facilitating connections with local innovation ecosystems through local networks (internal and external to UNDP). To facilitate these activities, the project will allocate funds to UNDP Country Offices where grantees are located, to support with specific follow up (in situ), verify safeguard and gender related matters in situ, help identify national scaling pathways, as well as learning and showcasing opportunities for the AFCIA 2 grantees operating in their countries.

B. Describe the measures for financial and project / programme risk management.

Financial and Project / Programme Risk Management

AFCIA 2 adopts a proactive, multi-layered approach to financial and operational risk management, building on lessons from AFCIA 1 and aligning with UNDP's fiduciary standards and the Adaptation Fund's Environmental and Social Policy. Financial integrity is ensured through performance-based disbursement, where catalytic grants are released in tranches tied to verified milestones rather than upfront lump sums. All grantees undergo due diligence and are subject to compliance with UNDP programmatic and financial regulations, while still allowing flexibility to the grantees to implement their grants.

To mitigate implementation delays, the project embeds a structured Onboarding Learning Sprint at inception and provides continuous technical assistance, business development support, and adaptive management through a robust Monitoring, Evaluation, and Learning (MEL) system. Milestone-bound progress and financial reporting enable early identification of bottlenecks and corrective action.

Environmental and social safeguards, including Gender Action Plans and Environmental, Social and Management Plans, are mandatory for all grantee sub-projects. All grantees will need to prepare a simplified GAP and ESMF after screening and identifying all risks (high, medium, low). They must also propose how these risks will be managed during implementation within their specified budget as part of the total grant. Screening under UNDP Social and Environmental Standards and the Adaptation Fund's ESP ensure compliance, while a grievance redress mechanism (GRM) provides transparency and accountability. Gender equality and social inclusion are mainstreamed across all stages, with capacity-building to meet Gender Marker 2 requirements.

This integrated risk management framework ensures fiduciary assurance, operational efficiency, and compliance with environmental, social, and gender standards, while enabling innovation to scale responsibly and sustainably.

Measures for Financial and Project Risk Management

Potential Risk	Risk Level	Risk Management Strategy
Misappropriation of the grant funding	Low	Performance based disbursement will be used instead of providing the total grant amount at the grant signing stage. Grantees may be asked to get an agreement from UNDP (with advise from UNDP country office) if procurement of goods/services exceeds a certain threshold. Financial audit is required as a part of the annual progress report.
Lack of participation at the regional call for proposals across the four targeted Western Balkan countries	Low	During the regional call for proposals, UNDP will also actively source innovation ideas from the network of development partners who are working on innovation, incubation, and acceleration as well as climate adaptation and resilience topics. With the extensive network of UNDP Innovation team and BOOST network, Accelerator Labs in the Country Offices, Country Office ecosystem and detailed stakeholder mapping that will be developed the risk of lacking participation is relatively low.

Delays in Project implementation and delivery	Medium	To mitigate this risk, the project embeds a structured Onboarding Learning Sprint at inception; and during implementation phase, project will provide ongoing technical and business development support and apply its standard Monitoring and Evaluation (MEL) processes, including: • **Milestone-bound reporting:** Grantees will submit progress and financial reports each milestone throughout the implementation period. • **Ongoing Support:** Continuous technical and business acceleration support will help identify and address potential implementation challenges early on. • **Timely Issue Resolution:** Any barriers to timely completion will be monitored and addressed through tailored mitigation strategies. This approach will ensure proactive oversight and supports effective and timely project delivery
Imbalanced Reporting of Success vs. Challenges and Lessons Learned	Medium	To ensure accurate and balanced reporting, grantees will be encouraged to document both successes and challenges as part of their regular progress updates. Lessons learned—particularly from challenges—are essential for continuous improvement, knowledge sharing, and the replication or scaling of effective practices. This expectation will be clearly communicated throughout the project implementation cycle and reinforced during regular monitoring. Project implementation will also be guided by the Impact Report and documented lessons learned from UNDP-AFCIA 1 implementation. These insights will inform best practices and support adaptive learning. All relevant lessons from the project will be captured to contribute to broader institutional learning and future project design.
Grantees fail in securing scale up and replication support and funding from other sources after the completion of the project	Medium/High	While it is common for only a portion of innovative or early-stage initiatives to secure follow-on funding the project is designed to improve these odds by strengthening grantees' capacity for long-term sustainability. Through targeted technical assistance, the project will help grantees enhance their financial planning, develop robust business models, and strengthen partnerships. This support aims to make initiatives more 'investment-

		ready', enabling them to attract additional funding and diversify income streams. By addressing core barriers such as limited access to finance, technical know-how, and strategic networks, the project aims to bridge the gap between promising community-led adaptation initiatives and the resources needed for sustained impact. Based on comparable experience, it is anticipated that approximately 20–30% of supported initiatives may successfully secure follow-on investment or replication support.
Environmental, social and governance risk not managed, triggering risk events	Medium	UNDP has strong safeguard systems, but decentralized implementation and innovation pilots increase exposure. In order to address these risks following action will be taken. **Environmental, Social, and Governance (ESG) Criteria Embedded Throughout:** ESG considerations will be integrated at every stage of the programme under UNDP guidance. **Mandatory Screening & Safeguard Instruments:** All Unidentified Sub-Projects (USPs) will undergo screening under UNDP Social and Environmental Standards (SES) and Adaptation Fund Environmental and Social Policy (ESP). Each grantee must prepare simplified **Environmental and Social Management Plan (ESMP)** and **Gender Action Plan (GAP)** prior to implementation. **Call for Proposals & Selection Process:** The call for proposals will explicitly highlight ESG requirements. The selection template will include ESG risk identification questions, and an ESG expert will participate in the technical review panel. **Capacity Building:** An ESG expert will be hired to build grantees' capacity in understanding, managing, and reporting ESG risks. Training will be delivered during the Onboarding Learning Sprint and throughout implementation. **Monitoring & Reporting:** MEL reporting will include a dedicated ESG section. Milestones-bound reports will track compliance with safeguards and gender commitments. **Grievance Redress Mechanism:** Accessible channels will be established for communities to report concerns. **Gender Marker Compliance:** All projects will meet Gender Marker 2 standards.

C. Describe the measures for environmental and social risk management, in line with the Environmental and

Social Policy of the Adaptation Fund.

Environmental and Social Risk Management Measures

A detailed Social and Environmental Screening Procedure (SESP) and Environmental and Social Management Framework (ESFM), that complies with the Adaptation Fund´s Safeguards Policy and UNDP´s Safeguard policy is presented in **Annex 3 and 4 respectively.**

The project is fully aligned with the Environmental and Social Policy (ESP) of the Adaptation Fund and UNDP's Social and Environmental Standards (SES). It incorporates a comprehensive, phased approach to environmental and social risk management, ensuring that all activities are implemented responsibly and inclusively across diverse national and cultural contexts.

1. Preliminary Risk Screening

- Grantees will be requested to consider - using the guidance proposed in the AFCIA ESMF - the main risks that their solution/project could potentially generate in the environment and the communities where they plan to operate.
- Based on this, all grantee proposals will submit their own initial environmental and social risk screening that will be reviewed during the selection process, by UNDP´s safeguard and gender experts associated to the AFCIA PMU and in collaboration with the Grant Coordinator and Data Analyst.

2. Integration of mitigation measures into final design of the supported actions

- If this screening identifies potential risks, the applicants will be asked to explore measures to avoid, minimize, or offset any potentially significant risks in order to comply with the minimum legal requirements in each of their countries and the requirements stipulated in UNDP´s Social and Environmental Standards and the Adaptation Fund´s Environmental and Social Policy.
- Mitigation measures will be tailored to local regulatory frameworks, cultural contexts, and the specific vulnerabilities of affected communities, with particular attention to transboundary impacts where relevant.

3. Ongoing Monitoring and Support

- Grantees will report regularly on safeguard implementation and will be required to undertake appropriate corrective actions as needed.
- The Grant Coordinator and Data Analyst will, in coordination with the Safeguards and Gender Analyst, provide technical support and quality assurance on social and environmental risk management throughout the project lifecycle.

4. Grievance Redress and Transparency

- In addition, a web-based Grievance Redress Mechanism (GRM) system will be established and made publicly known and accessible to each of the participating grantees/countries. This platform will enable stakeholders to submit concerns, or complaints —anonymously if they wish— about any potential violation of environmental and social standards during the project implementation. A dedicated email address will also be provided through the project website to facilitate GRM submissions.

- The PMU will regularly monitor and respond to the GRM submissions to ensure timely resolution and continuous improvement, in alignment with the Environmental and Social Policy of the Adaptation Fund and UNDP.

5. Gender equality and social inclusion are central to the project's safeguards approach:

- Proposals must demonstrate how they will **mainstream gender**, empower women, and address differentiated vulnerabilities.
- Gender equality must be embedded across all stages—design, consultation, implementation, monitoring, and evaluation—with approaches adapted to local gender norms and power dynamics.
- All projects must meet Gender Marker 2, indicating gender equality as a significant objective.
- Special attention will be given to ensuring the meaningful participation and protection of Indigenous Peoples, ethnic and religious minorities, persons with disabilities, and other marginalized groups, in accordance with international human rights standards and national legislation.

This integrated safeguard framework ensures that all supported innovations are effective, inclusive, and environmentally and socially responsible. Its structured and participatory approach proactively manages environmental and social risks, contributing to sustainable, inclusive, and equitable climate adaptation outcomes, while respecting local priorities.

D.Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.

Monitoring and Evaluation Arrangements and Budgeted MEL Plan

The AFCIA-2 Monitoring and Evaluation (M&E) system is designed to promote accountability, learning, and adaptive management throughout the project lifecycle. It adheres to the Adaptation Fund's Evaluation Policy (2022) and the AF-TERG Guidance Note on Evaluation in Project Design, while fully mainstreaming AF's and UNDP's Gender and the Safeguards Policies across all levels. In addition, the system is firmly grounded in UNDP's Results-Based Management (RBM) principles, ensuring that monitoring processes are results-oriented, evidence-based, and aligned with global best practices.

1. M&E Objectives and Governance

The M&E system will:

- Track progress toward outputs, outcomes, and the project objective.
- Ensure compliance with environmental and social safeguards and gender commitments.
- Generate evidence and learning to inform scaling, replication, and policy engagement.
- Enable adaptive management through real-time feedback loops.

UNDP, as the Implementing Entity (IE), will oversee the M&E system. The Project Management Unit (PMU) will lead day-to-day implementation, supported by a dedicated Grant Coordinator and Data Analyst. Quality assurance will be provided by UNDP's Principal Technical Advisor (Climate Change Adaptation Team), a dedicated Regional Technical Advisor, Oversight specialists on different matters (Safeguards, Gender, Finance, Legal, Evaluation) and the Independent Evaluation Office (IEO). For more details on the implementation arrangements kindly refer to **Annex 10. Organigram.**

Role of the Implementing Entity and Use of IE Fees for M&E Supervision

As the Implementing Entity, UNDP is responsible for the independent supervision, quality assurance, and fiduciary oversight of the project's Monitoring and Evaluation (M&E) system. Implementing Entity (IE) fees will be use to finance these supervisory M&E functions, ensuring compliance with the Adaptation Fund's Evaluation Policy, Results Framework, and fiduciary standards.

IE-supported M&E supervision includes: (i) technical oversight and quality assurance of monitoring systems, indicators, and reporting through UNDP's Regional Technical Advisor (RTA) and Principal Technical Advisor (PTA); (ii) validation of results and data quality assurance, including verification of gender equality and environmental and social safeguards compliance; (iii) participation in supervision missions and risk-based monitoring at grant and portfolio levels; (iv) review, clearance, and submission of Annual Project Performance Reports (PPRs) to the Adaptation Fund; and (v) commissioning, management, and quality assurance of the independent Mid-Term Review and Terminal Evaluation in accordance with AF-TERG guidance.

These supervisory functions are distinct from day-to-day implementation and are designed to ensure the independence, credibility, and integrity of project monitoring, evaluation, and reporting.

2. Key M&E Milestones

Milestone	**Timeline**
Project Inception	Q1 2027
Baseline Data Collection	Q3–Q4 2027
Grantee Technical and Financial Progress Reports	Every milestone as per the LVGA (6 months for MSMEs and 9 months for NGOs-CSOs) (2028-2031)
Annual Project Performance Reports (PPRs)	Annually (2027–2031)
Mid-Term Review (MTR)	Q3 2029
Terminal Evaluation (TE)	Q3-Q4 2031
Final Project Summary Report and Audited Financial statement [191]	Q2 2032

(Table 4: Key M&E Milestones)

3. Evaluation Products

- **Mid-Term Review (MTR):** Conducted by an independent evaluator, the MTR will assess progress, effectiveness, efficiency, gender and environmental/social performance, and course-correction needs.
- **Terminal Evaluation (TE):** An independent assessment of project achievements, sustainability, and lessons learned overall contribution of the project, including contributions to the Adaptation Fund's Strategic Results Framework (SRF) and the National Adaptation Plans.

[191] Mandatory AF requirement for financial closure and project completion summary

- **Evaluation Use:** Findings will be shared through workshops, peer learning events, and knowledge products to inform adaptive management and future programming.

4. Monitoring Systems and Data Management

The project will establish a comprehensive monitoring and data management system grounded in UNDP's Results-Based Management (RBM) principles to ensure accountability, transparency, and adaptive learning throughout the project lifecycle. This system will operate at both project and portfolio levels, leveraging digital tools and decentralized support for effective implementation.

Project-Level Monitoring System

A dedicated Management Information System (MIS) will be developed to track progress against the project's results framework. The MIS will capture data disaggregated by gender, stakeholder type, and vulnerable groups, enabling inclusive monitoring and reporting. Automated dashboards will provide real-time visualization of progress and facilitate evidence-based decision-making.

Data Quality Assurance (DQA)

To maintain data integrity, the project will implement robust DQA protocols, including:

- Validation visits on a needs basis to verify reported data.
- Triangulation of grantee reports with field observations and secondary sources.
- Ad hoc data audits to identify inconsistencies and strengthen reliability.

Grantee Capacity Building and Reporting

Grantees will receive structured training on Monitoring, Evaluation, and Learning (MEL) fundamentals during the Onboarding Learning Sprint. This will include guidance on developing context-appropriate MEL systems, defining SMART indicators, applying gender-sensitive approaches and managing environmental and social safeguard risks.

A digital results-based monitoring and reporting framework will be introduced, requiring grantees to submit milestone-bound technical and financial reports through the system. Continuous capacity-building sessions and on-demand support will be provided to strengthen grantee skills in data collection, indicator tracking, and reporting.

Annual Performance Reporting

The project will submit Annual Adaptation Fund Project Performance Reports (PPRs), providing comprehensive updates on:

- Progress against the Results Framework
- Gender mainstreaming achievements
- Key lessons learned and adaptive management actions
- Financial status and procurement updates
- Compliance with environmental and social safeguards

Portfolio-Level Monitoring and Aggregation

At the portfolio level, AFCIA 2 will develop an interactive dashboard serving two core purposes:

1. Monitoring and tracking the implementation status of all 26 grants on regular basis.

2. Aggregating results to demonstrate overall project impact, contribution to the Adaptation Fund's core indicators, key achievements, and lessons learned. This dashboard will provide a consolidated view of progress, enabling strategic communication with stakeholders. This dashboard will also demonstrate overall project impact and contribution to the broader Climate Change Adaptation portfolio in UNDP.

Country-Level Monitoring Support

UNDP Country Offices will play a critical role in ensuring compliance and contextual relevance within the project's monitoring framework. They will support the PMU by validating grantee activities against national priorities and project safeguards, including gender and environmental standards. In addition, Country Offices will strengthen data credibility through validation visits, review of grantee reports, and triangulation with local sources. Their involvement will also facilitate the integration of national datasets and context-specific indicators into the Management Information System (MIS), ensuring alignment with country-level adaptation priorities.

5. Gender and Social Inclusion Monitoring

The project will embed gender equality and social inclusion as core elements of its monitoring framework. All grantees will be required to achieve Gender Marker 2, ensuring that gender considerations are fully integrated into project design and implementation. Each grantee will develop a simplified Gender Action Plan, and progress will be tracked through sex-disaggregated indicators reported in milestone-bound technical submissions. These data will be aggregated regularly and reflected in the annual progress reports (PPRs) to the Adaptation Fund. Monitoring will go beyond numerical indicators to assess the quality of participation, equitable distribution of benefits, augmentation in capacities and skillsets, and leadership roles of women, youth, Indigenous Peoples, and other marginalized groups, ensuring that adaptation actions are inclusive and transformative.

6. Learning and Knowledge Integration

The project's Monitoring and Evaluation system will serve as a key input to the Learning and Knowledge Management Framework, enabling the aggregation and analysis of innovation outcomes across all sub-projects. Insights and lessons learned will be systematically captured and synthesized into practical knowledge products such as blogs, articles, and policy briefs. These resources will be disseminated through South–South exchanges, webinars, and regional learning events, fostering peer learning and supporting the scaling and replication of successful adaptation solutions.

Table: Budgeted MEL Plan			
Monitoring Activity	**Frequency/Timeframe**	**Responsible Parties**	**Indicative Cost (USD) (for the 4 years)**

Inception Workshop and Report	Inception Workshop within 2 months of the First Disbursement	EE, Project Manager	10,000 (See Annex 8, Budget Note 1)
Baseline data collection and drafting of the Baseline Report. (Budget covers the cost of hiring an independent consultant/firm only. All IE oversight, review, and quality assurance are covered separately by the IE fee)	Baseline report with in first year of implementation not later than submission of annual PPR	IE, Grant Coordinator and Data Analyst, Finance Officer	16,000 (See Annex 8 IE fee breakdown, Budget Notes 1 and 3)
Progress Reporting Support (technical & financial)	Through the milestone-bound reports (every 6 months for MSMEs and 9 months for NGOs-CSOs)	EE, Grant Coordinator and Data Analyst, Finance Officer	100,000 (See Annex 8, Budget Notes 1 and 3)
Grantee MEL Onboarding	Y1 (core), refreshers Y2–Y4	EE, Grant Coordinator and Data Analyst	5,000 (See Annex 8, Budget Note 3)
MIS & Project Dashboard (build, hosting, maintenance)	Y1–Y4	EE, Grant Coordinator and Data Analyst	10,000 (See Annex 8, Budget Note 3)
Monitor and Manage Risk (at grant level)	Through the milestone-bound reports (every 6 months for MSMEs and 9 months for NGOs-CSOs)	EE, Grant Coordinator and Data Analyst, Gender and Safeguard Specialist	178,000 (See Annex 8, Budget Notes 2 and 3)
Monitor Gender Action Plan and ESMF (at grant and project level)	Through milestone-bound reports (at the grant level- every 6 or 9 months) and annual reports (at the project level)	EE, Grant Coordinator and Data Analyst, Gender and Safeguards Specialist	36,000 (See Annex 8, Budget Notes 2 and 3)
Monitoring visits	Annually/ need base	EE, Local Action support (COs), Grant Coordinator and Data Analyst and/ or Project Manager	100,000 (See Annex 8, Budget Notes 1 and 3)
Regular project progress review	Weekly, monthly and annual	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer	80,000 (See Annex 8, Budget Notes 1 and 3)

Learning & Knowledge Integration	Annual	EE, Learning and KM Specialist	60,000 (See Annex 8, Budget Note 10)
Annual AF Project Performance Report (PPR)	Annually	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer, Project Associate	30,000 (See Annex 8, Budget Notes 1, 3 and 13)
Project Board Meeting preparation and progress update	At least annually and need base	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer, Project Associate	30,000 (See Annex 8, Budget Notes 1, 3 and
Independent Mid-Term Review (MTR)/Evaluation Professional fees and associated costs for contracting Independent External Evaluators to conduct the Midterm Evaluation. (IE supervision, TOR development, validation, and QA are covered by the IE fee seperately)	End of Year 2	IE , Contracting and independent evaluator	40,000 (See Annex 8 IE fee breakdown)
Independent Terminal Evaluation (TE)/Final Evaluation Terminal Evaluation Professional fees and associated costs for contracting Independent External Evaluators to conduct the and Terminal Evaluation. (IE supervision, TOR development, validation, and QA are covered separately by the IE fee	End of Year 5	IE, Contracting and independent evaluator	55,000 (See Annex 8 IE fee breakdown)
Impact and Knowledge Reporting Consultant: Under the guidance of the		EE, Contracting Individual Consultant	95,000 (See Annex 8 Budget Note 26)

Data Analyst and Performance Coordinator and the Knowledge and Learning Coordinator, this consultancy will lead the synthesis of project achievements into structured, high-visibility knowledge products. Key responsibilities include consolidating qualitative and quantitative impact results to draft comprehensive multi-year Impact Reports and compelling human-interest success stories. Furthermore, the consultant will execute the full professional graphic design and layout of these deliverables, translating complex portfolio data into visually engaging assets that strengthen organizational learning and external donor visibility.			
TOTAL			**8,450,000 (including the Midterm and Terminal evaluation costs that are covered under IE fee)**

(Table 5: Monitoring and Evaluation Arrangements and Budgeted MEL Plan)

E. Include a results framework for the project / programme proposal, including milestones, targets, and indicators.

Results framework for the Project

Project Objective: To accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance (via competitive grants and innovation challenges), technical assistance, and integration into innovation and adaptation financing ecosystems – enabling high-potential solutions to enhance climate resilience and benefit vulnerable populations.

Project Objective	Objective Level Indicators	Baseline	Target at Project Completion	Means of Verification	Risks and Assumptions
Project Objective To accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance (via competitive grants and innovation challenges), technical assistance, and integration into innovation and adaptation financing ecosystems – enabling high-potential solutions to enhance climate resilience and benefit vulnerable populations.	1. Number of innovations successfully scaled and built resilience at local level.	**0**	At least 10 innovations successfully scaled	Grantee reports, scaling evidence; low value grant agreements.	**Assumptions:** Continued interest and engagement from adaptation, innovation or climate finance ecosystems actors. Innovations remain relevant and technically feasible. Political and economic stability in target regions and countries where grantees operate. Innovators operating in the adaptation, innovation or climate finance ecosystems have capacity and willingness to learn and support innovations to scale and replicate. **Risks:** Limited absorption capacity of grantees. External shocks (e.g. climate disasters, conflict) which could disrupt scaling pathways.
	2. Aggregate number of people benefitted through the supported innovations[192] supported.	**0**	Total no of beneficiaries[193]: 215,096 (direct: 53,774;indirect: 161,322; Youth: 64,528)		

[192]Disaggregated data will be collected and reported under outcome 1

[193] The beneficiary numbers presented at this stage are indicative and based on approval-stage planning assumptions. Exact figures will be calculated once grantees and their intervention footprints are confirmed during inception. These numbers will be validated and updated in the Results Framework and reported in the first Project Performance Report (PPR) in line with Adaptation Fund guidance. Please note that youth figures represent a subset of the total male and female beneficiaries, not an additional category. For detailed methodology and assumptions, including youth disaggregation, refer to the Annex 13 on Beneficiary Estimation.

					Funding delays in the project cycle.
Outcome	**Outcome Indicators**	**Baseline**	**Target at Project Completion[193]**	**Means of Verification**	**Risks and Assumptions**
Outcome 1: High potential, locally led adaptation innovations, (NGOs/CSOs & SMEs) are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	O1.1: Number of beneficiaries reached through supported innovations[194] (a) Direct beneficiaries (male and female) (b) Indirect beneficiaries (male and female) GAP indicator 1.1.3)	**0** **0**	(a) Direct Beneficiaries: Total: (estimated):53,774 Female:26,887 Male:26,887 Youth: 16,132 (b) Indirect Beneficiaries: Total:161,322 Female:80,661 Male: 80,661 Youth: 64,528	Grantee reports, beneficiary surveys, MEL system aggregation, selection records, grant agreements, mapping sheets, proposals, selection criteria.	**Assumptions** Sufficient pool of high-potential, locally led innovations exists in target regions. Baseline data on beneficiaries will be available or collected early in the project. **Risks:** Limited number of eligible innovations meeting selection criteria. Grantees may have limited or no capacity to write strong proposals without technical support.
	O1.2: Number of high potential, locally led innovations identified and supported (disaggregated by women led/co led	0	26 total; 20% women led/co-led		

[194] For alignment with GAP): Disaggregate beneficiary data by sex, age (including youth), and disability status at grantee level will be collected

	(GAP indicator: 1.2.3)				Resistance to gender and social inclusion integration in some contexts.
	O1.3c) Number of supported innovations demonstrating meaningful integration of gender equality and social inclusion (GESI), including adaptation/implementatio of gender responsive approaches in design, implementation, or governance (GAP indicator: 1.2.3)	0	*26*		
Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.	O2.1. No of supported innovations achieving investment readiness benchmarks through technical support and investment brokering packages. (GAP 2.1.1)	0	*10*	Technical assistance completion reports; Business model documentation; Evidence of Pitch Decks and Business Plans submitted to investors;Business Model Documentation showing gender-	**Assumptions:** Innovators are willing and able to adopt investment readiness standards and learnings**.** Technical assistance providers have expertise in climate finance and gender-responsive business models. Adaptation finance ecosystems remain active and accessible for integration.
	O2.2. No of innovations with gender responsive business model enabled to lead adaptation for innovation (GAP	0	*26*		

	indicator 2.1.1. and (GAP 2.1.2)			responsive strategies (e.g., inclusive hiring, women-led governance)	**Risks:** Limited investor interest in adaptation innovations supported by the project. Economic or market downturns reduce financing opportunities.
Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	O3.1. No of innovation for adaptation-focused knowledge products disseminated.	0	*4 (1 per year, starting in year 2)*	Reports, technical briefs, policy briefs, factsheets and dashboards with knowledge emerging from the solutions	**Assumptions:** Evidence from supported innovations will be ready and of sufficient quality by Year 2 to inform knowledge and communication products. Grantees submit timely reports content, visuals, data and agree to share materials for dissemination. Partners and grantees remain available and willing to participate in learning and showcasing events, including virtual or hybrid formats. **Risks:** Grantees may face delays in submitting reports or providing complete data, affecting the production of knowledge and communication products. Travel and visa challenges could limit participation in in-person showcasing events, reducing diversity and regional representation.
	O3.2. No of innovation for adaptation-focused communication products disseminated.	0	*20 (4 per year, starting in year 1)*	Stories, videos, news, promotion of the innovators work and the AFCIA project in social media	
	O3.3:No of supported innovations whose evidence products are referenced/ presented for investment proposals.	0	10	Workshop reports, news of the events, sessions concept notes and recordings, etc.…	

					Low interest or participation from women and marginalized groups in events may undermine gender and inclusion targets.
Outputs	**Output Indicators**	**Baseline**	**Target at Project Completion**	**Means of Verification**	**Risks and Assumptions**
Corresponding Outcome (Outcome 1) **Output 1.1:** High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.	O1.1.1:Number of innovations identified through the global call for proposals, aligned with NAPs/NDCs and priority thematic areas.	0	26	Call for proposals documentation and selection criteria; Innovation application database; Screening and scoring sheets, Project Board endorsement minutes; Annex 2a/2b/2c and Annex B	**Assumptions:** Sufficient number of eligible proposals submitted globally; Gender criteria are clearly communicated and applied during selection; Gender-responsive approaches are understood and accepted by applicants. **Risks**: Low submission rates Limited number of gender-responsive proposals submitted;
	O1.1.2:% of innovations identified that demonstrate gender-responsive design in adaptation innovation[195]. (GAP indicator 1.1.1)	0	100%		
	O1.1.3: % of LVGA that include explicit GESI criteria selection instruments (application templates, scoring rubrics, safeguards screening tools)[196] (GAP 1.1.2)	0	70%		

[195] Gender-responsive design is applied as a minimum eligibility standard at selection (screening criterion), not only as an endline performance target.

[196] LVGA selection instruments are the official tools used to screen and score applicants, including the online application form, detailed proposal format, selection/scoring rubric, and safeguards screening template (Annex 2a/2b/2c and Annex B). Calculated as (# LVGA selection instruments with at least one explicit GESI and/or scored criterion ÷ total # official LVGA selection instruments) × 100.

Output 1.2: Selected innovations receive catalytic grants (up to USD 200K) and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.	O1.2.1:Number of selected innovations receiving catalytic grants and tailored technical support.	0	26		
	O1.2.2: % of supported innovations that integrate gender equality and social inclusion measures in their work plans and result framework.(GAP indicator: 1.1.2)	0	100%		
	O1.2.3: % of supported innovations where GESI is a core design objective (i.e., GESI outcomes are explicit in the results framework and at least one key milestone/indicator measures GESI results) (GAP 1.2.2)	0	70%		
Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact.	O1.3.1:Number of high-impact adaptation innovations from AFCIA 1 that receive follow-on catalytic support and technical assistance for scaling proven models.	0	4		

Corresponding Outcome (Outcome 2) Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, gender-responsive design, MEL systems, financial planning and safeguard risk management.	O2.1.1: Percentage of supported innovators that have received tailored technical assistance across all five areas (business model refinement, gender-responsive design, MEL systems, financial planning, and safeguard risk management).	0	100%	Customized support package documentation for women-led enterprises. Post-training surveys and satisfaction scorecards. MEL system integration checklists	**Assumptions:** High level technical assistance and expertise in all five areas. Innovators are willing and able to engage in capacity-building activities. Gender-responsive design principles are accepted and integrated. **Risks:** Limited availability of qualified technical assistance providers. Innovators face time/resource constraints to participate fully. Resistance to safeguard or gender-responsive measures in some contexts.
	O2.1.2: Percentage of supported innovators that have received tailored technical assistance in gender-responsive project design and implementation. (GAP indicator 2.1.1 and 1.2.2	0	100%		
	O2.1.3:Average satisfaction score of supported innovators on the relevance and quality of technical assistance received (scale 1–5)	0	**Target:** *4.0 out of 5*		

Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school partners.	O2.2.1:Number of supported innovators that have identified and initiated engagement with at least one financing pathway. (GAP 2.2.1 and (GAP 2.2.2)	0	26		
	O2.2.2:Number of supported innovators that have mobilized or unlocked external financing for scaling and replication	0	10		
Corresponding Outcome (Outcome 3) **Output 3.1:** Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting policymakers, investors, and adaptation practitioners.	O3.1.1:Number of knowledge products (case studies, evidence briefs, reports, factsheets) developed and disseminated.	0	*26 factsheets (7 per year, starting in year 2)* *1 knowledge product per year (starting in year 2)* *1 Dashboard (year 2)*	Published knowledge products (case studies, briefs, reports). Dissemination records (websites, mailing lists, event materials). Annual synthesis reports and documentation of lessons learned.	**Assumptions:** Stakeholders (policymakers, investors, practitioners) are receptive to knowledge products. Stakeholders are willing and able to participate in learning events. Project generate sufficient evidence and lessons for documentation.

	O3.1.2:Percentage of knowledge and communication products incorporating gender and social inclusion lessons in adaptation innovation.(GAP indicator 3.1.1 and 3.1.2)	0	50%	Event reports and feedback forms. Webinar recordings and dissemination analytics.	Gender and social inclusion data is available and captured effectively. Risks: Limited uptake of knowledge products by target audiences. Inadequate documentation of lessons due to poor reporting from grantees
	O3.1.3:No of Reports produced summarizing insights, stories, challenges and stories of change of women and other beneficiaries with intersecting vulnerabilities. (GAP indicator 3.1.1)	0	4 (at least 1 per year, starting in year 2)		
Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organised to promote south-south collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners	O3,2,1: No of in person/online learning and showcasing events organized, supported and facilitated by the PMU; % female participants.	0	*3: At least 1 event per year (starting in year 2); with 40% women presentation*		
	O3.2.2: Number of participants attending peer learning events, global webinars, and cross-country exchanges, disaggregated by gender and stakeholder group with content explicitly addressing	0	60% men and 40% women participants		

	gender and social inclusion in adaptation.(GAP indicator 3.2.1, 2.2.3 and 3.2.2)				
	O3.2.3:Percentage of events highlighting women-led adaptation innovations facilitated.(GAP indicator 3.2.3)	0	50%		

Adaptation Fund Core Impact Indicator "Number of Beneficiaries"				
Date of Report	**Proposal submission date**			
Project Title	**UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2**			
Country	**Global**			
Implementing Agency	**UNDP**			
Project Duration	**5 years**			
	Baseline *(absolutenumber)*	Target at project approval *(absolute number)*	Adjusted target first year of implementation*(absolute number)*	Actual at completion[7] *(absolute number)*
Direct beneficiaries supported by the project	0	53,774		

Female direct beneficiaries	0	26,887		
Youth direct beneficiaries	0	16,132		
Indirect beneficiaries supported by the project	0	161,322		
Female indirect beneficiaries	0	80,661		
Youth indirect beneficiaries	0	64,528		

Adaptation Fund Impact Indicator "Increased income, or avoided decrease in income"				
Date of Report	Proposal submission date			
Project Title	UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2			
Country	Global			
Implementing Agency	UNDP			
Project Duration	5 years			
	Baseline	Target at project approval[197]	Adjusted target first year of implementation	Actual at completion

[197] Households at project approval are estimated by converting the proposal's direct beneficiary target (53,774 people) into households using an assumed average household size of 5 persons/household (53,774 ÷ 5 = 10,755; rounded to 10,800). This portfolio-level assumption will be validated and revised in Year 1 once grantees/subprojects are selected and baseline household data are collected

Income Source[198] *(name)*	0	10,800 (households)		
Income Source	Climate-resilient food systems livelihoods (smallholder farming, processing, storage, climate-smart inputs/services) Nature-based livelihoods (eco-restoration jobs, sustainable fisheries/aquaculture, agroforestry, ecosystem-based enterprises) DRR / risk reduction-linked livelihoods (avoided income losses through reduced disruption, resilient local services, post-disaster livelihood continuity)			
Income level *(USD)*	TBD(to be established by grantee baseline surveys in Year 1)			
Number of households *(total number in the project area)* *(report for each project component)*	TBD (to be established by grantee baseline surveys in Year 1)			

F. Demonstrate how the project / programme aligns with the Results Framework of the Adaptation Fund

Alignment of the Project with the Adaptation Fund's Results Framework

Outcome-Level Alignment (As Per Table 2. SRF Alignment Table Template)

[198] When the numbers of livelihoods go through significant changes, such as when sources of income are diversified, it may be useful to illustrate the changes by primary livelihoods.

Project Outcomes	Project Outcome Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Outcome 1: High potential, locally led adaptation innovations, (NGOs/CSOs & SMEs) are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	O1.1: Number of beneficiaries reached through supported innovations O1.2: Number of high potential, locally led innovations identified and supported O1.3) Number of supported innovations demonstrating meaningful integration of gender equality and social inclusion (GESI)…	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$7,137,709
Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.	O2.1. No of supported innovations achieving investment readiness benchmarks through technical support and investment brokering packages. O2.2. No of innovations with gender responsive business model enabled to lead adaptation for innovation	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$2,987,994

Project Outcomes	Project Outcome Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	O3.1. No of innovation for adaptation-focused knowledge products disseminated. O3.2. No of innovation for adaptation-focused communication products disseminated. O3.3:No of supported innovations whose evidence products are referenced/ presented for investment proposals.	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$3,101,571
Total outcome-level grant amount				**$13,227,274**

Output-Level Alignment (As Per Table 2. SRF Alignment Table Template)

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.	O1.1.1:Number of innovations identified through the global call for proposals, aligned with NAPs/NDCs and priority thematic areas. O1.1.2:% of innovations identified demonstrate gender-responsive design in adaptation innovation . (GAP indicator 1.1.1) O1.1.3: % of LVGA that include explicit GESI criteria selection instruments (application templates, scoring rubrics, safeguards screening tools) (GAP 1.1.2)	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1A: Innovations identified that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$550,083
Output 1.2: Selected innovations receive catalytic grants (up to USD 200K) and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.	O1.2.1: Number of selected innovations receiving catalytic grants and tailored technical support. O1.2.2: % of supported innovations that integrate gender equality and social inclusion measures in their work plans and result framework.(GAP indicator: 1.1.2) O1.2.3: % of supported innovations where GESI is a core design objective (i.e., GESI outcomes are explicit in the results framework and at least one key milestone/indicator measures GESI results) (GAP 1.2.2)	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$3,910,608

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact.	O1.3.1:Number of high-impact adaptation innovations from AFCIA 1 that receive follow-on catalytic support and technical assistance for scaling proven models.	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$2,677,018
Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, gender-responsive design, MEL systems, financial planning and safeguard risk management.	O2.1.1: Percentage of supported innovators that have received tailored technical assistance across all five areas (business model refinement, gender-responsive design, MEL systems, financial planning, and safeguard risk management). O2.1.2: Percentage of supported innovators that have received tailored technical assistance in gender-responsive project design and implementation. (GAP indicator 2.1.1 and 1.2.2 O2.1.3:Average satisfaction score of supported innovators on the relevance and quality of technical assistance received (scale 1–5)	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience [# of institutions, disaggregated by scale, by sector, and by type of institution]	$2,223,678

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school partners.	O2.2.1:Number of supported innovators that have identified and initiated engagement with at least one financing pathway. (GAP 2.2.1 and (GAP 2.2.2 O2.2.2:Number of supported innovators that have mobilized or unlocked external financing for scaling and replication	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience [# of institutions, disaggregated by scale, by sector, and by type of institution]	$764,316
Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting policymakers, investors, and adaptation practitioners.	O3.1.1:Number of knowledge products (case studies, evidence briefs, reports, factsheets) developed and disseminated. O3.1.2:Percentage of knowledge and communication products incorporating gender and social inclusion lessons in adaptation innovation.(GAP indicator 3.1.1 and 3.1.2) O3.1.3:No of Reports produced summarizing insights, stories, challenges and stories of change of women and other beneficiaries with intersecting vulnerabilities. (GAP indicator 3.1.1)	Output 8.2: Innovations identified and piloted which build the adaptation innovation evidence base and institutional capacity	Indicator 8.2: Innovation-focused knowledge products disseminated and/or learning events facilitated that support and enable innovation capacity at a local, national, and/or regional level [# of knowledge products disseminated and/or learning events facilitated)	$1,069,759

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organised to promote south-south collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners	O3.2.1: No of in person/online learning and showcasing events organized, supported and facilitated by the PMU; % female participants. O3.2.2: Number of participants attending peer learning events, global webinars, and cross-country exchanges, disaggregated by gender and stakeholder group with content explicitly addressing gender and social inclusion in adaptation.(GAP indicator 3.2.1, 2.2.3 and 3.2.2) O3.2.3:Percentage of events highlighting women-led adaptation innovations facilitated.(GAP indicator 3.2.3)	Output 8.2: Innovations identified and piloted which build the adaptation innovation evidence base and institutional capacity	Indicator 8.2: Innovation-focused knowledge products disseminated and/or learning events facilitated that support and enable innovation capacity at a local, national, and/or regional level [# of knowledge products disseminated and/or learning events facilitated)	$2,031,812
Total output-level grant amount				**$13,227,274**

G. Include a detailed budget with budget notes, broken down by country as applicable, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

Detailed Budget Breakdown

The detailed budget breakdown and the IE fee, is presented as a separate file in **Annex 8** (as an Excel file). The same budget tables are found below in this proposal.

Budget for the Project

Quantum Outcome (AF Component)	Quantum Output (AF Outcome)	Quantum Activity (AF Output)		Quantum Responsible Party	Quantum Fund ID	Quantum Donor ID	Quantum Budgetary Account Code	Quantum Budget Account Description	Amount Year ~~1~~2026 (USD)	Amount Year 2~~0~~027 (USD)	Amount Year ~~3~~2028 (USD)	Amount Year ~~4~~2029 (USD)	Amount Year ~~5~~2030 (USD)	Total (USD)	Budget Note No.
Component 1. Catalytic grants to implement and accelerate innovative adaptation solutions with potential to scale	*Outcome 1: High potential, locally led adaptation innovations, including non for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance,*	*Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/ NDCs) and priority thematic areas.*	*Activity 1.1.1 Design and launch inclusive and competitive global calls for proposals*	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	2,618	2,945	3,004	3,064	3,125	**14,756**	**1**
							71400	*Contractual Services-Individuals*	12,752	21,548	21,548	21,548	21,548	**98,944**	**3**
							72100	*Contractual Services-Companies*	50,000	0	0	0	0	**50,000**	**5**
							73100	*Rental & Maintenance-Premises*	264	264	264	264	264	**1,320**	**7**
			Activity 1.1.~~3~~2: Screen, select, and contract high-potential adaptation innovations	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	8,766	9,858	10,055	10,257	10,462	**49,398**	**1**
							71400	*Contractual Services-Individuals*	42,690	72,138	72,138	72,138	72,138	**331,242**	**3**
							73100	*Rental & Maintenance-Premises*	885	885	885	884	884	**4,423**	**7**
		Total Output 1.1							**117,975**	**107,638**	**107,894**	**108,155**	**108,421**	**550,083**	
		Output 1.2:	*Activity 1.2.1:*	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	4,379	4,924	5,023	5,123	5,226	**24,675**	**1**

	improving their readiness for scale and alignment with natio@al adaptation priorities (NAPs/ NDCs).	*Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.*	*Establish and manage performance-based grant agreements*				*71200*	*International Consultants*	6,563	13,125	13,125	13,125	13,125	**59,063**	**2**
							71400	*Contractual Services-Individuals*	21,324	36,033	36,033	36,033	36,033	**165,456**	**3**
							72600	*Grants*	0	700,000	700,000	700,000	700,000	**2,800,000**	**6**
							73100	*Rental & Maintenance-Premises*	440	442	442	442	442	**2,208**	**7**
			Activity 1.2.2: Disburse and manage performance-based grant tranches, monitor performance, and implementation progress	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,135	14,773	15,069	15,370	15,677	**74,024**	**1**
							71200	*International Consultants*	19,688	39,375	39,375	39,375	39,375	**177,188**	**2**
							71400	*Contractual Services-Individuals*	63,972	108,100	108,099	108,099	108,099	**496,369**	**3**
							71600	*Travel*	0	26,250	26,250	26,250	26,250	**105,000**	**4**
							73100	*Rental & Maintenance-Premises*	1,325	1,325	1,325	1,325	1,325	**6,625**	**7**
		Total Output 1.2							**130,826**	**944,347**	**944,741**	**945,142**	**945,552**	**3,910,608**	
			Activity 1.3.1: Identify and select high-performing AFCIA 1 innovations for follow-on support	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	1,708	1,920	1,959	1,998	2,038	**9,623**	**1**
							71400	*Contractual Services-Individuals*	8,316	14,053	14,053	14,053	14,053	**64,528**	**3**
							72600	*Grants*	0	68,250	68,250	68,250	68,250	**273,000**	**6**
							73100	*Rental & Maintenance-Premises*	172	172	172	172	172	**860**	**7**

			Activity 1.3.2: Establish and manage performance-based grant agreements for AFCIA 1 grantees, which provide follow-on catalytic grants to consolidate and scale proven adaptation models	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	2,627	2,955	3,014	3,074	3,135	**14,805**	**1**
							71400	*Contractual Services-Individuals*	12,794	21,620	21,620	21,620	21,620	**99,274**	**3**
							72600	*Grants*	0	105,000	105,000	105,000	105,000	**420,000**	**6**
							73100	*Rental & Maintenance-Premises*	265	265	265	265	265	**1,325**	**7**
			Activity 1.3.3: Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	8,801	9,898	10,096	10,298	10,504	**49,597**	**1**
							71400	*Contractual Services-Individuals*	42,861	72,426	72,426	72,427	72,427	**332,567**	**3**
							72600	*Grants*	0	351,750	351,750	351,750	351,750	**1,407,000**	**6**
							73100	*Rental & Maintenance-Premises*	888	888	888	887	888	**4,439**	**7**
		Total Output 1.3							**78,432**	**649,197**	**649,493**	**649,794**	**650,102**	**2,677,018**	

	Total Outcome 1								**327,233**	**1,701,182**	**1,702,128**	**1,703,091**	**1,704,075**	**7,137,709**	
Total Component 1									**327,233**	**1,701,182**	**1,702,128**	**1,703,091**	**1,704,075**	**7,137,709**	
			Activity 2.1.1: Deliver an 8–10-week onboarding sprint for selected innovators	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	31,946	35,928	36,646	37,380	38,127	**180,027**	**8**
							71200	*International Consultants*	0	25,935	25,935	0	0	**51,870**	**9**
							71400	*Contractual Services-Individuals*	15,738	26,034	26,233	26,434	26,638	**121,077**	**10**
							71600	*Travel*	270	1,122	1,077	1,078	1,078	**4,625**	**11**
							72100	*Contractual Services-Companies*	0	0	25,881	25,881	9,705	**61,467**	**12**
							73100	*Rental & Maintenance-Premises*	686	686	686	686	686	**3,430**	**13**
			Activity 2.1.2: Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	119,377	134,258	136,943	139,681	142,475	**672,734**	**8**
							71200	*International Consultants*	0	96,915	96,915	0	0	**193,830**	**9**
							71400	*Contractual Services-Individuals*	58,811	97,287	98,028	98,780	99,543	**452,449**	**10**
							71600	*Travel*	1,149	4,783	4,597	4,597	4,597	**19,723**	**11**
							72100	*Contractual Services-Companies*	0	0	96,714	96,714	36,268	**229,696**	**12**
							73100	*Rental & Maintenance-Premises*	2,563	2,563	2,563	2,563	2,563	**12,815**	**13**
			Activity 2.1.3: Assist selected grantees to prepare Gender Action	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	16,814	18,910	19,288	19,673	20,067	**94,752**	**8**
							71200	*International Consultants*	0	13,650	13,650	0	0	**27,300**	**9**
							71400	*Contractual Services-Individuals*	8,283	13,702	13,807	13,913	14,020	**63,725**	**10**
							72100	*Contractual Services-Companies*	0	0	13,622	13,622	5,108	**32,352**	**12**

			Plans and ESMPs				*73100*	*Rental & Maintenance-Premises*	361	361	361	361	362	**1,806**	**13**
		Total Output 2.1							**255,998**	**472,134**	**612,946**	**481,363**	**401,237**	**2,223,678**	
			Activity 2.2.1: Support innovators to identify and access appropriate financing pathways	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*	31,555	52,199	52,598	53,001	53,410	**242,763**	**10**
							71600	*Travel*	541	2,250	2,162	2,162	2,162	**9,277**	**11**
							72100	*Contractual Services-Companies*	0	0	103,784	103,784	38,918	246,486	**12**
							73100	*Rental & Maintenance-Premises*	2,750	2,750	2,750	2,750	2,751	13,751	**13**
			Activity 2.2.2: Generate and consolidate evidence of impact, scale, and systemic influence	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*	31,555	52,199	52,597	53,001	53,410	**242,762**	**10**
							71600	*Travel*	541	2,250	2,162	2,162	2,162	**9,277**	**11**
									66,942	**111,648**	**216,053**	**216,860**	**152,813**	**764,316**	
	Total Outcome 2								**322,940**	**583,782**	**828,999**	**698,223**	**554,050**	**2,987,994**	
Total Component 2									**322,940**	**583,782**	**828,999**	**698,223**	**554,050**	**2,987,994**	
			Activity 3.1.1: Design and implement a structured learning and knowledg	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	9,022	10,147	10,350	10,556	10,768	**50,843**	**14**
							71400	*Contractual Services-Individuals*	8,607	16,365	16,436	16,508	16,581	**74,497**	**15**
							73100	*Rental & Maintenance-Premises*	232	232	232	232	232	**1,160**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	1,805	1,805	1,805	1,805	**7,220**	**19**

			e management architecture												
			Activity 3.1.2: Develop, maintain, and operationalise a digital knowledge platform	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	9,022	10,147	10,350	10,556	10,768	**50,843**	**14**
							71400	*Contractual Services-Individuals*	8,607	16,365	16,436	16,508	16,581	**74,497**	**15**
							73100	*Rental & Maintenance-Premises*	232	232	232	232	232	**1,160**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	1,805	1,805	1,805	1,805	**7,220**	**19**
			Activity 3.1.3: Produce, quality-assure, and disseminate innovation-focused knowledge products	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	18,044	20,293	20,699	21,113	21,535	**101,684**	**14**
							71400	*Contractual Services-Individuals*	17,213	32,731	32,872	33,016	33,163	**148,995**	**15**
							73100	*Rental & Maintenance-Premises*	464	464	464	464	464	**2,320**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	3,610	3,610	3,610	3,610	**14,440**	**19**
			Activity 3.1.4: Operationalize the MBA Fellowship Programme and failure-learning protocol	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	36,088	40,586	41,398	42,226	43,070	**203,368**	**14**
							71400	*Contractual Services-Individuals*	34,426	65,461	65,745	66,034	66,326	**297,992**	**15**
							73100	*Rental & Maintenance-Premises*	928	928	928	928	928	**4,640**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	7,220	7,220	7,220	7,220	**28,880**	**19**
		Total Output 3.1							**142,885**	**228,391**	**230,582**	**232,813**	**235,088**	**1,069,759**	
			Activity 3.2.1:	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	27,548	28,099	28,661	29,234	**127,105**	**14**

			Organise and facilitate structured peer-learning and knowledge exchange activities				*71400*	*Contractual Services-Individuals*	17,540	40,913	41,090	41,270	41,454	**182,267**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.2: Deliver targeted learning modules and peer exchanges to strengthen grantee capacities	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	25,366	30,325	30,931	31,549	**131,734**	**14**
							71400	*Contractual Services-Individuals*	17,540	40,913	41,090	41,270	41,454	**182,267**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.3: Facilitate cross-country and cross-regional learning exchanges	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	29,730	25,874	26,391	26,919	**122,477**	**14**
							71400	*Contractual Services-Individuals*	25,494	40,913	41,090	41,270	41,454	**190,221**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.4: Implement coordinated communi	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	34,777	50,733	51,748	52,782	53,838	**243,878**	**14**
							71400	*Contractual Services-Individuals*	47,010	84,410	84,764	85,124	85,490	**386,798**	**15**
							71600	*Travel*	2,800	10,000	10,007	10,538	10,583	**43,928**	**16**

			cation, visibility, and dissemination activities				*74200*	*Audio Visual&Print Prod Costs*	0	22,561	22,561	22,561	22,562	**90,245**	**18**
							74200	*Translation Costs*	2,000	0	0	0	0	**2,000**	**19**
							75700	*Training, Workshops and Confer*	0	52,000	0	0	52,000	**104,000**	**20**
		Total Output 3.2							**195,050**	**518,087**	**391,657**	**396,605**	**530,413**	**2,031,812**	
	Total Outcome 3								**337,935**	**746,478**	**622,239**	**629,418**	**765,501**	**3,101,571**	
Total Component 3									**337,935**	**746,478**	**622,239**	**629,418**	**765,501**	**3,101,571**	
Project Execution Costs	*Project Management Cost (PMC)*		*PMC*	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	19,400	21,819	22,256	22,701	23,155	**109,331**	**21**
							71400	*Contractual Services-Individuals*	2,172	17,178	17,339	17,505	17,677	**71,871**	**22**
							71600	*Travel*	0	3,512	5,200	5,200	5,200	**19,112**	**23**
							72800	*Information Technology Equipmt*	8,000					**8,000**	**24**
							73100	*Rental & Maintenance-Premises*	8,743	8,743	8,743	8,743	8,743	**43,715**	**25**
							71200	*International Consultants*	0	23,750	23,750	23,750	23,750	**95,000**	**26**
							64300	*Direct Project Cost-Staff*	2,061	15,000	15,000	15,000	15,000	**62,061**	**27**
Total Project Management Cost (3%)									**40,376**	**90,002**	**92,288**	**92,899**	**93,525**	**409,090**	
Total Project Cost									**1,028,484**	**3,121,444**	**3,245,654**	**3,123,631**	**3,117,151**	**13,636,364**	
Implementing Entity Fee (10%)									**102,848**	**312,144**	**324,565**	**312,363**	**311,715**	**1,363,636**	
Total Project Grant									**1,131,332**	**3,433,588**	**3,570,219**	**3,435,995**	**3,428,866**	**15,000,000**	

Executing Entity (EE) cost breakdown

Cost Item	Description / Basis of Calculation	Total Cost (USD)
Salary & Post Adj Cst-IP Staff	6% Project Manager (P3) (part of the PMU): 1 person @ $1,065.25/month for 60 months	63,915.00
Salary & Post Adj Cst-IP Staff	6% Procurement Analyst (P2) (part of the PMU): 50% time 1 person @ $351.18/month for 60 months	21,071.00
Salary & Post Adj Cst-IP Staff	6% Finance and Operations Analyst (P2) (part of the PMU): (1 person @ $450.85/month for 54 months)	24,345.00
Contractual Services-Individuals	15% Project Analyst (IPSA 9) (part of the PMU): 1 person @ $1,197.85~~1,122.99~~/month for 60 months	71,871.00
Travel	1 Grantee Site Visit per year: $3,822.40~~4,247.11~~ per trip x 5 years	19,112.00
Rental & Maintenance-Premises	41.24% Rental and Maintenance: Office space for PMU @ $728.58/month for 60 months	43,715.00
Equipment	Laptops, Monitors, Software: For Project Manager, Finance Analyst, Procurement Analyst, and Project Analyst @ $2,000	8,000.00
International Consultant	Impact and knowledge Reporting Consultant(including consultancy honoraries)	95,000.00
Direct Project Cost-Staff	UNDP Operational Support Services: Recruitment, contract management, travel, approvals, and grants management @ $ 13,791.23 per year for 4.5 years	62,061.00
TOTAL EE COSTS		**409,090.00**

Justification: AFCIA Phase 2 has higher execution costs cover essential administrative and project management support personnel needed to administer a large-scale, global project, with multiple grants and transactional services across numerous small organizations (NGOs/CSOs and MSMEs). Operational demands are further heightened by the project's design, which necessitates the provision of support at both global, regional and national levels, as well as sustained engagement with community organizations across multiple countries. To ensure effective implementation, this structure requires operational and administrative implementation support for each grantee, and real-time, in-country problem-solving all requiring a significant operational budget.

The higher execution costs of 3% ensure that project activities are implemented efficiently and accurately, while remaining responsive to the specific needs of each grantee and maintaining sufficient flexibility to provide tailored support which may have greater implications for administrative and project management costs. This one-on-one dedicated administrative and operational support was one of the most valued characteristics during the implementation of UNDP-AFCIA Phase 1 as expressed by the participating grantees, because it allowed them to conclude their LVGA´s implementation with following an adaptative management process throughout the process.

The additional 1.5% requested relates exclusively to execution-level responsibilities that UNDP will deliver as an Executing Entity (EE), more specifically:

- Global grant administration.

- Management of specific project components;
- Managing two competitive grant windows and administering at least 26 LVGAs issued to NGOs/CSOs and MSMEs;
- Providing direct operational support to grantees;
- Carrying out the due diligence before by the PMU before signing the LVGAs with grantees;
- Engaging/procuring consultants or companies to deliver technical assistance.
- Undertaking travel directly related to execution-level functions.
- Setting up an online platform/website for data collection linked to specific performance indicators;

The above costs are demonstrably distinct from IE oversight or corporate functions which are itemized and costed under the "IE fee breakdown" table below – and clearly separated.

Implementing Entity (IE) fee breakdown

Category	Services Provided by UNDP	IE fee (USD) AFCIA 2
Identification, Sourcing and Screening of Ideas	Provide information on substantive issues in adaptation and innovation associated with the purpose of the Adaptation Fund (AF).	68,182
	Engage in upstream policy dialogue related to a potential application to the AF.	
	Verify soundness & potential eligibility of identified ideas for AF.	
Feasibility Assessment / Due Diligence Review	Provide up-front guidance on converting general idea into a feasible project/programme.	204,545
	Source technical expertise in line with the scope of the project/programme.	
	Verify technical reports and project conceptualization.	
	Provide detailed screening against technical, financial, social and risk criteria and provide statement of likely eligibility against AF requirements.	
	Determination of execution modality and local capacity assessment of the executing entity.	
	Assist in identifying technical partners. Validate partner technical abilities. Obtain clearances from AF.	

Development & Preparation	Provide technical support, backstopping and troubleshooting to convert the idea into a technically feasible and operationally viable project/programme.	272,727
	Source technical expertise in line with the scope of the project/programme needs.	
	Verify technical reports and project conceptualization.	
	Verify technical soundness, quality of preparation, and match with AF expectations.	
	Negotiate and obtain clearances by AF. Respond to information requests, arrange revisions etc.	
Implementation	Technical support in preparing TORs and verifying expertise for technical positions.	613,637
	Provide technical and operational guidance to project team. - Verification of technical validity / match with AF expectations of inception report/baseline report.	
	Provide technical information as needed to facilitate implementation of the project activities.	
	Prepare Project Baseline Report	
	Provide advisory services as required.	

	Provide technical support, participation as necessary during project activities.	
	Provide troubleshooting support if needed. Provide support and oversight missions as necessary.	
	Provide technical monitoring, progress monitoring, validation and quality assurance throughout.	
	Allocate and monitor Annual Spending Limits based on agreed work plans.	
	Receipt, allocation and reporting to the AFB of financial resources.	
	Oversight and monitoring of AF funds, including audit.	
	Return unspent funds to AF.	
Evaluation and Reporting	Provide technical support in preparing TOR and verify expertise for technical positions involving evaluation and reporting (including for the Mid-Term- and Terminal Evaluations).	204,545
	Participate in briefing / debriefing (including for the Mid-Term and Terminal Evaluations).	
	Verify technical validity / match with AF expectations of all evaluation and other reports (including supervision/development of the Baseline Data Report, Project Performance Report, and Project Completion Report, the Mid-Term and Terminal Evaluations).	
	Undertake technical analysis and validate results.	

	Disseminate technical findings	
Total		**1,363,636**

H.Include a disbursement schedule with time-bound milestones.

Disbursement Schedule with Time-Bound Milestones

	Upon Agreement signature (Year 1)	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Total**
Scheduled Date	1-Jan-2027	1-Jan-2028	1-Jan-2029	1-Jan-2030	1-Jan-2031	
Project Funds	1,089,482	6,808,130	2,303,778	1,839,350	1,595,624	13,636,364
Implementing Entity Fees	610,823	408,488	138,227	110,361	95,737	1,363,636
Total	1,700,305	7,216,618	2,442,005	1,949,711	1,691,361	15,000,000

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

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

<table>
<tr><td colspan="2">I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans 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.</td></tr>
<tr><td colspan="2">Implementing Entity Coordinator

Nancy Bennet
Director, Quality and Impact Hub and
Executive Coordinator, Vertical Funds
Bureau for Policy and Programme Support (BPPS)
United Nations Development Programme</td></tr>
<tr><td>Date:</td><td>Tel. and email: nancy.bennet@undp.org</td></tr>
<tr><td colspan="2">Project Contact Person: Radhika Dave, Senior Technical Advisor, Climate Change Adaptation, BPPS</td></tr>
<tr><td colspan="2">Tel. And Email: Radhika.dave@undp.org</td></tr>
</table>

PART V: ANNEXES

Annex 1: Lessons Learnt compilation from AFCIA 1

Included as a separate file in this proposal.

Annex 2a: Preliminary online application format
Included as a separate file in this proposal.

Annex 2b. Preliminary Detailed Proposal Application Format
Included as a separate file in this proposal.

Annex 2c. Selection Process and Evaluation Criteria
Included as a separate file in this proposal

Annex 3: Social and Environmental Screening Procedure (SESP)
Included as a separate file in this proposal.

Annex 4. Social and Environmental Management Framework (ESFM)
Included as a separate file in this proposal.

Annex 5: Gender Assessment and Action Plan
Included as a separate file in this proposal.

Annex 5a. GAP and Results Framework Crosswalk Indicator Table
Included as a separate file in this proposal.

Annex 6a: Stakeholder Consultations and Engagement during the Design Phase
Included as a separate file in this proposal.

Annex 6b: Stakeholder Engagement Plan during the Implementation Phase
Included as a separate file in this proposal.

Annex 7: Minutes from the Stakeholder Consultations
Included as a separate file in this proposal.

Annex 8: Detailed Budget and Breakdown of the IE Management Fee
Included as a separate file in this proposal.

Annex 9: Detailed Multi Annual Workplan
Included as a separate file in this proposal.

Annex 10: Organigram
Included as a separate file in this proposal.

Annex 11: Communications and visibility strategy
Included as a separate file in this proposal.

Annex 12: Detailed background information
Included as a separate file in this proposal.

Annex 13: Methodology for estimating the AFCIA 2 beneficiaries
Included as a separate file in this proposal.

Annex 5 Gender Assessment and Action Plan

Adaptation Fund Climate Innovation Accelerator – Phase 2

I. Introduction

This gender assessment and action plan accompanies the UNDP-Adaptation Fund Climate Innovation Accelerator (AFCIA) Phase 2 proposal. Its purpose is to identify key gender dynamics, barriers and opportunities relevant to climate adaptation innovation and to outline operational actions that ensure that the programme delivers inclusive, equitable, and gender-responsive results.

Given the global nature of AFCIA2 and that specific countries and grantees will be determined during implementation, this document serves as a strategic and operational baseline. It provides an overview of gender issues across the three priority thematic areas: Nature-Based Solutions (NbS), Disaster Risk Reduction (DRR), and Climate-Resilient Food Systems (CRFS), with regional differentiation where possible. Once the grantees are selected, rapid gender assessments and localized action plans will be developed.

The assessment was based upon available data from studies conducted by donor agencies, academic institutions, think tanks and multilateral development banks; and includes:

1. Undertaking a desktop review and aligning approaches in this proposal with the findings of gender issues across the three priority thematic areas: Nature-Based Solutions (NbS), Disaster Risk Reduction (DRR), and Climate-Resilient Food Systems (CRFS).
2. Incorporating lessons learned from implementation of the Innovation Small Grants Aggregator Programme Phase 1.
3. Incorporating information and lessons learned from past studies and assessments on gender from the United Nations, civil society organisations, and multilateral development banks.
4. Conducting stakeholder consultations and engaging women affected by the project and incorporating all points raised; and
5. Integrating gender considerations in the project indicators, targets and activities, identifying women as leaders and decision-makers.

Gender considerations are mainstreamed across the AFCIA 2 design and implementation arrangements. In addition to the rapid gender assessments and localized action plans that will be developed once grantees are selected, the programme will be supported by a dedicated Gender and Safeguards Analyst who will guide implementation of the Gender Action Plan, ensure compliance with Adaptation Fund and UNDP gender policies, and provide ongoing technical support to grantees. Gender-responsive measures are integrated into the project's outputs, outcomes, activities and indicators, with deliberate focus on reducing barriers faced by women, girls, LGBTIQ+ persons, and other groups experiencing intersecting vulnerabilities in accessing climate adaptation innovation, finance, and decision-making spaces. The project ensures that gender considerations inform the full results framework, including monitoring, reporting and learning processes. Together, these mechanisms ensure that this gender analysis has substantively informed project design and that gender-related opportunities and risks are addressed in a systematic and robust way throughout the programme cycle.

II. Gender inequality and social inclusion –Sectoral Overview

Climate change is the most urgent development challenge of our time, and its impacts are deeply gendered.[1] Structural inequalities in land ownership, credit access, technology, and decision-making power shape how women, men, and marginalized communities experience climate risks and participate in adaptation solutions. Women across the Global South bear disproportionate care responsibilities while facing systematic exclusion from resources and leadership. These gender inequalities intersect with class, ethnicity, disability, age, and other identity markers, compounding vulnerability and limiting adaptive capacity, including the ability to develop, access, and scale climate innovations.

LGBTQI+ individuals face compounded vulnerabilities in climate-affected contexts, including discrimination in accessing land, credit, and community resources, exclusion from decision-making processes, and heightened risks during climate-induced displacement and disasters. Stigma and discriminatory social norms often render their specific needs invisible in climate adaptation programming. In innovation ecosystems, LGBTQI+ entrepreneurs face additional barriers in accessing finance, networks, and business development support due to discrimination and lack of inclusive policies.

Social norms and power dynamics are highly context specific, therefore participatory analysis processes are required to overcome assumptions and avoid generalizations. Similarly, gender norms are dynamic and vary widely under different circumstances. For AFCIA 2, grantees will be required to conduct gender analysis and apply safeguards at the local level, in the specific contexts where their innovations will operate. The project's gender specialist will provide guidance, review these analyses, and support grantees throughout implementation to ensure gender considerations inform their innovation design, community engagement, and monitoring frameworks. This iterative process will generate learning and enable adaptive management adjustments across the project portfolio.

A high-level gender analysis is presented below, focusing on the three focus areas of the project: Nature-Based Solutions, Disaster Risk Reduction and Climate-Resilient Food Systems.

Nature-Based Solutions (NbS)

Nature-based solutions, including ecosystem-based adaptation, forest landscape restoration, sustainable land management, agroforestry, and coastal protection, are increasingly recognized as cost-effective adaptation strategies.[2] Across the globe, $140 billion could be saved by implementing NbS in water supply.[3] However, women's and men's relationships with natural resources differ significantly due to gendered divisions of labour, resource access, and decision-making power. Women, particularly in rural areas, often depend directly on natural resources for livelihoods, food, fuel, and water, yet face systematic exclusion from land ownership, resource governance, and NbS planning processes.[4] Understanding these gender dynamics is critical for supporting innovations that are both effective and equitable.

Gender-Differentiated Vulnerabilities and Impacts

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[1] UNDP (2025). Women, resilience, and climate change. Experiences from Europe and Central Asia and beyond. https://www.undp.org/sites/g/files/zskgke326/files/2025-04/women_resilience_and_climate_change_march_2025.pdf

[2] Marta Vicarelli, Karen Sudmeier-Rieux, Ali Alsadadi, Aryen Shrestha, Simon Schütze, Michael M. Kang, Madeline Leue, David Wasielewski, Jaroslav Mysiak (2024) On the cost-effectiveness of Nature-based Solutions for reducing disaster risk, Science of The Total Environment, Volume 947, ISSN 0048-9697, https://doi.org/10.1016/j.scitotenv.2024.174524.

[3] World Economic Forum (2022). BiodiverCities by 2030: Transforming Cities' Relationship with Nature. Insight Report. https://www3.weforum.org/docs/WEF_BiodiverCities_by_2030_2022.pdf

[4] Kalin, Ana (2022) Research paper on the interplay between NBS and gender equality. MULTISOURCE Deliverable 4.1, H2020 grant no. 101003527. https://multisource.eu/storage/2025/03/D4.1-Research-paper-on-the-interplay-between-NBS-and-GE.pdf

Women in the Global South are disproportionately responsible for natural resource collection, spending many hours gathering fuelwood, fodder, and water, while often being the first to notice biodiversity loss and degradation.[5] The time spent in natural resource gathering is high, and varies by context: in Iraq, for example, women can spend up to 3 hours per day collecting water; in rural households in India, women spend more than 50 minutes per day, while men and boys spend four minutes per day.[6]

Ecosystem degradation caused by climate change increases this burden, reducing time available for income generation, education, and rest. The reduction of availability of natural resources also impacts negatively women's and girls' unpaid care and domestic work. Women tend to take a larger share of unpaid work by working longer hours and engaging children in economic activities. Girls are also negatively affected, as they are often given the responsibility for household tasks, leading to their absence from school.[7]

In many contexts, women possess sophisticated indigenous and local knowledge about ecosystem management, medicinal plants, water sources, and biodiversity conservation. Research found examples where knowledge of fruit trees varied by gender, based on the time spent in harvesting, processing, sale and consumption of the fruits.[8] However, there is evidence that this knowledge is not fully valued, and is therefore rarely integrated into formal NbS design.[9] Moreover, NbS projects frequently rely on "community participation" that translates into unpaid labor contributions from women, without fair compensation or recognition.

Deforestation, land degradation, and water scarcity force women to travel longer distances for resources, increasing their exposure to gender-based violence, such as verbal and sexual harassment, rape and physical abuse.[10] Simultaneously, women are often excluded from payments for ecosystem services schemes, land tenure security (both formal and customary)[11], and community-based natural resource management committees where NbS decisions are made. When NbS innovations involve carbon credits or other payment mechanisms, women are systematically excluded from benefit-sharing due to lack of land titles, limited participation in governance structures, and intra-household power dynamics that favor men's control over income.

Barriers to access and Participation

Legal, institutional and social barriers often restrict women's participation in and benefits from Nature-based solutions. Salcedo-La Viña, Trivedi and Grace (2023) outline three local-scale barriers that limit women's access to participation and benefit to NbS, and other types of climate adaptation solutions: power and assets, socioeconomic and gender roles, and individual attributes.

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[5] UNDP (2024). Nature for Gender Equality. Nature Pledge. https://www.undp.org/sites/g/files/zskgke326/files/2024-10/undp_nature_for_gender_equality.pdf

[6] UN Women (2023). The Climate-Care Nexus: Addressing the linkages between climate change and Women's and Girls' unpaid care, domestic and communal work.

[7] UN Women (2023). The Climate-Care Nexus: Addressing the linkages between climate change and Women's and Girls' unpaid care, domestic and communal work.

[8] Muhamad et al. (n.d.) Participatory research to elicit gender differentiated knowledge of native fruit trees. Biodiversity international, CGIAR Research Program on Forests, Trees and Agroforestry, and Jaban Pertanian. www.bioversityinternational.org/fileadmin/user_upload/Participatory_Muhammad.pdf

[9] GIZ (2022). Toward Gender-Responsive Ecosystem-based adaptation. Why it's needed and how to get there. https://www.adaptationcommunity.net/wp-content/uploads/2021/07/Toward-gender-responsive-EbA.pdf

[10] Castañeda Camey, I., Sabater, L., Owren, C., & Boyer, A. E. (2020). Gender-based violence and environment linkages: The violence of inequality. International Union for Conservation of Nature. https://portals.iucn.org/library/node/48969

[11] GIZ (2022). Toward Gender-Responsive Ecosystem-based adaptation. Why it's needed and how to get there. https://www.adaptationcommunity.net/wp-content/uploads/2021/07/Toward-gender-responsive-EbA.pdf

Power and assets: Across the regions, women typically own fewer assets than men. Despite producing 60-80% of food in developing countries, less than one in 5 landholders worldwide are women.[12] This imits their legal and customary rights, being at risk to be left out of interventions with rigid requirements on landownership. Women also have less access to productive resources and opportunities, such as agricultural inputs, financial capital, technology, training and extension services.[13] For women entrepreneurs developing NbS innovations, these asset gaps translate into severe disadvantages in accessing startup capital, technology infrastructure, and business development support.

Gender norms and roles: Gender norms also play a role in subordinating decision-making power within households and communities. Research shows that NbS solutions are often implemented at the local level in communities where the distribution of power and assets is unequal, [14] negatively impacting women and influencing solutions outcomes. Culturally defined gender roles and division of labour also define women's livelihoods and knowledge in NbS. For example, as women tend to be the primary collectors of resources for domestic use, they are knowledgeable around erosion control, freshwater supply, habitat conservation and biodiversity, while men often have more knowledge about fuel and timber, and large-scale land use.[15] These gendered knowledge systems must inform innovation design, ensuring that solutions address women's specific needs and leverage their expertise.

Individual attributes: Ethnicity, caste, wealth, age, literacy, marital status, and other factors produce different forms of disadvantage and vulnerability for women and men. For instance, in Ghana, there is research showing that land ownership can be influenced by age, marital status and residential status; therefore, older married women that are native to the semiarid region are more likely to adopt adaptation practices while younger tend to migrate as an adaptation strategy.[16]

Gender roles and Division of Labour

Women play critical roles as:

- Primary users and managers of forests, wetlands, and water sources for household needs
- Agricultural producers implementing soil conservation and sustainable land practices, such as organic farming.
- Custodians of traditional ecological knowledge about climate-resilient crops and ecosystem restoration, managing water, food, fuel and farming,
- Community mobilizers for collective natural resource management

Men typically dominate:

- Formal decision-making in natural resource governance bodies

[12] UNDP (2024). Nature for Gender Equality. Nature Pledge.
[13] McElwee, P., H. Lê, Nghiêm, H. Vũ, and N. Trần. (2021). "Gender and Payments for Environmental Services: Impacts of Participation, Benefit-Sharing and Conservation Activities in Viet Nam." Oryx 55 (6): 844–52. https://doi.org/10.1017/S0030605320000733
[14] Salcedo-La Viña, C., Trivedi, A., Grace, K. (2023). Enabling Rural women and key actors in nature-based solutions. World Resources Institute. https://files.wri.org/d8/s3fs-public/2023-07/enabling-rural-women-key-actors-nature-based-solutions.pdf?VersionId=MzTSxu_C2szII1eAmctz3fS66VkfTuwN
[15] Salcedo-La Viña, C., Trivedi, A., Grace, K. (2023). Enabling Rural women and key actors in nature-based solutions. World Resources Institute. https://files.wri.org/d8/s3fs-public/2023-07/enabling-rural-women-key-actors-nature-based-solutions.pdf?VersionId=MzTSxu_C2szII1eAmctz3fS66VkfTuwN
[16] Lawson, E., Alare, R., Salifu, A. *et al.* (2020). Dealing with climate change in semi-arid Ghana: understanding intersectional perceptions and adaptation strategies of women farmers. *GeoJournal* **85**, 439–452 https://doi.org/10.1007/s10708-019-09974-4

- Commercial exploitation of forest products for fuel and large-scale land use
- Technical roles in NbS project design and implementation
- Access to training and extension services on ecosystem management

In the innovation ecosystem, men disproportionately occupy positions as founders, technical leads, and decision-makers in climate-tech enterprises, while women are underrepresented as entrepreneurs, engineers, and investors. Women-led climate ventures receive less than 2% of global climate finance,[17] reflecting systemic bias in how "innovation" and "entrepreneurship" are gendered.

Opportunities for gender-Responsive Innovation

Through AFCIA 2, the project can advance gender equality in NbS innovation by:

- Prioritizing innovations led by or meaningfully involving women and marginalized groups in design, implementation, and governance structures, ensuring they are decision-makers, not just participants or beneficiaries.
- Supporting innovations that recognize and compensate women's knowledge and labour in ecosystem management, rather than extracting traditional knowledge as free input or relying on unpaid "community participation."
- Providing targeted technical assistance to help innovators integrate gender-responsive approaches in business models, technology design, benefit-sharing mechanisms, and community engagement strategies.
- Facilitating access to networks, mentorship, and capital for women entrepreneurs in the NbS space who face systematic exclusion from innovation ecosystems, including connections to investors, accelerators, and peer networks.
- Building evidence on what works for gender-transformative NbS through rigorous monitoring, documentation, peer learning, and adaptive management across the portfolio.
- Strengthening women's leadership in community-based natural resource management through capacity building, leadership training, and creating spaces for women's voices in governance.
- Supporting innovations that leverage technology (mobile platforms, remote sensing, climate information systems) while ensuring women have access to digital tools and literacy to participate fully.

Regional Differentiation:

- **Latin America and the Caribbean:** Indigenous women are key knowledge holders in biodiversity loss prevention and conservation, yet they face displacement from conservation zones. Additionally, land tenure rights are insecure, they often live in isolated areas and depend on their male counterparts to access to formal education, financial resources, and training.[18]
- **Sub-Saharan Africa:** Women manage most smallholder agriculture but have minimal land rights. Similarly, education levels vary along communities, making it crucial to adapt and accommodate various learning styles and literacy levels.[19] Women entrepreneurs in the

[17] Khripko, A., Nanavatty, R., Rogers, E., Dinsdale, Md. (2025). How to Beat the Market in Climate Tech? Invest in Women. https://rmi.org/how-to-beat-the-market-in-climate-tech-invest-in-women/

[18] OECD (2020), *SIGI 2020 Regional Report for Latin America and the Caribbean*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/cb7d45d1-en.

[19] Jang, N., Caswell, C. McIvor, S, Ball, T. (2025). Advancing Gender-Responsive and Socially inclusive Practices in Nature-Based solutions for Adaptation. A compendium of Case studies. https://www.iisd.org/system/files/2025-02/case-studies-gender-equality-social-inclusion-nature-based-solutions_0.pdf

climate/ag-tech space face acute challenges accessing finance (receiving less than 2% of climate finance) and business development support. However, there is a growing ecosystem of women-led NbS innovations, including regenerative agriculture enterprises, community forestry cooperatives, and watershed management initiatives.

- **South Asia:** Women depend heavily on common property resources (forests, pastures) increasingly degraded by climate change, and the nuanced realities between regions, castes, class and other categories add to the vulnerabilities that women face.[20]
- **Pacific Islands:** Women manage coastal resources and food systems but are excluded from environmental and marine conservation governance, as deep rooted gernder norms and cultural biases continue to hinder their leadership.[21] Climate-induced migration and loss of land threaten traditional knowledge systems that women steward. Women-led innovations in coastal management, marine conservation, and climate-resilient agriculture exist but require support to scale and influence policy.

Disaster Risk Reduction and Recovery

The impacts of disasters are not gender-neutral. Climate-related disasters disproportionately affect women and marginalized communities due to pre-existing inequalities in access to resources, information, mobility, and decision-making power. Evidence shows that women and girls face higher mortality rates in climate-related disasters due to warning systems that don't reach them, mobility restrictions, caregiving responsibilities, and lack of survival skills. Understanding these gendered dimensions of disaster risk and resilience is essential for supporting innovations that effectively reduce vulnerability and build adaptive capacity.

Gender-Differentiated Vulnerabilities and Impacts

Access to risk information and Early Warning: Women have systematically less access to climate and disaster risk information due to limited access to mobile technology and internet, limited access to public shelters, exclusion from male-dominated information channels, and community meeting structures that don't accommodate women's time constraints or social norms.[22] Across low- to middle-income countries, women are 20% less likely to use mobile internet services, limiting their access to digital early warning systems.[23] For women from rural areas, children, and other marginalized groups, lower education levels and literacy rates further hinder their access to risk information, as warning systems are not adapted to their needs or literacy levels.[24] Innovations in early warning systems, climate information services, and risk communication often fail to reach women or address their specific information needs.[25]

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[20] Praksh, A. (2024). Breaking the Mold: Have gendered dynamics been overlooked in South Asian Adaptation Challenges?. https://doi.org/10.1371/journal.pclm.0000475

[21] Chand, R. (2024). Empowering Guardians: Women's Crucial Role in Conservation Efforts across the Pacific Islands – Insights from IUCN Oceania's Initiatives. https://iucn.org/blog/202403/empowering-guardians-womens-crucial-role-conservation-efforts-across-pacific-islands

[22] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[23] GSMA (2023). The Mobile Gender Gap Report 2023. https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/blog/the-mobile-gender-gap-report-2023/

[24] Muttarak, R and Pothisiri, W. 2013. "The Role of Education on Disaster Preparedness: Case Study of 2012 Indian Ocean Earthquakes on Thailand's Andaman Coast." Ecology and Society, 18(4). https://doi.org/10.5751/ES-06101-180451.

[25] Robakowski, A., Roberts, L. (2024). Incorporating Gender in disaster Risk Financing and Insurance (DRFI) Projects. The World Bank. https://documents1.worldbank.org/curated/en/099458507292439944/pdf/IDU16c7636bb15d9314b811826f15e347cf79dd8.pdf

Economic vulnerability and livelihoods: Women's economic activities, predominantly in informal sectors, subsistence agriculture, and home-based work, are highly vulnerable to climate shocks yet have limited access to risk financing mechanisms such as insurance, emergency credit, and savings. In developing countries where agriculture is the most important economic sector for female employment, women farmers are particularly vulnerable to disasters.[26] Research shows that women are more vulnerable to unemployment and may face higher losses after floods or earthquakes.[27] Disasters often exacerbate pre-existing economic inequalities, with women more likely to have fewer assets, lower labour force participation, and increased care responsibilities that impede recovery and coping capacity.[28]

Women's livelihoods are often shifted after a disaster, resulting in an increased share of domestic and unpaid work as women tend to take on more responsibility for managing post disaster household needs than men.[29] Innovations in climate risk financing, resilient livelihoods, and adaptive social protection frequently exclude women or fail to account for their economic realities, such as informal employment, lack of collateral, or intra-household asset control.

Capacity building and preparedness: Women face exclusion from disaster preparedness training, climate adaptation capacity-building, and technical assistance programs due to mobility constraints, time poverty from care responsibilities, lower formal education levels, and male-dominated extension and training systems. Research shows that levels of education and social status can also affect knowledge and awareness of disasters, making people with lower levels of education more vulnerable due to limited knowledge.[30] Innovative capacity-building approaches may inadvertently replicate these exclusions if not intentionally gender-responsive. Innovative capacity-building approaches may inadvertently replicate these exclusions if not intentionally gender-responsive in their design, timing, location, and delivery methods.

Participation in Decision-making: Women remain severely underrepresented in community-based disaster risk management structures, local adaptation planning processes, and innovation ecosystems focused on resilience.[31] Their practical knowledge of community vulnerabilities, household needs, and social networks is underutilized in developing and scaling resilience solutions. When women are included in DRR processes, they are often positioned solely as beneficiaries rather than as decision-makers, technical experts, or innovators.[32]

Gender-based violence (GBV): Disasters increase risks of gender-based violence, including domestic violence, sexual exploitation, and trafficking.[33] During displacement and in emergency shelters,

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[26] nternational Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[27] Acevedo, M C. 2014. "The Effect of Extreme Hydro-Meteorological Events on Labor Market Outcomes: Evidence from the Colombian Caribbean. Harvard Environmental Economics Research Seminar.

[28] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[29] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[30] Barua, U., Mannan, S., Islam, I., Akther, M.S., Islam, Md. A., Akter, T. et al. (2020). 'People's awareness, knowledge and perception influencing earthquake vulnerability of a community: A study on Ward no. 14, Mymensingh Municipality, Bangladesh', Natural Hazards 103(1), 1121–1181. https://doi.org/10.1007/s11069-020-04028-2

Dewi, R.P., Widiyatmoko, W., Wibowo, Y.A., Wardhani, P.I. & Hidayat, M.T., (2025). 'Gender differences in students' disaster knowledge and needs: A case study from Klaten, Indonesia', *Jàmbá: Journal of Disaster Risk Studies* 17(1), a1883. https://doi.org/10.4102/jamba.v17i1.1883

[31] Robakowski, A., Roberts, L. (2024). Incorporating Gender in disaster Risk Financing and Insurance (DRFI) Projects. The World Bank. https://documents1.worldbank.org/curated/en/099458507292439944/pdf/IDU16c7636bb15d9314b811826f15e347cf79dd8.pdf

[32] World Bank. 2021. Gender-Responsive Disaster Preparedness and Recovery in the Caribbean: Desk Review. https://hdl.handle.net/10986/35215

[33] UN Women (2023). Disasters, Crises and Violence against women: Evidence from Big Data Analyis. Lessons from Kiribati, Samoa, Solomon Islands and Tonga. https://data.unwomen.org/sites/default/files/documents/Publications/2023/disasters-vaw-pacific.pdf

women and girls face heightened vulnerability to GBV due to breakdown of social structures, lack of privacy, inadequate lighting and security, and disruption of protection mechanisms.[34]

Barriers to access and control Gaps

Access to Innovation Finance: Women's limited access to formal financial services such as bank accounts, credit, and stable income sources, reduces their capacity to manage shocks and rebuild after disasters. While informal savings groups and microfinance can play an important role in sustaining livelihoods, reliance on these systems alone may expose women to greater financial risk during periods of disruption.[35]

Women-led organizations and enterprises developing DRR solutions face significant barriers accessing grants, catalytic finance, and investment due to: smaller organizational size; lack of formal registration; limited financial literacy and proposal-writing capacity; male-dominated selection panels; and bias toward technology-focused rather than community-based solutions.

Technical Assistance and Capacity Building: Existing DRR technical assistance programs rarely reach women innovators or integrate gender expertise. Women entrepreneurs face barriers to business development services, mentorship networks, and peer learning platforms dominated by men.

Technology and Digital Tools: Women have less access to digital early warning systems, climate information platforms, and mobile-based risk reduction tools due to digital literacy gaps, limited smartphone ownership, and applications not designed for women's contexts. Women farmers also tend to have fewer inpits and technologies than their male counterparts, making them more vulnerable to thr impacts of disasters.[36] Cellphone usage and mobile internet services improves the access to early warnng systems, however, across low-to middle income countries women are 20% less likely to use mobile internet services.[37] DRR innovations increasingly rely on digital platforms and data-driven tools, but if women lack access to or literacy with these technologies, innovations often can bypass those most vulnerable.

Networks and Partnerships: Women innovators in DRR have limited access to investor networks, innovation hubs, technical experts, and policy engagement opportunities constraining their ability to scale proven solutions.[38] Innovation ecosystems are often male-dominated spaces where women face bias, lack mentorship, and struggle to build the relationships necessary for growth.[39]

Gender roles and division of Labour

Gender norms continue to shape who participates in disaster risk reduction decision-making and how responsibilities are distributed within households and communities. Women hold detailed knowledge of household-level vulnerabilities, coping strategies, and the ways climate impacts interact with food, water, care work, and community wellbeing. However, their roles are largely confined to informal or community-based spheres, and they are positioned soley as beneficiaries rather than agents of

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[34] UN Spotlight Initiative. (2025). Colliding Crises: How the climate crisis fuels gender-based violence. Issue Brief. https://spotlightinitiative.org/publications/colliding-crises-how-climate-crisis-fuels-gender-based-violence

[35] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[36] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[37] GSMA (2023). The Mobile Gender Gap Report 2023. https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/blog/the-mobile-gender-gap-report-2023/

[38] UNDP (2017). Gender adaptation and disaster Risk Reduction. Policy Brief. https://www.undp.org/publications/gender-adaptation-and-disaster-risk-reduction

[39] Armitage, A. , Feldman, R. (2017). The Gender Gap in Startup Catalyst Organizations: Bridging the Divide between Narrative and Reality. https://repository.uclawsf.edu/cgi/viewcontent.cgi?article=2590&context=faculty_scholarship

change.[40] As a result, women's insights and priorities are rarely reflected in official DRR planning, and their strong community networks, which are critical for mobilizing communication and collective action during crises, remain underutilized in preparedness and response systems.

These gendered divisions of labor also influence who shapes DRR innovation. Globally, in 2024, 90% of the climate tech funds was captured by men, while only 5.3% of climate tech deals went to women.[41] Male entrepreneurs, researchers, and technical actors are overrepresented in the development of climate and disaster resilience technologies and solutions.

Gendered Innovation Gaps: User testing and piloting often fail to include women as primary users, meaning gender-specific needs such as accessibility, time burdens, mobility constraints, or the integration of care responsibilities are overlooked. At the same time, forms of innovation rooted in women's traditional roles, such as crop diversification, seed preservation, communal labor exchange, and informal social protection networks, are frequently undervalued because they do not align with dominant, technology-centric definitions of innovation.[42] This reinforces the perception that men produce "technical" knowledge while women's adaptive practices remain invisible.

Capacity-building efforts within DRR similarly reflect and reproduce gendered labor patterns. Training programs on climate information services, early warning systems, risk modeling, and technological applications tend to reach men disproportionately, often because of when and where they are offered, as well as the channels used to disseminate information. Women's participation is further limited by caregiving responsibilities and mobility constraints.[43] As a result, women have fewer opportunities to gain technical expertise or assume leadership roles in DRR innovation spaces. [44] Moreover, gender perspectives are rarely integrated into technical assistance packages, meaning that the trainings themselves do not challenge existing inequalities in knowledge production, resource access, or decision-making authority.

Opportunities for Gender-Responsive Innovation

Through AFCIA 2, the project can advance gender equality in DRR innovation by:

- Prioritizing women-led and women-inclusive innovations in early warning systems, risk financing, resilient livelihoods, and community-based preparedness that address women's specific vulnerabilities and leverage their knowledge.
- Providing tailored technical assistance to women entrepreneurs and women-led organizations developing DRR solutions, including business planning, financial management, proposal writing, and access to mentorship networks.
- Designing gender-responsive capacity building that accommodates women's time constraints, mobility limitations, and literacy levels through flexible timing, peer-to-peer learning, and accessible formats.

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[40] Dazé, A. & Dekens, J. (2018). Towards Gender-Responsive National Adaptation Plan (NAP) Processes: Progress and Recommendations for the Way Forward. International Institute for Sustainable Development. Winnipeg, Canada. Retrieved from www.napglobalnetwork.org

[41] Cox, E., Jackson-Moore, W. King, J. Osmaston, R. (2024). State of the Climate Tech 2024. https://www.pwc.com/gx/en/issues/esg/climate-tech-investment-adaptation-ai.html

[42] GIZ (2022). Toward Gender-Responsive Ecosystem-based adaptation. Why it's needed and how to get there. https://www.adaptationcommunity.net/wp-content/uploads/2021/07/Toward-gender-responsive-EbA.pdf

[43] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[44] Suryani, R., Yoshimi, N., Agussabti, Sakurai, Ai., Sakaguchi, N., Ramadhian, I. (2025). Promoting Gender-Equitable Leadership in Disaster Management: Empowering Women for Resilient Communities. Policy Brief. https://www.preventionweb.net/media/105853/download?startDownload=20251110

- Ensuring DRR innovations consider and integrate GBV prevention and response through gender analysis and safeguards.

Regional Differentiation

- **Latin America and the Caribbean:** Women are often the majority of disaster-affected populations and face unequal access to recovery resources and decision-making. Increased GBV, economic marginalization, and exclusion from policy processes hinder women's resilience after disasters.[45] Regional women's networks actively promote leadership and gender mainstreaming in DRR, but systemic challenges persist due to entrenched inequalities.[46]
- **Sub-Saharan Africa:** Gender vulnerabilities in disasters intersect with poverty and race, with women and marginalized groups facing higher exposure to climate hazards and less capacity to recover. Structural inequalities reduce women's access to resources, protection, and leadership in disaster management, increasing risks of violence and economic marginalization.[47]
- **Pacific Islands:** Women and girls in island nations face heightened vulnerability due to dependence on natural resources that are sensitive to disasters. Emergency displacement increases risks of GBV and limits safe access to basic needs like water and sanitation. Cultural norms often restrict women's mobility and decision-making power. While some Pacific countries have begun including women in DRR planning, concrete actions and gender-responsive policies remain insufficient.[48] Traditional knowledge systems stewarded by women, including seasonal forecasting and resource management practices, offer valuable but underutilized foundations for innovation.

Climate-Resilient Food Systems

Women are central to global food systems, producing 50% of the world's food, and up to 80% in developing countries,[49] yet face systematic discrimination in access to land, credit, technology, markets, and decision-making. Climate change is intensifying these inequalities: women farmers have fewer resources to adapt, bear disproportionate responsibility for household food security, and face increasing time and labour burdens as agricultural conditions deteriorate. Yet women are also agricultural innovators by managing crop diversity, conserving seeds, integrating livestock and crops, and developing climate-adaptive practices. Food systems are complex, because they connect issues of health, nutrition, climate change, fisheries, livestock and agriculture. Gender equality is crucial, as benefits from agricultural activities are not equitably distributed between women and men. Understanding and addressing gender inequalities in food systems is essential for supporting innovations that enhance climate resilience, food security, and economic opportunity.

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[45] Beltrame, D., Medina, M. (2022). Hacia la igualdad de genero y el liderazgo de as mujeres para la resiliencia ante el riesgo de desastres en America Latina y El Caribe. UNDRR. https://www.undrr.org/publication/towards-gender-equality-and-womens-leadership-resilience-disaster-risks-latin-america

[46] Latin American and Caribbean Women's Network for Disaster Risk Reduction. (2023). Best practices in science, technology and innovation for resilience, leadership and empowerment of women and girls in disaster risk reduction in Latin America and the Caribbean. https://www.undrr.org/media/106800/download?startDownload=20251110

[47] Udo, F., Naidu, M. (2023). Exploring Black African women's experiences of vulnerability and adaptation to flood impacts in the eThekwini metropolitan municipality, KwaZulu-Natal, South Africa, International Journal of Disaster Risk Reduction, https://doi.org/10.1016/j.ijdrr.2023.103798.

[48] UN Women. (2020). Gender-Responsiveness and Disability-inclusion in disaster Risk Reduction in the Pacific. https://wrd.unwomen.org/sites/default/files/2022-07/73853_summary%20sendaipacificbrieffinal.pdf

[49] UNDP (2024). Nature for Gender Equality. Nature Pledge. https://www.undp.org/sites/g/files/zskgke326/files/2024-10/undp_nature_for_gender_equality.pdf

Gender-Differentiated Vulnerabilities and Impacts

Economic dependence and undervaluation: Agrifood systems are a more important source of livelihood for women than for men in many countries, for instance, in sub-Saharan Africa 66% pf women's employment is in agrifood and in southern Asia 71% of women work in agrifood systems.[50] Despite women's significant role and contribution in agricultural food systems and household food security, their contributions are *undervalued, unpaid and overlooked*.[51] Women are concentrated in lower-income activities and in producing food for household consumption or informal markets, reflecting and reproducing their domestic caregiving roles, while men dominate more profitable value chain segments.[52]

Food security and malnutrition: Women and girls are disproportionately affected by climate change and environmental degradation despite being key contributors to sustainable food systems. They do not reap the same benefits as men and boys and tend to be more food insecure.[53] Research by FAO shows that the food insecurity remains consistently higher among women than among men, globally and in all regions.[54] During criris, women farmers are particularly vulnerable to experience hunger. [55]

Women farmers face multiple levels of discrimination. When available food is inadequate, women and girls bear the brunt of food provisioning and distribution. Internal food distribution is highly gendered; in some societies its common to distribute food according to sex, gender and status, leaving women and girls to eat last and least.[56] This gendered food allocation has direct implications for women's and girls' nutrition, health, and capacity to engage in productive work, creating a vicious cycle of vulnerability.

Structural inequalities in Agriculture: Patriarchal norms that result in power disparities between men and women also disadvantage women in terms of land rights (small plots, ownership challenges, discriminatory inheritance rights), productive resources (no access to credit markets, extension services, or inputs), unpaid labour, precarious employment, and low levels of decision-making participation.[57] These structural inequalities in access also limit women's participation in high-value agricultural value chains. Social norms that position men as main earners reinforce men's dominance in more profitable value chain segments.[58]

Indigenous Women's Vulnerabilities: Indigenous Peoples, and Indigenous women in particular, play essential roles in sustaining biodiversity, stewarding communal lands, and managing water and other natural resources. They are key custodians of traditional ecological knowledge and practices that are vital for climate-resilient food systems. [59] However, their contributions are frequently undervalued,

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[50] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[51] Harriet, M., Muchiri, C., Frimpong-Wiafe, B., Enahoro, D. (2025) Gender integration in food-system policies: and adapted policy assessmet framework. CGIAR GENDER impact Platform Working Paper #025. Nairobi, Kenya.
[52] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[53] UN Women (2023). The Climate-Care Nexus: Addressing the linkages between climate change and Women's and Girls' unpaid care, domestic and communal work.
[54] FAO (2025). The State of Food Security and Nutrition in the World 2025. https://openknowledge.fao.org/server/api/core/bitstreams/4eed749b-81f8-49c9-ba32-f09c66988d54/content/state-food-security-and-nutrition-2025/ending-hunger-food-security.html#gsc.tab=0
[55] Harriet, M., Muchiri, C., Frimpong-Wiafe, B., Enahoro, D. (2025) Gender integration in food-system policies: and adapted policy assessmet framework. CGIAR GENDER impact Platform Working Paper #025. Nairobi, Kenya.
[56] Aguilar, L. (2022). Study on the differentiated impacts of desertification, land degradation and drought on women and men. UNCCD. https://www.unccd.int/sites/default/files/2022-11/Gender%20study%20.pdf
[57] Botreau, H., Cohen, M. (2020). Chapter Two - Gender inequality and food insecurity: A dozen years after the food price crisis, rural women still bear the brunt of poverty and hunger. Advances in Food Security and Sustainability. https://doi.org/10.1016/bs.af2s.2020.09.001
[58] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[59] FAO (2020). Policy on Gender Equality 2020-2023. https://openknowledge.fao.org/server/api/core/bitstreams/a75d575e-9f7e-45ad-afd9-a2cbfda37ad7/content

and they continue to face structural and intersecting forms of disadvantage. [60] Indigenous women are also more likely to work under precarious or poorly paid conditions, have limited or insecure access to land, forests and water sources, and encounter persistent discrimination in markets, governance spaces and service delivery systems.

Gender-Based Violence: The prevalence of gender-based violence is also a systemic barrier that prevents women's empowerment in food systems, negatively impacting their livelihoods and their families' and their own nutrition security.[61] GBV in agricultural contexts includes domestic violence, sexual harassment in workplaces and markets, and violence related to land disputes.[62] This dimension is often invisible in food systems programming but fundamentally shapes women's ability to participate safely and effectively.

Climate Change Impacts: Climate variability and extreme weather events exacerbate all of these vulnerabilities. Droughts, floods, and erratic rainfall patterns disproportionately affect women farmers who have fewer resources to adapt, less access to climate information and early warning systems, and limited mobility to seek alternative livelihoods.

Barriers to access and control Gaps

Land rights: Women's access to land remains one of the most significant structural barriers shaping their participation and resilience in climate-resilient food systems. While women cultivate a large share of agricultural land in developing countries, around 43 percent, they hold ownership over less than 20 percent of this land.[63] Limited and insecure land tenure reduces women's ability to make long-term investments in sustainable farming practices and climate adaptation measures, and it also restricts their access to credit, since land is commonly required as collateral. For women entrepreneurs developing agricultural innovations, lack of land title creates cascading barriers to accessing finance, piloting technologies, and scaling solutions.

Agricultural resources and technology: Women farmers also face notable disadvantages in accessing agricultural inputs and technologies. They typically have lower access to fertilizers, improved seeds, and pesticides, and are largely excluded from mechanization such as tractors and irrigation pumps. Similarly, women's uptake of climate-smart innovations (including drip irrigation, drought-tolerant seed varieties, and weather-indexed insurance) is constrained by both financial and informational barriers. These disparities directly limit productivity and adaptive capacity in the face of climate variability.

Financial services: Access to financial services presents another critical constraint. Globally, women farmers receive less than 10 percent of available agricultural credit,[64] reflecting both institutional biases and product designs that do not align with women's realities, such as smaller plot sizes, lack of formal collateral, and reliance on informal or seasonal income. The absence of tailored financial instruments further limits women's ability to adopt new technologies, diversify livelihoods, or recover from climate shocks.

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[60] ECLAC (2022). The care society: A horizon for sustainable recovery with gender equality. https://www.cepal.org/en/publications/48362-care-society-horizon-sustainable-recovery-gender-equality

[61] Harriet, M., Muchiri, C., Frimpong-Wiafe, B., Enahoro, D. (2025) Gender integration in food-system policies: and adapted policy assessmet framework. CGIAR GENDER impact Platform Working Paper #025. Nairobi, Kenya.

[62] Social Development Direct (2020). Addressing Gender-based Violence and Harassment (GBVH) in the Agribusiness Sector. https://www.ifc.org/content/dam/ifc/doc/mgrt/sectorbrief-addressinggbvh-agribusiness.pdf

[63] FAO (2017). Gender and Land statistics. https://openknowledge.fao.org/server/api/core/bitstreams/3ec70b1b-da5f-430c-86ee-3756b49db09b/content

[64] Root Capital (2024). Women in Agriculture Annual Report. https://rootcapital.org/wai-report-2024/

Extension services and Information Systems: Agricultural extension and information systems also tend to bypass women. Research shows that formal extension services reach only a small minority of women farmers worldwide, tipically in the range of 5–10 percent according to FAO's earlier documentation,[65] and climate and market information is often disseminated through channels or formats that do not consider women's mobility constraints, education levels, or time burdens. As a result, women frequently lack timely knowledge on climate risks, crop diversification options, and market opportunities.

Market access and value chains: women's participation in markets and value chains is restricted by several interlinked barriers. Limited mobility and transportation options, combined with a concentration in perishable, low-value crops, reduce women's ability to sell competitively or move beyond informal markets and low-value chains.[66] Exclusion from cooperatives and producer organizations further weakens their bargaining power, limiting both their income and influence over value-chain decision-making.

Gender roles and division of Labour

Women bear a greater burden of unpaid domestic and unpaid care work, such as cleaning, cooking and taking care of household members. Since women have more pressure to provide meals they are pushed into poorly paid informal sector work, often competing amongst them for low earnings and insecure jobs.[67] Since women face less access to productive, financial and agricultural resources, they have fewer options to overcome crisis and their households are more vulnerable, as they tend to spend a higher share of their income on food than male household heads.

Feminization of Agriculture: The 'feminization of agriculture' describes women's increasing roles in agriculture in relation to men, and the outmigration of men from rural areas is considered a key driver. In several contexts—such as Bangladesh, Guatemala, Morocco, Mozambique and parts of Southeast Asia—male outmigration has been associated with increased decision-making power and autonomy for women.[68] In these cases, women may have more opportunities to participate in agricultural trainings, adopt new technologies and make independent decisions.

However, the evidence is not uniform. Other studies find no clear improvements, and some highlight negative outcomes, including heightened workloads, adverse health impacts and reduced food security.[69] The feminization of agriculture also generates changes in the households' dynamics, as women often take more work in the household, which can generate both positive and negative implications for women's empowerment, often depending on the geographies, gender norms, and individual characteristics such as age, class, ethnicity, etc. Younger women, in particular, are less likely to experience increased autonomy, especially when they reside in extended households with other adult family members.[70]

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[65] FAO (n.d.) Chapter 9 – Improving women farmer's access to extension services. https://www.fao.org/4/w5830e/w5830e0b.htm
[66] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[67] Botreau, H., Cohen, M. (2020). Chapter Two - Gender inequality and food insecurity: A dozen years after the food price crisis, rural women still bear the brunt of poverty and hunger. Advances in Food Security and Sustainability. https://doi.org/10.1016/bs.af2s.2020.09.001
[68] Paris, T.R., Luis, J., Villanueva, D., Rola-Rubzen, M.F., Chi, T.T.N. & Wongsanum, C. (2010). Labour out migration on rice farming households and gender roles: Synthesis of findings in Thailand, the Philippines and Vietnam. https://tinyurl.com/2lcyvkfz
[69] Menjívar, C. & Agadjanian, V. (2007). Men's migration and women's lives: Views from rural Armenia and Guatemala. Social Science Quarterly, 88(5): 1243–1262. https://doi.org/10.1111/j.1540-6237.2007.00501.x
Radel, C. & Schmook, B. (2009) Migration and gender: The case of a farming ejido in Calakmul, Mexico. Yearbook of the Association of Pacific Coast Geographers, 71(1): 144–163. https://doi.org/10.1353/pcg.0.0027
[70] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en

Invisible unpaid labour: The unpaid care work done by women also remains less visible within lucrative value chains, where women often provide preparatory work and services, yet it remains considered as unpaid family labour.[71] Women tend to be categorized as "helpers" in family businesses, with terms that are often informal, without access to social protection and with greater exposure to environmental and health risks.[72] This invisibility extends to innovation: women's adaptive practices, knowledge systems, and contributions to climate resilience are rarely documented, valued, or supported as "innovation."

Opportunities for Gender-Responsive Innovation on CRFS

Through AFCIA 2, the project can advance gender equality in climate-resilient food systems by:

- Prioritizing innovations led by or meaningfully involving women farmers and entrepreneurs across the value chain, from production to processing, marketing, and consumption, ensuring women are business owners and decision-makers, not just labourers or beneficiaries.
- Supporting diverse innovation approaches including agroecological practices, seed systems, post-harvest technologies, nutrition-sensitive value chains, and community-based knowledge systems that reflect women's roles and expertise, not just large-scale, capital-intensive solutions.
- Addressing land tenure barriers by supporting innovations that work within existing land tenure constraints (e.g., collective tenure, rental arrangements, communal lands) while advocating for women's land rights, and ensuring land is not a prerequisite for accessing project support.
- Building women's capacity as innovators and entrepreneurs through business development services, financial literacy, digital literacy, technical training on climate-smart agriculture, and leadership development tailored to women's contexts and needs.
- Creating inclusive innovation spaces through women-focused accelerator cohorts, mentorship programs, networking platforms, and peer learning opportunities that build women's confidence, skills, and connections to resources and markets.

Regional Differentiation

- **Latin America and the Caribbean:** In some parts of the region, women account for a larger and growing share of the agricultural labour force, particularly in rural areas where many men migrate for work elsewhere. In many rural areas, restrictive gender norms constrain women's movement and employment opportunities, leading to predominantly male outmigration. This dynamic can significantly alter the division of labour and relational roles within households.[73] It is important to consider that this 'feminization of agriculture' is not often associated with improvements in the wellbeing of the women who stay.
- **Sub-Saharan Africa:** more than 50 percent of workers under 25 years old are employed in agrifood systems in all countries in the region.[74]
- **South Asia:** In several Southeast Asian countries such as Cambodia, Lao PDR and Viet Nam, women make up a substantial proportion of the agricultural workforce—around half of all agricultural labour—and this trend has remained relatively stable over the past decade and a half. In South Asian countries including Bangladesh, India and Pakistan, agriculture also

[71] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[72] Lo Bue, M.C., Le, T.T.N., Santos Silva, M. & Sen, K. 2022. Gender and vulnerable employment in the developing world: Evidence from global microdata. World Development, 159: 106010. https://doi.org/10.1016/j.worlddev.2022.106010
[73] FAO (2023). The status of women in agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[74] FAO (2023). The status of women in agrifood systems. Rome. https://doi.org/10.4060/cc5343en

employs a higher share of women than men. However, because overall female labour force participation in the region remains low, the weight of women's significant role in agriculture is not fully reflected in regional or global employment statistics.[75]

III. Mechanisms to address gender inequality – Global Frameworks

AFCIA 2 is grounded in a robust international architecture for gender equality and climate action. This section outlines the key global frameworks, policies, and mechanisms that provide the normative foundation for gender-responsive climate adaptation and guide the programme's approach to integrating gender across Nature-Based Solutions, Disaster Risk Reduction, and Climate-Resilient Food Systems.

International Human Rights and Gender Equality Frameworks

The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) establishes the universal rights of women and obligates states to eliminate discrimination in all spheres. Relevant to AFCIA2:

- Article 14 specifically addresses rural women's rights, including access to agricultural credit, training, land, water, and participation in development planning.[76]
- General Recommendation 37 (2018) on gender-related dimensions of disaster risk reduction in a changing climate underscores women's heightened vulnerability in the context of climate change and makes a call for their participation in climate adaptation efforts.[77]

The Beijing Declaration and Platform for Action identifies areas of concern that are relevant for realizing gender equality and the human rights of women and girls. Some of these are directly relevant to climate adaptation:

- Critical Area K – Women and the Environment: recognizes the increased vulnerabilities that women and girls face due to disasters, the deterioration of natural resources and climate change. It also highlights women's vital role in environmental management, and makes a call for increasing women's participation in environmental decision-making.
- Critical Area A – Women and Poverty: Addresses economic empowerment as fundamental to resilience.
- Critical Area G – Women in Power and Decision-Making: Calls for Women's equal participation at all levels.[78]

[75] FAO (2023). The status of women in agrifood systems. Rome. https://doi.org/10.4060/cc5343en

[76] UN General Assembly (1979) Convention on the Elimination of All Forms of Discrimination Against Women, United Nations, Treaty Series. https://www.ohchr.org/sites/default/files/Documents/ProfessionalInterest/cedaw.pdf

[77] UN General Assembly (2018) General recommendation No.37 (2018) on gender-related dimensions of disaster risk reduction in a changing climate. https://www.ohchr.org/en/documents/general-comments-and-recommendations/general-recommendation-no37-2018-gender-related

[78] United Nations (1995). Beijing Declaration and Platform for Action. https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/CSW/PFA_E_Final_WEB.pdf

The 2020 review of the Beijing Declaration and Platform for Action reaffirmed that climate change is a critical emerging challenge requiring gender-responsive action.[79]

AFCIA 2 directly aligns and contributes to these international frameworks through a project that promotes the involvement of women in adaptation, supports women's innovation initiatives at the local levels and strengthens women's economic empowerment through climate innovation.

Sustainable Development Goals

SDG 5: Achieve Gender Equality and Empower all Women and Girls: this SDG provides specific targets that are directly relevant to AFCIA 2:

- Target 5.1: End all forms of discrimination against women and girls
- Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making
- Target 5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources
- Target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls

The project also addresses the interlinkages between gender equality and:

- SDG 2 (Zero Hunger): Gender-responsive climate-resilient food systems
- SDG 6 (Clean Water and Sanitation): Women's access to water in NbS contexts
- SDG 13 (Climate Action): Gender-responsive climate adaptation
- SDG 15 (Life on Land): Women's participation in ecosystem restoration and NbS

Climate Change and Gender Frameworks

UNFCCC Gender Action Plan

The Lima Work Programme on Gender (2014) and the Enhanced Gender Action Plan (2019), establish gender equality as integral to effective climate action. The GAP includes five priority areas:[80]

Priority A: Capacity-building, knowledge management and communication

- Relevant to AFCIA2's support for gender capacity-building among innovators and technical assistance providers
- Guides knowledge-sharing and peer learning approaches

Priority B: Gender balance, participation and women's leadership

- Frames AFCIA2's commitment to women's participation in innovation ecosystems, grant selection processes, and governance structures
- Informs targets for women's leadership in supported innovations

Priority C: Coherence (policy coherence across national and international levels)

[79] UNHR (2020). 25 Years in Review of the Beijing Platform for Action. https://www.ohchr.org/sites/default/files/Documents/Issues/Women/SR/Booklet_BPA.pdf

[80] UNFCCC (2019). Enhanced Gender Action Plan. https://unfccc.int/topics/gender/workstreams/the-gender-action-plan

- Guides AFCIA2's alignment with National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs)
- Ensures integration of gender considerations in climate finance access

Priority D: Gender-responsive implementation and means of implementation

- Directly relevant to AFCIA2's approach to gender-responsive technical assistance, capacity-building, and financing
- Informs gender-responsive budgeting and resource allocation

Priority E: Monitoring and reporting

- Guides AFCIA2's gender-sensitive M&E framework and sex-disaggregated data collection requirements
- Informs reporting on gender outcomes

Sectoral Frameworks and Guidelines

Nature-Based Solutions

- IUCN Global Standard for Nature-based Solutions (2020): Criterion 4 outlines that there needs to be equity in the distribution of benefits and cost for a NbS. Similarly, Criterion 5 highlights that NbS have to be based on inclusive, transparent and empowering governance processes, responding to the concerns of right holders.[81] This is particularly relevant when the interventions operates or impacts the territories of indigenous peoples.
- Convention on Biological Diversity Gender Plan of Action (2020-2030): Recognizes women as agents of change in biodiversity conservation and land use, and makes a call for women's full and effective participation in biodiversity-related decision making.[82]

Disaster Risk Reduction

- Sendai Framework for Disaster Risk Reduction (2015-2030): recognizes women's participation as critical to effectively manage disaster risk, and to design, resource, and implement gender-sensitive DRR policies, plans and programmes.[83]

Food Systems and Agriculture

- FAO Policy on Gender Equality (2020-2030): it sets targets for women's equal voice in decision-making, equal rights, access and control over natural resources, services, makets and decent work, and for a reduction of women's work burden, through enhanced access to technology, infrastructure, and redistribution of responsibilities at the household level.[84]
- Committee on World Food Security (CFS) Voluntary Guidelines on the Responsible Governance of Tenure (2012): emphasizes women's equal right to land, fisheries and forests

[81] IUCN (2020). Global standard for Nature-based Solutions. A user-friendly framework for the verification, design and scaling up of NbS. First edition. Gland, Switzerland: IUCN. https://portals.iucn.org/library/sites/library/files/documents/2020-020-En.pdf
[82] UNEP (2022). Convention on Biological Diversity Gender Plan of Action. https://www.cbd.int/doc/c/f64f/e1b9/e8da56802bc2c458a56fcefa/cop-15-l-24-en.pdf
[83] UNDRR (2015). Sendai Framework for Disaster Risk Reduction 2015 – 2030. https://www.undrr.org/media/16176/download?startDownload=20251017
[84] FAO (2020). Policy on Gender Equality 2020-2023. https://openknowledge.fao.org/server/api/core/bitstreams/a75d575e-9f7e-45ad-afd9-a2cbfda37ad7/content

while making a call for legal recognition for tenure rights that benefit women, including the right to inherit and bequeath.[85]

National-level Frameworks

AFCIA 2 recognizes that global commitments must be operationalized through national frameworks, including:

- National Adaptation Plans (NAPs): Increasingly integrate gender considerations following UNFCCC guidance. AFCIA 2 aligns supported innovations with gender-responsive NAP priorities.
- Nationally Determined Contributions (NDCs): AFCIA 2 contributes to gender-responsive NDC implementation by supporting innovations aligned with national adaptation priorities.
- National Gender Equality Policies and Strategies: AFCIA 2 will ensure supported innovations align with national gender policies once countries are selected.
- National Climate Change Gender Action Plans (ccGAPs): Some countries have developed dedicated climate-gender action plans. AFCIA2 will leverage and contribute to these where they exist.

By grounding the programme in this framework of international, regional, national and sectoral commitments, AFCIA 2 ensures that its approach to gender equality is not isolated but rather contributes to a broader effort toward inclusive, sustainable development.

IV. Gender analysis and recommendations

Gender analysis

The gender analysis undertaken at the onset and design of this project acts as an entry point for gender mainstreaming throughout implementation. It is grounded in an intersectional approach that recognizes how gender inequalities interact with other forms of marginalization—including age, ethnicity, disability, class, geographic location, and LGBTQI+ identity—to shape individuals' experiences of climate vulnerability and their ability to participate in and benefit from climate innovation.

This analysis draws on three primary sources: (1) stakeholder consultations with diverse actors across the climate innovation ecosystem, including AFCIA 1 grantees and partners, UNDP grantees from other projects, women entrepreneurs, and technical experts; (2) comprehensive review of secondary literature and cross-sectoral evidence on gender and climate adaptation in Nature-based Solutions, Disaster Risk Reduction, and Climate-Resilient Food Systems; and (3) analysis of existing gender gaps in climate finance, innovation ecosystems, and adaptation programming globally and across target regions.

Stakeholder consultations took place online, throughout October to December 2025. Results from the consultations are detailed below in the Stakeholder engagement section and Gender Action Plan and are included in full as an additional annex to this proposal.

The gender analysis, through stakeholder engagement and consultation enabled:

- Participatory engagement, development and input into the design of the AFCIA2, ensuring the project reflects the priorities, constraints, and innovations of women and marginalized groups

[85] FAO, CFS (2012). Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. https://www.fao.org/cfs/policy-products/vggt/en/

across target sectors and regions,
- Identification of key gender gaps and barriers in climate innovation ecosystems, including access to finance, networks, technical assistance, markets, and decision-making platforms,
- Documentation of women's roles, knowledge, and innovations in NbS, DRR, and CRFS that are often invisible or undervalued in formal innovation systems,
- Demonstration of the need for gender-disaggregated data and indicators to establish a baseline in which to measure improvements and identify areas of focus; and
- Establishment of recommendations to incorporate into the Gender Action Plan and project monitoring framework.

Project design and implementation

This Gender Assessment and Action Plan has informed the overall project design by identifying gender-differentiated risks, barriers and opportunities across the three thematic areas and by shaping the project's theory of change, selection criteria, grantee support mechanisms, monitoring framework and institutional arrangements. Several elements of the GAP, including gender-responsive enterprise support, mandatory gender analysis for grantees, requirements for sex-disaggregated data, and the inclusion of a Gender and Safeguards Analyst, have been incorporated directly into the design of AFCIA Phase 2. During implementation, the GAP will guide grant proposal development, selection processes, capacity-building activities, monitoring and reporting, and the development of rapid gender assessments and localized Gender Action Plans for each grantee.

The design of the project explicitly recognizes gender equality and women's empowerment as core principles. The project's enterprise development approach aims not only to strengthen climate resilience and regional collaboration but also to ensure that innovation ecosystems and adaptation investments are inclusive and transformative.

To achieve this, gender considerations must be mainstreamed across all project components, from the identification of locally led innovations and the provision of grants or technical assistance, to the structure of knowledge-sharing platforms and capacity-building activities. A deliberate focus on women, including those from marginalized groups such as people with disabilities or those living in rural areas will be essential to meet the objectives of climate resilience and social equity.

The project design and implementation will take into consideration the following gender implications:

Project design:

- Integrate gender across the 3 project components: Gender considerations are mainstreamed across:
    - Develop Specific strategies to include women-led adaptation innovations that integrate gender equality and social inclusion considerations through gender-responsive selection criteria that prioritize women-led innovations, assess innovations' gender impacts, and value diverse forms of innovation including community-based and social approaches
    - Grants and challenge funds: Set targets for women-led/women-inclusive innovations, simplify application processes and provide proposal development support.
    - Technical assistance: Provide tailored support addressing women entrepreneurs' specific needs
    - Capacity building and peer learning: Create women-focused mentorship programs, and networking platforms; ensure training timing, location, and format accommodate women's needs; integrate gender content into capacity building

    - Knowledge management: Document and amplify women's innovations, traditional knowledge, and adaptation practices; ensure knowledge platforms and events have gender-balanced participation and leadership
- Identification of gaps in gender equality through the use of sex-disaggregated data enabling development of a gender action plan to close those gaps, devoting resources and expertise for implementing such strategies, monitoring the results of implementation, and holding individuals and institutions accountable for outcomes that promote gender equality.

Address intersectionality explicitly: Design project activities to reach and benefit women across diverse identities and contexts, including: rural women, Indigenous women, young women, women with disabilities, LGBTQI+ individuals, women from ethnic minorities.These design elements stem from the findings of this Gender Analysis and provide the foundation for the operational measures that will be implemented once grantees are selected.

Grantee Requirements and Support

During implementation, these requirements will translate the strategic recommendations of the GAP into concrete, grantee-level actions, ensuring that each innovation supported by AFCIA 2 is gender-responsive and aligned with AF and UNDP policies.

- Mandatory gender analysis and safeguarding at grantee level. All grantees must:
    - Meet at least Gender Marker 2, signifying that gender equality is a significant objective of the project;
    - Conduct a gender analysis in their specific operating contexts, analysis to identify and address the specific needs, priorities, and structural barriers faced by different groups, particularly women and marginalized communities.
    - Apply environmental and social safeguards with gender lens, including: Free, Prior and Informed Consent (FPIC) for Indigenous peoples with specific attention to Indigenous women's participation; GBV prevention and response mechanisms; ensuring innovations do not increase women's unpaid labour burdens.
    - Develop simplified Gender Action Plans with concrete activities, timelines, responsibilities, and resources
- Grantees will screen for environmental and social risk, and formulate relevant risk mitigation measures, and based on this screening, they may be required to develop targeted management plans.
- AFCIA 2 Gender Specialist will provide: guidance on conducting gender analysis; review and feedback on analysis and Gender Action Plans, ongoing technical support during implementation.
-

Gender-disaggregated data and reporting

- Grantees must collect, analyse, and report:
    - Quantitative data: Sex-disaggregated participation, leadership, and beneficiary data
    - Qualitative data: How innovation addresses gender-differentiated needs, unintended gender impacts (positive or negative)

This will be incorporated in the annual Project Implementation Report, Mid-Term Report, and Terminal Evaluation. Indicators to quantify the achievement of project objectives in relation to gender equality and social inclusion will capture the number of individuals from diverse groups — including women, men, youth, persons with disabilities, ethnic minorities, and other marginalized populations — who have been supported through grants, training opportunities, knowledge management

activities, and information dissemination.

Institutional arrangements

- Inclusion of a Gender Specialist position within the project to implement gender related activities.
- The project activities shall be required to be at least a Gender Marker 2, which that the output of these activities will promote gender equality in a consistent way. The project activities will be gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them.
- Gender-responsive Monitoring and Evaluation, tracking number of women receiving grants, types of organisations supported (sex-disaggregated by ownership and management), indicators capturing intersectionality (disaggregation by ethnicity, age, disability status). Gender-responsive Monitoring and Evaluation tracking will not only track the number of women receiving grants, but also the types of organisations supported, disaggregated by sex in terms of ownership and leadership. Indicators capturing intersectionality, with data disaggregated by ethnicity, age, disability status, and other relevant dimensions.
- Qualitative indicators to measure transformative change, whether the intervention contributed to closing gender gaps and how effectively it addressed gender-differentiated needs.

Stakeholder engagement

As detailed in the stakeholder Engagement Approach in the Project Proposal, at the stage of proposal formulation it was not yet feasible to conduct deeper consultations at the level of specific project sites or with stakeholders that will ultimately be engaged by the grantees. This is because the specific sub-projects and implementing partners (grantees) across the regions will be identified through a global open call for proposals, which will take place at the beginning of the implementation stage. As such, the project currently includes Unidentified Sub-Projects (USPs), consistent with the nature of the innovation process being supported and in line with guidance from the Adaptation Fund (Decision B.39/52).

Given this structure, UNDP´s approach to stakeholder consultation has been adapted accordingly in a two-phased approach to consultations: a) During project design and b) Once grantees are selected.

In line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy (GP), initial virtual consultations with key stakeholders were undertaken by UNDP. These consultations include past grantees from AFCIA 1, grantees supported by other UNDP Programmes (that advance adaptation, local action or innovation acceleration), representatives from other UN partner agencies, civil society organizations, research centres and other relevant institutions. Consultations inside UNDP with the five Regional Bureaus were also undertaken (mainly with the Environment Regional Technical Leads and additional teams which were brought in into these preliminary consultations) to strengthen the project design. These consultations inform the overall project framework, including implementation principles, the Gender Action Plan and Environmental and Social Framework. A full list of the stakeholders consulted is available in Annex 6- Stakeholder Mapping and the results and notes from said consultations are available in Annex 7-Stakeholder Consultations and Engagement.

Specific issues raised include:

- Outreach and communication barriers: Women and rural groups lack access to smartphones, internet, and digital platforms, limiting their visibility and ability to receive project or grant information. A consulted participant from a women-led STEM organisation highlighted that this is particularly strong in rural areas, "in Tajikistan, women rely on radio because they lack phones or internet". Lack of clear communication channels and complex application requirements discourage rural women and small CSOs from applying.
- Barriers to participation in climate action: there is severe underrepresentation of women in STEM, agritech and climate-related technical roles. Strong gender norms and restricted mobility limit women's ability to attend trainings and workshops, reducing the target audience to men even when women are the ones performing agricultural labour.
- Access to information, Early warning and technology: Women face barriers to accessing training, climate information, and decision-making tools due to limited control over technology. One participant of the consultations highlighted that women's vulnerability is high not only in terms of access to productive resources, but also when a disaster hits because women rarely receive early-warning alerts because SMS systems are tied to the mobile phones of male landowners.
- Financial and structural barriers: Women-led organizations and rural CSOs struggle with banking requirements, documentation, and formal financial processes during applications. Participants from Central Asia and Africa mentioned that land ownership remains concentrated among men, preventing women from accessing credit, finance, or grant opportunities that require land documentation.
- Capacity building and peer learning: participants mentioned that women require targeted capacity building and spaces to feel safe to share experiences and discuss gender-differentiated challenges. Women innovators lack access to peer networks, mentorship, and platforms where they can learn, collaborate, and gain visibility, in comparison to their male counterparts. Participants from investment roundtables also made a call for capacity building that addresses gender barriers, such as access to finance, leadership roles, and pitching/investment readiness for women-led enterprises.
- Opportunities to strengthen gender inclusion: participants highlighted that the use of local networks and community structures for the call for proposals are essential, particularly for women and young people as they often do not have access to the same information channels as men.

Monitoring and evaluation

The project is situated in a context of persistent underinvestment in climate adaptation, both globally and regionally. According to UNEP, the annual adaptation finance needs of developing countries range between $215–387 billion, yet international public flows for adaptation fall short.[86]

Baseline data on gender and climate adaptation is also weak or fragmented globally. There is a lack of consistent sex-disaggregated data on participation in climate programs, access to finance and land, and the uptake of climate-resilient technologies.[87] For AFCIA 2, this means establishing robust baseline data collection systems from project inception is critical.

[86] UNEP (2023). Adaptation Gap Report 2023: Underfinanced. Underprepared. Inadequate investment and planning on climate adaptation leaves world exposed.
[87] UNEP, UNDP, UN Women, UNDPPA/PBSO (2020). Gender, Climate & Security. Sustaining inclusive peace on the frontlines of climate change.

In order to monitor and evaluate progress of the project, the following indicators can be measured:

Quantitative outcomes:

- % of grants awarded to women-led or women-majority-owned organizations/enterprises
- % of direct beneficiaries who are women
    - Disaggregated by: age (youth <35, adults 35-60, elderly >60), location (rural/urban), ethnicity/Indigenous status, disability status, marital status
- Number of women in leadership positions within grantee organizations (founders, CEOs, board members, technical leads)
- % of grants or initiatives led by women or targeting women-led enterprises.
- % of training participants who are women
    - Disaggregated further by rural/urban, ethnic minority, youth, disability status.
- Number of new or scaled women-led climate innovations supported.
- Number of enterprise support component targeting % of rural women entrepreneur groups.

Qualitative outcomes:

- Opportunities to generate additional income. Women are more likely to respond to incentives that address climate adaptation;
- Opportunities for women to generate additional income through climate-resilient livelihoods and enterprises;
- Changes in women's confidence, skills, and agency to lead or engage in adaptation solutions;
- Expanded involvement of women in public and project decision-making as a result of expanded inclusion into active participation in income generating activities;
- Increased visibility and recognition of women-led innovation in national, regional or global platforms.
- Impact of training and educational activities related to adaptation to climate change, leadership, innovation, finance, entrepreneurship to women
- Effectiveness of global knowledge-sharing platforms and events in reaching women and amplifying their voices (measured through participation data, satisfaction surveys, follow-up engagement)
- Effectiveness of awareness raising.
- Engagement of men and boys as allies in promoting gender equality

Data collection and monitoring

Monitoring will be participatory, adaptive, and embedded in project learning processes, utilizing mixed methods to capture both breadth (quantitative data) and depth (qualitative insights):

- Annual progress report submitted to the Adaptation fund, which will also include monitoring of progress towards the Gender Action Plan and Environmental and Social Management Framework.
- Regular feedback loops (surveys, focus groups, interviews) will document how women and marginalized groups are engaging with and benefiting from the project.
- A report produced annually, summarizing insights, stories, challenges and stories of change of women and other beneficiaries with intersecting vulnerabilities.

- Grantees will receive training on gender equality and implementation of initiatives with gender lens, based on gender analysis development skills.
- Grantee reports every four months: Include mandatory sex-disaggregated quantitative data and narrative reporting on gender outcomes and challenges.

V. Proposed Gender Action Plan

The Gender Action Plan sets out strategic entry points for gender-responsive actions across all activity areas of the project. It ensures that gender equality and social inclusion are embedded throughout the design, implementation, and monitoring phases. Specific indicators and targets have been developed to measure progress on these actions, and these are fully integrated into the project's Monitoring, Evaluation, and Learning (MEL) framework. The plan also provides clear recommendations to guarantee that gender-related data—including sex-, age-, and disability-disaggregated information—continues to be collected and analyzed throughout implementation. A dedicated gender-specific budget has been allocated to support these measures.

Given that grantees and countries will be identified during implementation, the operationalization of this plan will follow a structured approach. All grantees will be required to conduct a rapid gender analysis during inception and prepare a simplified Gender Action Plan aligned with project standards. Gender indicators will be systematically integrated into project logframes and grantee-level budgets to ensure accountability and resource allocation for gender actions. Capacity-building will be a core component of technical assistance packages, including mandatory training sessions on gender integration, social inclusion, and safeguards as part of the Onboarding Learning Sprint.

Monitoring and reporting will include a dedicated section in quarterly and annual progress reports to track implementation of gender commitments. These reports will capture both quantitative and qualitative data, ensuring that progress toward gender equality is documented and lessons are fed back into adaptive management processes. In addition, the project will produce annual progress reports highlighting gender-transformative practices and case studies, which will be disseminated through knowledge-sharing platforms and peer-learning events. These measures collectively ensure that gender considerations are not treated as standalone activities but are mainstreamed into the project's operational and strategic framework, contributing to inclusive and equitable climate adaptation outcomes.

Objective	Actions	Indicator and Targets	Responsible Institutions	Allocated Budget ($US)
Outcome 1: High potential, locally led adaptation innovations, (NGOs/CSOs & SMEs) are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).				
Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.	Prioritize outreach to women-led businesses, placing focus on reaching women from rural areas and from minority communities Include gender and inclusion criteria in LVGA application templates and scoring mechanisms	1.1.1. % of innovations identified that demonstrate gender-responsive design or women's leadership in adaptation innovation 1.1.2. Gender and social inclusion criteria integrated in at least 70% of LVGA selection tools 1.1.3. Percentage of project data disaggregated by sex, age, and disability.	UNDP PMU	$ 350,000
Output 1.2: Selected innovations receive catalytic grants (up to USD 250K) and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.	Conduct training on integrating GESI in innovation design for all grants applicants Offer tailored technical assistance and mentorship to women-led or minority-led innovation project	1.2.1. % of supported innovations that integrate gender equality and social inclusion measures in their operational and impact plans. 1.2.2. 100% of grantees receive GESI integration training 1.2.3. 20% women-led or marginalized group-led projects supported	UNDP PMU, Gender Specialist	
Objective	**Action**	**Indicator and Targets**	**Responsible Institution**	**Allocated Budget ($US)**

Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.				
Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, gender-responsive design, MEL systems, financial planning and safeguard risk management.	Develop tailored business mentoring for women entrepreneurs Integrate gender and inclusion lens into business model canvases and investment pitches.	2.1.1. At least 10 women-led enterprises receive customized support packages 2.1.1. # of investment-ready cases featuring gender and inclusion dimensions	UNDP PMU	$ 100,000
Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school partners.	Conduct mapping of gender lens investors, women's funds, and climate finance facilities with gender criteria accessible to innovators # of supported women-led innovators that have identified and initiated engagement with at least one financing pathway. Design matchmaking events with intentional gender balance: quotas for women presenters/pitchers, gender-sensitive formats, timing/locations accessible to women	Comprehensive financing pathway map completed by Year 2 All women led innovators have been matched with a financing pathway. Gender composition of event participants, presenters tracked; format accommodations documented	UNDP PMU UNDP PMU	
Objective	**Action**	**Indicator and Targets**	**Responsible / Institution**	**Allocated Budget ($US)**
Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to influence replication, policy frameworks, and investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.				
Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge	A report produced annually, summarizing insights and stories of change Conduct assessments on gender roles across NbS, DRR	3.1.1. 4 reports produced summarizing insights, stories, challenges and stories of change of women	Knowledge & Comms Team, Gender specialist	$200,000

products, case studies, and evidence briefs targeting policymakers, investors, and adaptation practitioners.	and Food Systems and Agriculture to determine gender gaps and make use of assessments already undertaken in this regard Develop a global synthesis report/policy brief on gender in adaptation innovation	and other beneficiaries with intersecting vulnerabilities 3.1.2. 1 gender and social inclusion-focused regional learning synthesis brief produced and disseminated	Knowledge & Comms Team, Gender specialist	
Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organized to promote south-south collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners.	Document and promote stories of women innovators and entrepreneurs Facilitate peer learning among women innovators across grantees, countries, sectors through virtual/in-person exchanges	3.2.1. Number of global knowledge-sharing events with content explicitly addressing gender and social inclusion. 3.2.2. At least 4 reports produced (annual PPR) highlighting women-led adaptation innovations 3.2.3. # of peer learning events; # of women participating; learning documented	Knowledge & Comms Team, Gender specialist	

UNDP-Adaptation Fund Climate Innovation Accelerator Phase 2

Environmental and Social Management Framework

TABLE OF CONTENTS

1 Executive Summary 3

2 Introduction 3

3 Program Description 4

3.1 Overview of the Program 4

4 Applicable Policy and Legal Framework 7

4.1 UNDP Social and Environmental Standards 7

4.2 Adaptation Fund Environmental and Social Policy 9

4.3. Applicable country Law 11

5 Program's screening against the Adaptation Fund's Social and Environmental Principles 12

6 Procedures for Addressing the Expected Social and Environmental Risks 18

6.1 Program's social and environmental risk rating 18

6.2 Further screening and assessment requirements during the projects implementation 18

6.3 Environmental and social management guidelines for the supported projects 21

7 Implementation and operation 26

7.1 General Management Structure and Responsibilities 26

7.2 Capacity Building and Training 30

7.3 Grievance Redress Mechanism 30

7.3.1 UNDP SRM and SECU 31

8 Budget for ESMF Implementation 32

Annex 1: List of not-funded activities by the Program 34

1 EXECUTIVE SUMMARY

The Project is implemented by UNDP as the Multilateral Implementing Entity (MIE), with execution led by the Global Project Management Unit (PMU) based in UNDP´ Office in Bonn (Germany). Key partners include UNDP Country Offices, civil society organizations (CSOs), micro-, small-, and medium-sized enterprises (MSMEs), cooperatives, and academic institutions.

The Project is structured around three interlinked outcomes:

Outcome 1: High-potential, locally led adaptation innovations are identified and supported through catalytic finance and technical assistance, enabling them to demonstrate readiness for scale and alignment with national adaptation priorities outlined in NAPs and NDCs.

Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.

Outcome 3: Evidence and learning from supported adaptation innovations are used to inform replication, policy engagement, and investment decisions through strategic partnerships, regional platforms, and global knowledge networks.

Potential social and environmental impacts are expected to be largely positive, including improved climate resilience, gender empowerment, and ecosystem protection. However, risks such as unequal access, environmental degradation, or exclusion of marginalized groups are acknowledged.

To manage these, the Project includes a robust Environmental and Social Management Framework (ESMF) aligned with the UNDP Social and Environmental Standards (SES) and the Adaptation Fund's Environmental and Social Policy. All sub- projects within the Project undergo environmental and social screening, and where necessary, simplified Environmental and Social Management Plans (ESMPs), Gender Action Plans (GAPs), and Stakeholder Engagement Plans (SEPs) are developed.

Furthermore, a Grievance Redress Mechanism (GRM) that is intended to be the "first line" of response to stakeholder concerns that have not been prevented by proactive stakeholder engagement for stakeholders who have a concern about the Project potential impacts on them. And, an UNDP Accountability Mechanism, which includes the Stakeholder Response Mechanism (SRM) and the Social and Environmental Compliance Unit (SECU) if stakeholders are not satisfied with the GRM's response[1]

[1] **Social and Environmental Compliance Review and Stakeholder Response Mechanism**. In June 2014 UNDP adopted mandatory Social and Environmental Standards (SES) for all of UNDP's projects and Projects effective 1 January 2015. The objectives of the Standards are to: a) Strengthen the social and environmental outcomes of UNDP projects; b) Avoid adverse impacts to people and the environment affected by projects; c) Minimize, mitigate, and manage adverse impacts where avoidance is not possible; d) Strengthen UNDP and partner capacities for managing social and environmental risks; and e) Ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people.
The Standards will be underpinned by an Accountability Mechanism with two key components: 1. A Compliance Review to respond to claims that UNDP is not in compliance with applicable environmental and social policies. 2. A Stakeholder Response Mechanism (SRM that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes). For more information please visit: https://www.undp.org/social-and-environmental-compliance-review-and-stakeholder-response-mechanism

2 INTRODUCTION

This Environmental and Social Management Framework (ESMF) has been prepared in support of a Project proposal for "**UNDP-Adaptation Fund Climate Innovation Accelerator Phase 2**" by the UNDP to the Adaptation Fund (AF). As this Project is supported by UNDP in its role as a AF Accredited Entity, the Project has been screened against UNDP's Social and Environmental Standards (SES) utilizing the UNDP Social and Environmental Screening Procedure (SESP) and deemed a Moderate Risk Project.

Since the Project includes a range of activities and sub-projects with yet unknown design parameters and uncertain social and environmental risks that cannot be fully assessed during the Project appraisal, this Environmental and Social Management Framework (ESMF) has been developed to set out the principles, rules, guidelines and procedures for screening, assessing, and managing the potential social and environmental impacts of the forthcoming but as yet undefined interventions.

The ESMF presents:

- Project context and its activities that may involve social and environmental risks
- the applicable social and environmental risk management requirements based on the relevant UNDP and Adaptation Fund policies,
- the applicable country law,
- procedures for further screening of the Project application based on the combined UNDP and Adaptation Fund requirements and the applicable country law,
- guidance for the social and environmental risk management for the Project applicants and sub projects selection
- the required stakeholder engagement and transparency measures.

As such, this ESMF has been prepared to guide further assessment and management of the expected environmental and social risks of the Project based on the applicable UNDP and Adaptation Fund requirements and the national law.

3 PROJECT DESCRIPTION

The objective is to accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance, technical assistance, and ecosystem integration to **high-potential**[2] **solutions** that enhance climate resilience and benefit vulnerable populations.

3.1 OVERVIEW OF THE PROJECT

The Global South is disproportionately affected by the climate crisis, despite contributing only 7% of global greenhouse gas emissions. Least Developed Countries (LDCs) and Small Island Developing States (SIDS)

[2] High potential grantees will be selected utilizing the following criteria (list is not extensive and it will be further refined in the full proposal): 1) they address specific climate risks; 2) they are led and benefit directly vulnerable communities (youth or elderly, women, Indigenous Peoples, people with disabilities, ethnic minorities, etc); 3) their solution is innovative according to AF's definition of "innovation for adaptation" (described in page 10 of this EOI); 4) Organizations must have track record of income generation or demonstrate revenue generation potential, as this is the main vehicle to scale and to ensure financial sustainability; 5) Must present a clear pathway to sustainability and scaling; 5) Their solutions should clearly define and demonstrate a theory of change around environmental and socio-economic impact.

are among the most vulnerable, facing severe climate impacts with limited resources for adaptation[3]. Vulnerable groups such as women, youth, Indigenous Peoples, ethnic minorities, people with disabilities, migrants and the urban poor have limited access to adaptation support.

While significant progress has been made in developing Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs), implementation remains slow. In 2023, global adaptation finance reached USD 63 billion, only 5% of total climate finance[4], falling far short of the USD 212 billion needed annually by 2030 for developing countries alone.

This finance gap is marked by structural and geographical imbalances, with most funds concentrated in developed economies. LDCs received less than 3% of this funding, and the most affected countries received under 2% between 2000 and 2019[5]. Local actors, including community-based organizations, SMEs, and social enterprises, play a vital role in delivering context-specific and sustainable solutions, but many are trapped in the "missing middle" — too practical for research grants but too early-stage for commercial investment, too "large" for seed funding/micro grants, and too unconventional for traditional development funding[6].

Despite innovative solutions emerging, many fail to scale due to weak enabling environments, short project cycles, and fragmented knowledge-sharing ecosystems. Additionally, the underrepresentation of marginalized groups in decision-making limits the effectiveness of interventions, as their lived experiences, indigenous knowledge, and community innovations are often overlooked, leading to misaligned solutions. With the global temperature expected to rise by 1.5°C, leading to severe cascading impacts, particularly for vulnerable communities and ecosystems in LDCs and SIDS, the need for accelerated adaptation finance is critical[7].

AFCIA Phase 2 directly addresses this finance and innovation gap by bridging the "missing middle", where early-mid growth and late mid-growth stage, community-led solutions often fall through the cracks[8]. By investing in grassroots capacities and fostering inclusive innovation ecosystems, AFCIA 2 will support the replication and integration of impactful solutions in broader systems, particularly those benefiting women, youth, Indigenous Peoples, and marginalized groups. Building on lessons from AFCIA 1, the AFCIA 2 Project will drive faster, more equitable progress toward climate resilience, empowering vulnerable communities to lead their adaptation efforts.

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[3] Nationally Determined Contributions (NDC) Global Outlook Report 2021 The State of Climate Ambition United Nations Development Project. (2021). [online] United Nation Development Project, p.12. Available at: https://climatepromise.undp.org/sites/default/files/research_report_document/State%20of%20Climate%20Ambition.pdf

[4] Climate Policy Initiative (2023). Global Landscape of Climate Finance 2023. [online] CPI. Available at: https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[5] Climate Policy Initiative (2023). Global Landscape of Climate Finance 2023. [online] CPI. Available at: https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[6] Uncdf.org. (2021). *Addressing the 'missing middle' challenge in least developed countries By Anders Berlin and Abdul-Rahman Lediju*. [online] Available at: https://www.uncdf.org/article/6520/addressing-the-missing-middle-challenge-in-least-developed-countries? [Accessed 6 Jul. 2025]

[7] State and Trends in Climate Adaptation Finance 2024. (2024). Available at: https://gca.org/wp-content/uploads/2024/04/State-and-Trends-in-Climate-Adaptation-Finance-2024.pdf? [Accessed 6 Jul. 2025]

[8] Churchill, N. and Lewis, V. (1983). *The Five Stages of Small Business Growth*. [online] Harvard Business Review. Available at: https://hbr.org/1983/05/the-five-stages-of-small-business-growth

This objective will be achieved through the following three interlinked outcomes:

Outcome 1: High potential, locally led adaptation innovations, including non for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic fi-nance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs). Adaptation innovations with demonstrated results and strong potential for scale will be identified and supported through catalytic grants (max USD 200K). These grants aim to de-risk the scaling process, enhance credibility, and mobilise follow-on investment by strengthening the operational, financial, and impact readiness of selected solutions. All supported innovations will be required to integrate a gender-responsive and a socially inclusive lens, ensuring that they deliver measurable benefits for vulnerable communities.

Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships. Selected innovations will receive tailored technical assistance, investment readiness support, and strategic ecosystem linkages to accelerate their transition from early-mid and late-growth stages to the scale stage. AFCIA 2 will address key barriers to scale, such as financing gaps and limited market access, by connecting these organisations to a broader climate finance ecosystem, including DFIs, venture capital, and impact investors. This integrated support will build a robust pipeline of investable adaptation solutions.

Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to influence replication, policy frameworks, and investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions. The Project will capture and disseminate field-tested evidence and practical implementation insights on what works, for whom, and under what conditions, through its effective, strategic partnerships developed in AFCIA 1. These learnings will inform policy processes, support replication across geographies, and influence both public and private investment flows. Emphasis will be placed on scaling inclusive and gender-transformative approaches to climate adaptation.

Lessons learnt and knowledge obtained from AFCIA 1 will be used as the base to design AFCIA 2, including larger financing amounts per grantees, a longer period of technical assistance, and the scaling of systemic actor linkages. The Project will support capable, locally rooted organisations in the “missing middle” that have demonstrated potential to scale context-relevant adaptation innovations and drive systemic impact.

1 **Sectoral and Thematic Focus for Synergistic Impact:** To maximise coherence, cross-learning, and scaling potential, AFCIA 2 will prioritise 3 high-impact thematic areas aligned with global and regional adaptation priorities, including those in NAPs. These include climate-resilient food systems, nature-based solutions, and disaster risk reduction. The selection of these themes reflects their proven applicability across diverse geographic contexts, strong alignment with country-driven priorities, and high potential to deliver measurable, scalable adaptation outcomes. Climate-resilient food systems are critical for addressing increasing food insecurity and rural vulnerability under climate stress. Nature-based solutions offer cost-effective, locally grounded approaches that restore ecosystems and ecosystem services while enhancing adaptive capacity—an approach strongly endorsed by institutions such as UNEP and IUCN. [9] Disaster risk reduction, guided by the Sendai Framework, remains essential for protecting lives, assets, and development gains in the face of intensifying climate hazards.[10] While other thematic areas—such as health, urban infrastructure, or energy—were considered, they were not prioritised in order to maintain strategic focus, ensure efficient deployment of resources and technical expertise, and reduce operational complexity. Thematic clustering under

[9] https://wedocs.unep.org/bitstream/handle/20.500.11822/41333/state_finance_nature.pdf?sequence=3 page X and 1-4

[10] https://www.undrr.org/media/16176/download?startDownload=20250721 page 14

these three areas will enable more structured knowledge exchange and peer learning, improve the replicability of successful models, and help avoid the fragmentation that can occur in broader, sector-agnostic funding models. Moreover, focusing on defined themes will allow the Project to tailor technical support more effectively, enabling targeted deployment of sector experts, learning resources, and capacity-building tools that are directly relevant to each sector, increasing the efficiency and quality of engagement. It will also facilitate knowledge and investments brokering services by aggregating solutions/grantees with a portfolio-based approach, grouping them by either thematic area or similarities in countries/regions.

2 **Strategic Country Engagement with Multi-Grantee Clustering:** Informed by the AFCIA 1 experience, AFCIA 2 will concentrate resources in specific areas. AFCIA 2 will (i) launch a **global call** for proposals and targeting the UNDP-Regional Bureaus for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and the Commonwealth of Independent States[11], (ii) based on the proposals received prioritise support to the countries where a strong pipeline of high-quality applications emerges, based on grantee readiness, demand, technical assistance effectiveness, and strategic alignment with country priorities (iii) Support 2–3 high-capacity grantees per selected country ensuring to have geographical balance in the final selection. This clustering approach will allow for more targeted support, foster in-country peer learning, ecosystem building and promote collaboration across grantees facing similar challenges. By concentrating efforts where readiness and strategic alignment are evident, the Project can more effectively leverage existing partnerships, engage with UNDP's Country Offices, and support strengthening the local innovation ecosystems by tapping into established networks including local networks and innovation ecosystems[12]. This model promotes cost-effective delivery and supports country-specific scaling pathways, while maintaining flexibility to adapt to regional dynamics and levels of demand.

3 **Support for Scaling and Ecosystem Integration:** CSOs, MSMEs NGOs, social enterprises, and cooperatives will receive catalytic grants**,** along with tailored technical assistance and investment readiness support to help scale proven adaptation solutions (including business modelling, investor exposure, direct mentorship etc). It will be offered as an integrated package of in-house and external technical assistance leveraging the existing the Adaptation Innovation Marketplace (AIM)'s broader technical assistance network, including the partnership with business schools successfully utilized in AFCIA 1.

4 **Leverage Existing Networks and AFCIA Partnerships:** AFCIA 2 will build on the existing AFCIA 1 platform, integrate with and amplify existing regional and global innovation ecosystem, investors and knowledge networks, adaptation alliances, other AFCIA Projects (implemented by UNEP-CTCN, UNIDO, WFP) and other Large Innovation Grant Programs led by accredited AF's National Implementing Entities (NIEs). These platforms will be used to: share evidence, case studies, and toolkits; facilitate south-south learning and replication; inform national and global adaptation, innovation and financing policies and strategies where relevant.

[11] The call for proposals will be disseminated globally, utilizing UNDP´s official communication channels and extensive local, regional and global networks of partners. The call for proposals will also be shared with the Adaptation Fund Secretariat so it can be further disseminated with other relevant partners and its accredited NIEs.

[12] Local networks and platforms like the Global Environment Facility's Small Grants Project (GEF SGP), the BOOST Impact Acceleration Project, and the TADAMON NGO Empowerment Project, UNDP Accelerator Labs and other Country Office adaptation for innovation ecosystems.

4 APPLICABLE POLICY AND LEGAL FRAMEWORK

This section provides a preliminary review of the applicable policy, legal and institutional framework related to the potential risks and benefits of the implementation of the proposed activities. It includes a brief review of applicable national legislation, policies and regulations; and the UNDP SES.

4.1 UNDP SOCIAL AND ENVIRONMENTAL STANDARDS

The Program will comply with UNDP's Social and Environmental Standards (SES), which came into effect in January 2021. The SES underpin UNDP's commitment to mainstream social and environmental sustainability in its Projects and Sub-Projects to support sustainable development. The objectives of the standards are to:

- Strengthen the social and environmental outcomes of Projects and Sub-Projects
- Avoid adverse impacts to people and the environment
- Minimize, mitigate, and manage adverse impacts where avoidance is not possible
- Strengthen UNDP and partner capacities for managing social and environmental risks
- Ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people

The SES are an integral component of UNDP's quality assurance and risk management approach to programming.

Table -1 **Key Elements of UNDP's Social and Environmental Standards (SES)**

Part A: Programming Principles	Part B: Project-Level Standards	Part C: Social and Environmental Management System Requirements
Human Rights Gender Equality and Women's Empowerment Sustainability and Resilience Accountability	S1- Biodiversity and Sustainable Natural Resource Management S2- Climate Change and Disaster Risks S3- Community Health, Safety, and Security S4- Cultural Heritage S5- Displacement and Resettlement S6- Indigenous Peoples S7- Labour and Working Conditions S8- Pollution Prevention and Resource Efficiency	Quality Assurance Screening and Categorization Assessment and Management Stakeholder Engagement and Response Mechanism Access to Information Monitoring, Reporting, and Compliance review

The Standards are underpinned by an Accountability Mechanism with two key functions:

- A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by UNDP Programs have access to appropriate procedures for hearing and addressing project-related grievances; and

- A Compliance Review process that can investigate claims that UNDP is not in compliance with UNDP's social and environmental policies.

Through the AF Accreditation Process, the SES are acknowledged to be consistent with the Adaptation Fund's Environment and Social Policy (see section 4.2 below). The UNDP SES also require UNDP not to support activities that do not comply with national law and obligations under international law, whichever is the higher standard (hereinafter "Applicable Law"). UNDP Projects and Sub-projects, therefore, must always comply with the beneficiary countries' national law (see section 0 below). The supported actions will therefore have to meet not only UNDP SES and Adaptation Funds Environment and Social Policy but also any additional requirements stipulated in the national law.

4.2 Adaptation Fund Environmental and Social Policy

The Adaptation Fund had established in March 2016 its own Environmental and Social Policy to ensure that the Fund does not support projects/Projects that unnecessarily harm the environment, public health or vulnerable communities. The Policy is built on 15 principles and also provides adequate opportunities for the informed participation of all stakeholders in the formulation and implementation of projects/Projects supported by the Fund.

As part of the implementing entities' responsibilities for the project, the Fund requires the implementing entities to (i) have an environmental and social management system that ensures environmental and social risks are identified and assessed at the earliest possible stage of project/Project design, (ii) adopt measures to avoid or where avoidance is impossible to minimize or mitigate those risks during implementation, and (iii) monitor and report on the status of those measures during and at the end of implementation. These requirements are fully consistent with the UNDP Social and Environmental Standards. The table below outlines the consistency of the Adaptation Fund Environmental and Social Principles with the specific requirements stipulated by the UNDP's Social and Environmental Standards.

Table -2 **Analysis of the consistency of the Adaptation Fund Environmental and Social Principles with the UNDP Social and Environmental Standards**

Adaptation Fund Environmental and Social Principles	UNDP Social and Environmental Standards (relevant provisions only)
Compliance with the Law: Projects/Projects supported by the Fund shall be in compliance with all applicable domestic and international law.	See the UNDP SES Accountability Principle 4, item 30 stating that 'UNDP does not support activities that do not comply with national law and obligations under international law, whichever is the higher standard (hereinafter "Applicable Law").
Access and Equity: Projects/Projects supported by the Fund shall provide fair and equitable access to benefits in a manner that is inclusive and does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights. Projects/Projects should not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups.	See the See the UNDP SES Human Rights Principle, paragraph 14 and the Social and Environmental Screening questions related to: • P1.6 Risk of restricting access to resources or basic services.
Marginalized and Vulnerable Groups: Projects/Projects supported by the Fund shall avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups, including children, women and girls, the elderly, indigenous people, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS. In screening any proposed project/Project, the implementing	See the UNDP SES Human Rights Principle, paragraph 16 and the Social and Environmental Screening questions related to: • P1.5 Risk of inequitable or discriminatory impacts on affected populations.

entities shall assess and consider particular impacts on marginalized and vulnerable groups.	
Human Rights: Projects/Projects supported by the Fund shall respect and, where applicable, promote international human rights.	See the UNDP SES Human Rights Principle, paragraph 13 and the Social and Environmental Screening questions related to: • P1.4 Risk of adverse impacts on civil, political, economic, social or cultural rights.
Gender Equality and Women's Empowerment: Projects/Projects supported by the Fund shall be designed and implemented in such a way that both women and men (a) have equal opportunities to participate as per the Fund gender policy (refer to Annex 4 for details); (b) receive comparable social and economic benefits; and (c) do not suffer disproportionate adverse effects during the development process.	See the UNDP SES Gender Equality and Women's Empowerment Principle, paragraphs 18-20 and the Social and Environmental Screening questions related to: • P2.9 Risk of adverse impacts on gender equality, • P2.10 Risk of discrimination against women, • and • P2.11 risks of limiting the women's access to natural resources.
Core Labour Rights: Projects/Projects supported by the Fund shall meet the core labour standards as identified by the International Labor Organization.	SES Standard 7, paragraphs 5-12, 20-24 and the Social and Environmental Screening questions related to: • S7.1 Risks of substandard labour & working conditions, • S7.2 Risks to freedom of workers association and collective bargaining, • S7.3 Child labour risks, • S7.4 Forced labour risks (incl. in supply chains), • S7.5 Risks of discriminatory working conditions, • S7.6 Occupational health and safety risks.
Indigenous Peoples: The Fund shall not support projects/Projects that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples.	Entire See the UNDP SES Standard 6 and the Social and Environmental Screening questions related to: • S6.1 Risks associated with activities taking place where indigenous peoples are present • S6.2 Risks associated with activities taking place on lands, territories claimed by indigenous peoples • S6.3 Risks to rights, lands, territories natural resources and traditional livelihoods of indigenous peoples • S6.4 Risk that activities will take place without meaningful, effective informed participation of indigenous peoples • S.6.5 Risk of utilizing/developing indigenous peoples resources without agreement and/or agreed benefit sharing • S6.6 Risk of forced eviction or physical/economic displacement of indigenous peoples • S6.7 Impacts on development priorities of indigenous peoples • S6.8 Risks to physical and cultural survival of indigenous peoples • S6.9 Risks of impacts on cultural heritage of indigenous peoples
Involuntary Resettlement: Projects/Projects supported by the Fund shall be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement. When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically,	See the UNDP SES Standard 5 objective and its paragraphs 1,3,4 and the Social and Environmental Screening questions related to: • S5.1 Physical displacement risks • S5.2 Economic displacement risks • S5.3 Risk of forced evictions • S5.4 Risks of impacts on community-based rights to land, territories or resources

economically, and socially feasible resettlement alternatives or fair and adequate compensation.	
Protection of Natural Habitats: The Fund shall not support projects/Projects that would involve unjustified conversion or degradation of critical natural habitats, including those that are (a) legally protected; (b) officially proposed for protection; (c) recognized by authoritative sources for their high conservation value, including as critical habitat; or (d) recognized as protected by traditional or indigenous local communities.	See the UNDP SES Standard 1, paragraph 13 and the Social and Environmental Screening questions related to: • S1.2 Risks to critical habitats
Conservation of Biological Diversity: Projects/Projects supported by the Fund shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species.	SES Standard 1, paragraph 13 and the Social and Environmental Screening questions related to: • S1.4 Risks to endangered species
Climate Change: Projects/Projects supported by the Fund shall not result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change.	SES Standard 2, paragraph 9 and the Social and Environmental Screening questions related to: • S2.4 risks of increased GHG emissions
Pollution Prevention and Resource Efficiency: Projects/Projects supported by the Fund shall be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants.	• SES Standard 8, paragraph 4 and paragraphs 7-9 and the Social and Environmental Screening questions related to: • S8.1 risks of pollutants release • S8.2 risks of inadequate waste management
Public Health: Projects/Projects supported by the Fund shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.	See the UNDP SES Standard 3, paragraphs 2,3,6, and 7 and the Social and Environmental Screening questions related to: • S3.1 construction-related risks • S3.2 Emissions, noise, traffic, hazards and effluent risks • S3.3 safety risks due to failure of project structural elements • S3.4 risks of water/vector-borne diseases
Physical and Cultural Heritage: Projects/Projects supported by the Fund shall be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level. Projects/Projects should also not permanently interfere with existing access and use of such physical and cultural resources.	See the UNDP SES Standard 4, paragraphs 1, 2, and 14 and the Social and Environmental Screening questions related to: • S4.1 risks to cultural heritage sites • S4.2. risks of unknown archaeological heritage damage • S4.3 risks to tangible and intangible forms of cultural heritage
Lands and Soil Conservation: Projects/Projects supported by the Fund shall be designed and implemented in a way that promotes soil conservation and avoids degradation or conversion of productive lands or land that provides valuable ecosystem services.	See the UNDP SES Standard 1, paragraph 21 and the Social and Environmental Screening questions related to: • S1.7 risks of soil degradation

As required by the Adaptation Fund Environmental and Social Policy, the above requirements will be fully respected within the Program and will guide project design, implementation, and monitoring of any identified environmental and social risks.

4.3. APPLICABLE COUNTRY LAW

All countries that will be supported by the Program are yet to be determined throughout the Program cycle via a tailored selection process.

In regards to national/local legal and institutional framework UNDP assumes that the grantee is aware and complies of the legal and institutional framework that applies at the national/local levels for the governance, social and environmental scopes of their activities, including those pertaining to stakeholder engagement. May any issues be identified and/or arise on this aspect, they will be immediately communicated to the UNDP´s Program PMU to be evaluated.

5 PROJECT SCREENING AGAINST THE ADAPTATION FUND'S SOCIAL AND ENVIRONMENTAL PRINCIPLES

While the project is expected to have mainly positive social and environmental impacts and integrates social and environmental standards in its design, a number of risks were identified as per UNDP's Social and Environmental Screening Procedure (Annex 3). As per UNDP's Social and Environmental Standards policy and the AF's Environmental and Social Policy, the principles and standards outlined in the table below are triggered. Potential adverse social and environmental risks and impacts are limited in scale, largely reversible and can be identified with a reasonable degree of certainty and readily addressed through application of recognized good international practice, mitigation measures and stakeholder engagement during project design and implementation. The overall project risk category is Moderate as per UNDP's Social and Environmental Standards policy and B as per the AF's Environmental and Social Policy.

For sake of completeness, a detailed review of the potential risks and their mitigation measures is provided below based on the Adaptation Funds Environmental and Social Policy. Please note that the proposed mitigation measures are based on the applicable UNDP SES requirements and, as such, they have been directly integrated into the Environmental and Social Management Guidelines for the Supported Projects which are presented in sub-chapter 6.3 of this ESMF. They are therefore twice repeated - in this and the next chapter.

Table -3 **Adaptation Fund risks and mitigation measures.**

Checklist of environmental and social principles	**Potential impacts and risks – further assessment and management required for compliance**
Compliance with the Law *UNDP SES Accountability Principle*	Low risk: All supported activities will be required to comply with applicable domestic law and relevant international obligations. Compliance will be verified through UNDP's environmental and social screening process prior to grant award and will be embedded as an obligation in each grant agreement, with ongoing monitoring through grantee reporting and PMU oversight. Any activity that cannot demonstrate legal compliance will be redesigned, deferred, or excluded from support in line with the programme's screening and categorization procedures

Access and Equity *UNDP SES Human Rights Principle*	Moderate risk The project will operate in a broad range of socio-economic contexts and there is some risk of unequitable access to project benefits if grants are insufficiently screened for this risk. In response, all project-supported activities shall be screened in order to ensure that provide fair and equitable access to benefits in a manner that is inclusive for potentially affected populations, including marginalized individuals and persons with disabilities, and not exacerbate existing inequities, particularly with respect to marginalised or vulnerable people who live in extreme poverty or face disadvantage(s) that limit their choices and opportunities relative to others in society. Equal access to project benefits will be further promoted by requiring inclusive design, meaningful consultations, and transparent information sharing through grantee stakeholder engagement processes. Where access barriers are identified, grantees will be required to integrate practical mitigation measures into their implementation plans and budgets, and implementation will be monitored through reporting, spot checks where relevant, and the project-level grievance redress mechanism.
Marginalized and Vulnerable Groups *UNDP SES Human Rights Principle*	Moderate risk: The project may exclude potentially affected stakeholders, particularly marginalized groups, from fully participating in grant selection and decision-making processes. It is expected that this risk has a high probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector). This risk is partly managed through project design as all innovations supported by the project will be required to integrate gender-responsive and inclusive approaches, ensuring measurable benefits for vulnerable communities. Furthermore, all project-supported activities shall be screened to ensure that they do not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups. Where risks of potential risks to access and equity arise, the supported actions shall be required to:

	• identify potential impact of the proposed activities on the potentially affected individuals and groups, including those who have lesser access to its benefits and/or marginalised or vulnerable groups, • Identify practical measures that avoid, reduce or offset such adverse impacts, and • uphold the principles of accountability, inclusion, non-discrimination, and participation and increase the inclusion of potentially affected groups in decision-making processes that may impact them (consistent with the non-discrimination and equality human rights principle). The programme will prevent disproportionate adverse impacts on marginalized and vulnerable groups by integrating inclusion requirements into the grant screening and selection process and by requiring grantees to identify who may be excluded and how barriers will be addressed. Each supported action will be required to prepare customized stakeholder engagement arrangements and—where risks are identified—apply avoidance and mitigation measures that uphold non-discrimination, participation, and equitable benefit sharing. These requirements will be reinforced through onboarding safeguards guidance and PMU quality assurance, with implementation tracked through periodic progress reporting and an accessible grievance mechanism designed to remove barriers to reporting and resolution for marginalized groups
Human Rights *UNDP SES Human Rights Principle*	Moderate risk: The project ensures the mainstreaming of a human-rights based approach and the Sustainable Development Goal (SDGs) commitment to “leave no one behind” through its design. By working with supporting NGOs/CSOs at local level on building resilience and finding innovative solutions for climate change adaptation; the project aims to increase the overall resilience and social and economic status for the communities and frequently excluded population groups. Small grants will be provided to NGOs/CSOs and community-based organizations involved with local environmental protection and poverty eradication activities; and/or climate change adaptation challenges that still require some level of experimentation to identify possible solutions. This project is a new way to develop climate change resilience at the local level. The expected overarching development outcome is innovation for effective, long-term adaptation to climate change accelerated promoted and enabled with particular emphasis on supporting vulnerable groups and gender equality. The human rights principle is still triggered out of precaution, as the project operates in a range of countries and sectors. In particular, there is a risk that if stakeholder engagement is not sufficiently inclusive,

	project activities could contribute to (exacerbating) conflicts among communities due to business expansion. In response, al project-supported activities shall be screened for potential Human Rights risks. Where related risks are identified, the project shall duly consider any such risks and assist the grant applicants in adequately addressing them based on standards set in international law or national law (whichever is more stringent). The programme will require transparent stakeholder engagement and disclosure so affected people can understand potential impacts and participate in decisions that affect them, and will maintain accessible grievance channels for project-affected people, including escalation pathways through UNDP's accountability mechanisms where concerns are not resolved through the project GRM.
Gender Equity and Women's Empowerment *UNDP SES Gender Equality and Women's Empowerment Principle*	Moderate risk: The project is expected to have mainly positive effects on gender equity and women's empowerment. Still, it recognizes that if GAPs are insufficiently developed and/or implemented GAPs at grantee level, the grant recipient NGOs/CSOs may limit women's ability to use, develop and protect natural resources, taking into account different roles and positions given the employment choice and local culture. If this were to happen, the project could potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits through grant selection. In response, the project will work with grantees to integrate rigorous gender analysis to understand and meaningfully address the particular needs, priorities, structural and systemic barriers, status and roles of men and women in their business. The grantee will work with the project team to develop a business plan to advance gender equality and women's empowerment. All grantees must adhere to UNDP and AF policies and requirements on gender. Gender equality is imbedded in the project design, consultation, implementation, monitoring, reporting, and evaluation. The Grant committee will also ensure existing gender inequalities are not be exacerbated by any activities or innovative solutions of grantee. Overall, the project will provide technical assistance to potential grantees to expand their innovative solutions that could advance social and economic status for women; either from a business perspective of from their customers' perspective. Project-supported activities shall be screened to ensure that they are gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a

	meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them. The project will (where relevant) promote women-led initiatives. To proactively manage and mitigate any potential gender-related risks, this project has embedded a robust gender-responsive strategy throughout the entire project cycle, from design and grantee selection to implementation and evaluation. This strategy ensures that project activities will not exacerbate existing gender inequalities but will instead actively advance gender equality and women's empowerment. Grantees will be required to integrate gender considerations into design, implementation, and monitoring, including through proportionate Gender Action Plans and gender-responsive stakeholder engagement, with technical guidance provided through onboarding and ongoing PMU support. Progress on gender commitments will be monitored through regular reporting and compliance review, and the grievance mechanism will be available to capture and address gender-related concerns safely and confidentially where needed. To proactively manage gender-related risks, a robust, gender-responsive strategy is embedded throughout the entire project cycle. The process begins with the Grant Committee, which will screen all potential activities to ensure they do not exacerbate existing gender inequalities but instead actively promote them. Upon selection, the project will provide grantees with technical assistance to integrate a rigorous gender analysis into their work. This analysis will identify the particular needs, priorities, and systemic barriers faced by both men and women. Based on this, each grantee will be required to develop a proportionate Gender Action Plan (GAP) to advance gender equality and women’s empowerment. This process will be supported by dedicated technical guidance from the Project Management Unit (PMU), delivered through initial onboarding sessions and continuous support. Throughout implementation, these GAPs will guide efforts to ensure meaningful and equitable participation of all genders in decision-making. The goal is to ensure both women and men obtain comparable social and economic benefits from all supported actions, with a specific focus on promoting women-led initiatives where relevant.

	Progress on gender commitments will be systematically monitored through regular grantee reporting and compliance reviews, and all grantees must adhere to the gender policies of both the Adaptation Fund and UNDP. To ensure full accountability, the project's grievance mechanism will be available to all stakeholders to safely and confidentially capture and address any gender-related concerns.
Core Labour Rights *UNDP SES Standard 7 Labour and Working Conditions*	Moderate risk: Occupational health and safety requirements will be integrated into screening and grant conditions. Still, there is a chance that NGOs/CSOs receiving grants would insufficiently implement and monitor occupational health and safety guidelines or human resource policies in line with national legislation and international standards. In that case, the grant recipient NGOs/CSOs might fail to comply with national and international good practices on Occupational Health and Safety for workers engaged in the project activities. In this scenario, employment with the NGOs/CSOs could pose a potential risk to health and safety of individuals employed by grantees during project implementation. In response, all project-supported activities shall be screened for the potential labour risk violations. Labour and working condition risks will be managed by requiring grantees to comply with national labour laws and core labour standards, including fair terms of employment, non-discrimination, and prevention of violence and harassment, including GBV. Grantees will be expected to implement proportionate OHS measures and incident reporting procedures. Worker access to grievance channels will be ensured in line with UNDP guidance, and compliance will be monitored through reporting, oversight, and corrective actions where gaps are identified. Specifically the supported organisations will be required to: • Provide project workers with clear and understandable information on terms and conditions of their employment (e.g. payment in a timely manner, written notice of termination, and payment of all wages and benefits on termination, etc.). • Prevent and address violence, harassment, intimidation, or exploitation, including any form of gender-based violence.

	• Ensure that workers engaged have appropriate health and social insurance. • Exclude unsafe working practices and implement relevant occupational health and safety measures, such as: • Provide workers with introductory job- focused safety trainings before starting work; training event is properly registered in the instructions' book. • Ensure that workers' protective equipment based on the local requirements and international good practice (e.g. hardhats, masks, safety glasses, harnesses, safety boots, etc.) • Make first aid kits available on site and fire-extinguisher easily accessible in all sections of the site. • Introduce appropriate signposting of the sites will inform workers of key rules and regulations to follow. • Record and report health & safety incidents to UNDP.
Indigenous Peoples *UNDP SES Standard 6 Indigenous Peoples*	Moderate risk: It is highly likely that the project will affect Indigenous Peoples, either as grantees, customers of grantees or suppliers of grantees. This is expected to lead to positive outcomes for Indigenous Peoples, but could entail adverse outcomes if free, prior and informed consent processes are not duly followed. In that case, the project could lead to exclusion of Indigenous Peoples from fully participating in decisions that may affect their lands, natural resources, territories, traditional livelihoods, and cultural heritage, entailing inequitable or discriminatory impacts or their access to rights, resources and livelihoods; and/or lack of access to project benefits. In response, all project-supported activities shall be screened for potential risks to Indigenous Peoples. Where such risks are identified, the following measures shall be applied: • Undertake meaningful, inclusive, and culturally appropriate consultations with Indigenous Peoples, consistent with the principle of Free, Prior, and Informed Consent (FPIC), to ensure their effective participation in project design and implementation. • Identify and assess potential impacts on Indigenous Peoples' rights, lands, resources, cultural heritage, and traditional livelihoods. • Avoid adverse impacts where possible. Where avoidance is not possible, minimize, mitigate, or compensate for such impacts in a manner agreed upon with affected Indigenous Peoples. • Ensure Indigenous Peoples share equitably in project benefits, respecting their rights, dignity, and cultural identity. • Support Indigenous Peoples in strengthening their adaptive

	capacities and traditional knowledge systems relevant to climate resilience.
Involuntary Resettlement *UNDP SES Standard 5 Displacement and Resettlement*	Low risk: While likelihood is assessed to be low, there is some chance that grant recipient businesses and social enterprises expansion limit community access to land and/or natural resources. In that case, communities in the project area (including ethnic minorities) could face economic displacement, changes to land rights and/or restricted access to resources. All project-supported activities shall be screened for potential displacement risks. Where such risks would arise, the actions seeking project support shall be required to conduct a dedicated due diligence of any displacement activities before they take place to: • Identify and assess any potential physical and economic displacement risks • Prohibit any forced evictions. • Include measures for avoiding, or, when avoidance is not possible, minimizing any potential displacement risks and their adverse social and economic impacts. • Consult the potentially affected stakeholders (with specific attention to poor and marginalized groups) on the proposed measures and opportunities for improving their living standards and the overall socioeconomic status through the project interventions. Any required design changes and mitigation measures, will be documented in project instruments prior to grant signature. Compliance will be monitored through PMU review and periodic reporting, and any emerging issues can be raised through the GRM for timely resolution.
Protection of Natural Habitats *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*	Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to habitats, e.g. associated with harvesting of natural forests or harvesting of fish populations or other aquatic species. Grantees might have business activities within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities. They may have business activities that result in secondary or consequential development activities which could lead to adverse

	environmental effects, or generate cumulative impacts with other known existing or planned activities in the area. All project-supported activities shall be screened for risks related to natural Habitats. They shall be generally required to: • as far as possible, conduct the proposed activities in areas where natural habitats have already been converted to other land uses or that have low value for biodiversity and ecosystem services, and low sensitivity to the anticipated impacts, • keep interventions in natural and semi-natural habitats to minimum in order not to disturb the existing flora and fauna, degrade the habitat and resident species populations • where possible avoid interventions that would reduce ecological connectivity in the ecosystem (e.g. restricting the free movement of species between important habitats) or changes in the important ecosystem processes (e.g. hydrological regimes and nutrient flows) that support ecosystems and their services. • assess and manage the impacts of proposed interventions on critical, natural and modified habitats and their ecosystem services in accordance with the UNDP SES 1 requirements, • use cost-effective opportunities to enhance the existing habitats and ecosystem services as part of the proposed interventions. The exclusion list to prevent Substantial/High-risk activities will be applied. Supported actions will be required to prioritize work in already-modified or lower-sensitivity areas where feasible, minimize interventions in natural and semi-natural habitats, and avoid actions that reduce ecological connectivity or disrupt key ecosystem processes. Where habitat-related risks are identified, proportionate environmental management measures will be required and reviewed by the PMU prior to approval, with ongoing monitoring during implementation
Conservation of Biological Diversity *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*	Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to biological diversity, e.g. associated with introduction of invasive alien species or through promoting monoculture.

	All project-supported activities shall be screened for biodiversity risks. They shall be generally required to consider the presence of any endangered species and any potentially significant adverse impacts on their habitats, breeding grounds, free movement, and migration needs and will be optimised to ensure that they: • do not cause any reduction of any recognized Vulnerable, Endangered, or Critically Endangered species, • avoid adverse impacts on endemic species, restricted-range species, and migratory species, and • minimize unwarranted impacts on resident species populations. They shall also be required to: • not introduce species known to be invasive into new environments, • promote the use of native species or more resilient varieties of native species as a priority, and • use any potentially suitable alien species (e.g. climate resilient crop seed varieties) only if they were duly approved as posing no risks of potential invasive behaviour by the relevant authorities. Where biodiversity risks are present, measures will be reflected in management instruments and monitored through implementation reporting and oversight.
Climate Change *UNDP SES Standard 2 Climate Change and Disaster Risks*	Moderate risk: The project is expected to have a positive effect on adaptive capacity of communities and is not expected to pose significant risks related to climate change and disaster risks. Any risks are expected to be addressed through stakeholder engagement and good practices. It is recognized that grantees may propose activities: • within or adjacent to habitats that are especially sensitive to impacts of climate change, • that could cause GHG emissions, • that could positively or negatively affect the adaptive capacity of communities/community members to the effects of climate change. Potential impacts on communities will be mainly assessed and avoided through the required stakeholder engagement. Negative impacts on communities will be part of the grant-level screening. Furthermore, the

	supported actions shall be screened for any potential project-related increases in emissions that may exacerbate climate change, such as GHG emissions and black carbon emissions. Where any such risks would arise (e.g. the use of cooling systems), the action shall be asked to consider and adopt technically and financially feasible alternatives for reducing proposal-related greenhouse gas emissions. Such options may include, but are not limited to: • alternative project locations, • adoption of renewable or low-carbon energy sources, or energy efficiency measures • use of low-global-warming-potential coolants for air-conditioning and refrigeration, • promote climate-smart agricultural, forestry, and livestock management practices, and ecosystem-based adaptation and mitigation measures (including potential integration of carbon sinks). In parallel, the programme's risk management approach recognizes the operating context of climate vulnerability and therefore strengthens resilience through design requirements, technical assistance, and adaptive management, including updates to screening as grantees and locations are identified. Progress and emerging risks will be monitored through periodic reporting, and mitigation measures adjusted where needed to maintain risk at acceptable levels.
Pollution Prevention and Resource Efficiency *UNDP SES Standard 8 Pollution Prevention and Resource Efficiency*	Low Risk: While impact and likelihood are assessed to be at the lower-moderate end, there is a chance that if NGOs/CSOs receiving grants are insufficiently informed of pollution/waste management risks and/or fail to identify appropriate management measures, activities could lead to pollution/inadequate waste management. The supported actions shall be screened for pollution prevention and resource efficiency risks. They will be required to avoid, minimize, and mitigate environmental and related public health risks associated with the potential release of pollutants in routine and non-routine circumstances in accordance with the national law and international best practices used in the region. Where risks of pollution release would arise, the project will:

	• require operators to conduct orientation training addressing relevant environmental and occupational health and safety issues prior commencement of the relevant operations, • conduct regular surveillance is conducted to avoid leaks, spills, incidents or accidents occurring during the use of equipment and during storage, • monitor, manage and remediate any chemical oil leaks or spills, and incidents/accidents occurring during the use of equipment and their effects, and undertake all necessary immediate actions to ensure they do not adversely affect water bodies/sources. Where the risks of inadequate waste management would arise, the supported actions shall be required to: • reduce the generation of any generated waste • separate waste at the source (where possible) • reuse waste in a manner that is safe for human health and the environment. • transport all waste that cannot be reused to an appropriate waste recovery-or-treatment facility that appropriately controls its emissions and residues in accordance with the national law and international best practices used in the region.
Public Health *UNDP SES Standard 3 Community Health, Safety and Security*	Moderate Risk Project-supported activities are not expected to pose significant risks to community health, safety and security. However, if NGOs/CSOs receiving grants do not sufficiently implement and monitor occupational health and safety guidelines in line with national legislation and international standards, then project-funded activities may create certain health and safety risks or construction-related risks to communities. The supported actions shall be screened for public health and safety risks. They will be required to be designed, implemented, and operated in accordance with the national law and will also respect the following UNDP requirements for construction process management: • have design and management plans which were: i) prepared by suitably qualified and experienced professionals who are certified for such design process, and ii) cleared by the competent authorities for construction process management. Low-risk designs will require at least a peer-review by qualified professionals.

	• be constructed and operated by the experienced contractor(s) having relevant certifications and permits for the relevant works, • implement preventive/protective measures to avoid/minimize the relevant health and safety risks for the construction workers and the surrounding communities based on the national law and international good practice, and • be before the beginning of their actual use/operation approved (and where needed certified) by either competent authorities or independent professionals not involved in their design and construction. Where potential impacts on public health arise, the supported actions shall be required to: • use qualified health and safety experts to assess the risks to, and potential impacts on, the safety of affected communities during the project design, construction, operation, and decommissioning, • adopt preventive measures and plans to address any identified risks in a manner commensurate with their potential impacts based on good practices and standards used by the international organizations working in the region, • prepare, implement, and monitor emergency preparedness plans in collaboration with stakeholders and relevant authorities, where relevant, and require periodic safety inspections and monitoring, and report to UNDP should any issue be found.
Physical and Cultural Heritage *UNDP SES Standard 4 Cultural Heritage*	Moderate risk: NGOs/CSOs grantees will share their lessons learned in their innovative approach to climate change adaptation. This may include references to traditional knowledge. While the project itself will not commercialize traditional knowledge, UNDP is expected to act as a facilitator to find potential commercial investors to invest commercially in scalable grantees. If Indigenous Peoples and/or local communities are not sufficiently engaged through the principles of free, prior, informed consent, commercialization of traditional knowledge without consent and/or agreed benefit-sharing and/or do not obtain an equitable share of benefits derived from any commercial development of their traditional knowledge, they would face adverse impacts. The supported actions shall be screened for risks related to cultural heritage. They will be required to:

	• comply with the local requirements for their protection and preservation and fully respect the requirements of the World Heritage Convention (if they might affect the World Heritage sites). • Where moderate risks arise, consult the relevant authorities and explore all viable and feasible alternatives for the reduction of these risks (including changes in the planned activities, in situ conservation and rehabilitation, etc.) to avoid, minimize, or offset such risks, and apply "chance finds" procedures and documentation practices consistent with recognized good practice. • Ensure that it does not lead to the destruction of unknown cultural heritage and follow national requirements and/or globally recognized good practices for field study, inventorying, and documentation of archaeological heritage Management measures will be documented in safeguard instruments where required, quality-assured by the PMU, and monitored through implementation reporting and grievance channels.
Lands and Soil Conservation *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*	Low risk: See risks of impacts on habitats. The supported actions shall be screened for risks related to impacts on lands and soil. They will be required to: • avoid conversion of productive lands or lands that provide valuable ecosystem services • avoid, and where avoidance is not possible, minimize adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity • adopt appropriate measures to ensure that the supported activities promote soil conservation support. They will also be used as a reference during the review process of the project application. Where land-based activities intersect with biodiversity-sensitive areas, the programme will apply the same mandatory screening criteria for sustainable natural resource management, including requirements to minimize interventions in natural and semi-natural habitats, protect

	ecological connectivity and key ecosystem processes, and promote cost-effective enhancement of habitats and ecosystem services where relevant. Compliance will be verified through PMU safeguards clearance prior to signature and monitored through periodic reporting, with corrective actions required where needed to maintain soil and ecosystem service functions.

6 PROCEDURES FOR ADDRESSING THE EXPECTED SOCIAL AND ENVIRONMENTAL RISKS

6.1 PROGRAM'S SOCIAL AND ENVIRONMENTAL RISK RATING

As established above, the project has been screened against UNDP's Social and Environmental Standards utilizing the UNDP Social and Environmental Screening Procedure and it was deemed to be a Moderate Risk project. The next section ensures that project activities once fully defined will be further screened and appropriate management measures are adopted for any potentially significant social and environmental risks.

6.2 FURTHER SCREENING AND ASSESSMENT REQUIREMENTS DURING THE PROJECTS IMPLEMENTATION

Steps during screening and implementation:

Screening and Categorization Process for Unidentified Sub-Projects (USPs)

Once a grant proposal is submitted, UNDP as Implementing and Executing Entity will apply the following steps:

Initial Eligibility Screening: Submissions are reviewed against AFCIA 2 eligibility criteria, including thematic relevance, innovation potential, and compliance with the Adaptation Fund's policies on safeguards and gender.

Environmental and Social Screening (SESP): Each USP will undergo a structured SESP screening to identify potential environmental and social risks. The results will assign the USP a risk category (low/moderate/substantial/high) as per UNDP standards.

Determination of Required Safeguard Instruments: Grantees will be required to prepare simplified specific instruments (e.g., ESMP, Gender Action Plan, Stakeholder Engagement Plan). Depending on the categorization, they may be required to develop more detailed and targeted risk mitigation frameworks, ESMPs, and GAPs, with technical support from the PMU and safeguard experts.

Review and Approval: The PMU reviews all safeguard instruments for quality and compliance before approving the USP. In alignment with project eligibility Higher-risk sub-projects are not accepted, upper moderate (i.e., Moderate risk with heightened impact likelihood, sensitivity, or mitigation complexity) will undergo an additional peer review and clearance by UNDP safeguard specialist prior to approval All reviews and clearances, including any conditions precedent or post-approval actions, will be documented.

Governance considerations:

A simplified PCAT assessment (a basic due diligence tool in UNDP) is conducted to determine whether the Projects/partners meet the "Pre-Requisites for Partnering with UNDP", such as not being on UN Sanctions, UNDP Vendor Sanctions or UN Global Marketplace Ineligibility Lists.

Likewise, activities above a Moderate potential risk are not permitted due to the overall classification of this initiative, those are Substantial and High-risk activities. A subsequent list of non-permitted activities complements the screening process of projects (See Annex 1).

Categorization is established based on a "pass" or "fail" approach based on whether the grantee successfully submitted all the pertinent information required at the screening stage to be considered towards the final selection of the grantees.

While specific grantee-led activities cannot yet be defined, UNDP will ensure that stakeholder input shapes the overarching implementation approach and risk identification processes at the grantee level. Once

grantees are selected and specific interventions are identified through the open call process, more detailed, locally grounded stakeholder consultations will be conducted. -Final screening is also to be conducted with Country Office in collaboration with partner networks for the final grantees. At that stage, each grantee, in collaboration with UNDP, will also develop and disclose detailed risk assessments and management instruments—including Gender Action Plans, Stakeholder Engagement Plans, and Environmental and Social Management Plans—supported by the PMU's Gender and Safeguards Specialist as part of project support and quality assurance.

Environmental and Social considerations:

The selection process of the supported activities will involve targeted screening which will combine the relevant UNDP Social and Environmental Screening criteria and the Adaptation Fund Environmental and Social Principles. The backbone of this screening system is presented below and a deeper evaluation is conducted later ensuring the collaboration of the grantees:

Table -4 Social and Environmental Risks Screening template for the selection of the supported activities

Social and Environmental Risks Screening	Y/N	Measures to be taken to avoid, minimize or offset these risks
Compliance with the Law:		
Is there a risk that the project would not comply with all applicable domestic and international law?		
Access and Equity:		
Is there a risk that the project would not provide fair and equitable access to benefits in a manner that is inclusive and does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights?		
Is there a risk that the project would exacerbate existing inequities, particularly concerning marginalized or vulnerable groups?		
Marginalized and Vulnerable Groups:		
Is there a risk that the project would impose any disproportionate adverse impacts on marginalized and vulnerable groups, including children, women and girls, the elderly, indigenous people, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS.		
Human Rights:		
Is there a risk that the project would not respect and, where applicable, promote international human rights?		
Gender Equality and Women's Empowerment:		
Is there a risk that the project would not be designed and implemented in such a way that both women and men (a) have equal opportunities to participate; (b) receive comparable social and economic benefits; and (c) do not		

suffer disproportionate adverse effects during the development process.		
Core Labour Rights:		
Is there is risk that the project would not meet the core labour standards as identified by the International Labor Organization?		
Indigenous Peoples:		
Is there a risk that the project would be inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples?		
Involuntary Resettlement:		
Is there a risk that the project would not be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement.		
When limited involuntary resettlement would be unavoidable, is there a risk that due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation?		
Protection of Natural Habitats:		
Is there a risk that the project would involve unjustified conversion or degradation of critical natural habitats, including those that are (a) legally protected; (b) officially proposed for protection; (c) recognized by authoritative sources for their high conservation value, including as critical habitat; or (d) recognized as protected by traditional or indigenous local communities?		
Conservation of Biological Diversity:		
Is there a risk that the project would cause any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species?		
Climate Change:		
Is there a risk that the project would result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change?		
Pollution Prevention and Resource Efficiency:		
Is there a risk that the project would not be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and		

minimizing material resource use, the production of wastes, and the release of pollutants?		
Public Health:		
Is there a risk that the project would not be designed and implemented in a way that avoids potentially significant negative impacts on public health?		
Physical and Cultural Heritage:		
Is there a risk that the project would not be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national, or international level?		
Is there a risk that the project would permanently interfere with existing access and use of such physical and cultural resources?		
Lands and Soil Conservation:		
Is there a risk that the project would not promote soil conservation and avoid degradation or conversion of productive lands or land that provides valuable ecosystem services?		

Where the screening of the fully defined projects activities identifies potential social and environmental risks that could be categorized as Substantial or High Risk as per UNDP's Social and Environmental Screening Procedure, these activities will be either redesigned to eliminate and/or minimize such risks or excluded from further consideration.

6.3 Environmental and Social Management Guidelines for the Supported Projects

This ESMF shall be supplemented with more detailed guidelines that will recap the core obligations, role and responsibilities for sound screening, assessment and management of the social and environmental risks covered by UNDP's Social and Environmental Standards for all roles engaged in the project, including project applicants and reviewers of the applications. The guidelines will be provided to the project staff and applicants for the project support and will stipulate the following basic obligations:

Compliance with the Law: All project-supported activities shall be required to fully comply with all applicable national law.

Access and Equity: The project shall be required to be designed to provide fair and equitable access to benefits in a manner that is inclusive for potentially affected populations, including marginalized individuals and persons with disabilities, and not exacerbate existing inequities, particularly with respect to marginalised or vulnerable people who live in extreme poverty or face disadvantage(s) that limit their choices and opportunities relative to others in society.

Marginalized and Vulnerable Groups: The project activities shall be required not to exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups. Where risks of potential risks to access and equity arise, the supported actions shall be required to:

- identify potential impact of the proposed activities on the potentially affected individuals and groups, including those who have lesser access to its benefits and/or marginalised or vulnerable groups,
- Identify practical measures that avoid, reduce or offset such adverse impacts, and
- uphold the principles of accountability, inclusion, non-discrimination, and participation and increase the inclusion of potentially affected groups in decision-making processes that may impact them (consistent with the non-discrimination and equality human rights principle).

Human Rights: Where the risks of Human Rights violation would rise, the project shall duly consider any such risks and assist the applicants in adequately addressing them based on standards set in international law or national law (whichever is higher).

Gender Equality and Women's Empowerment: The project activities shall be required to be at least a Gender Marker 2, which means gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them. The project will (where relevant) promote women-led initiatives.

Core Labour Rights: The supported organisations will be required to provide their workers with labour and working conditions that meet the national labour laws, including the following core labor-related requirements stipulated in the relevant key ILO conventions:

- Provide project workers with clear and understandable information on terms and conditions of their employment (e.g. payment in a timely manner, written notice of termination, and payment of all wages and benefits on termination, etc.).
- Prevent and address violence, harassment, intimidation, or exploitation, including any form of gender-based violence.
- Ensure that workers engaged have appropriate health and social insurance.
- Exclude unsafe working practices and implement relevant occupational health and safety measures, such as:
- Provide workers with introductory job- focused safety trainings before starting work; training event is properly registered in the instructions' book.
- Ensure that workers' protective equipment based on the local requirements and international good practice (e.g. hardhats, masks, safety glasses, harnesses, safety boots, etc.)
- Make the first aid kits available on site and fire-extinguisher easily accessible in all sections of the site.
- Introduce appropriate signposting of the sites will inform workers of key rules and regulations to follow.
- Record and report health & safety incidents to UNDP.

Indigenous Peoples: the activities will be screened for potential risks to Indigenous Peoples. Where such risks are identified, the following measures shall be applied:

- Undertake meaningful, inclusive, and culturally appropriate consultations with Indigenous Peoples, consistent with the principle of Free, Prior, and Informed Consent (FPIC), to ensure their effective participation in project design and implementation.
- Identify and assess potential impacts on Indigenous Peoples' rights, lands, resources, cultural heritage, and traditional livelihoods.
- Avoid adverse impacts where possible. Where avoidance is not possible, minimize, mitigate, or compensate for such impacts in a manner agreed upon with affected Indigenous Peoples.
- Ensure Indigenous Peoples share equitably in project benefits, respecting their rights, dignity, and cultural identity.

- Support Indigenous Peoples in strengthening their adaptive capacities and traditional knowledge systems relevant to climate resilience.

Involuntary Resettlement: Generally, the project shall promote voluntary and legally recorded market land-use right transactions in which the seller is fully informed about available choices and has the genuine right to retain the land and refuse to sell it (e.g. the transaction does not rest on the threat of compulsory acquisition). Where potential displacement risks would arise, the actions seeking project support shall be required to conduct a dedicated due diligence of any displacement activities before they take place to:

Identify and assess any potential physical and economic displacement risks

- Prohibit any forced evictions.
- Include measures for avoiding, or, when avoidance is not possible, minimizing any potential displacement risks and their adverse social and economic impacts.
- Consult the potentially affected stakeholders (with specific attention to poor and marginalised groups) on the proposed measures and opportunities for improving their living standards and the overall socioeconomic status through the project interventions.

Protection of Natural Habitats: The supported actions shall be required to:

- as far as possible, conduct the proposed activities in areas where natural habitats have already been converted to other land uses or that have low value for biodiversity and ecosystem services, and low sensitivity to the anticipated impacts,
- keep interventions in natural and semi-natural habitats to minimum in order not to disturb the existing flora and fauna, degrade the habitat and resident species populations
- where possible avoid interventions that would reduce ecological connectivity in the ecosystem (e.g. restricting the free movement of species between important habitats) or changes in the important ecosystem processes (e.g. hydrological regimes and nutrient flows) that support ecosystems and their services.
- assess and manage the impacts of proposed interventions on critical, natural and modified habitats and their ecosystem services in accordance with the UNDP SES 1 requirements,
- use cost-effective opportunities to enhance the existing habitats and ecosystem services as part of the proposed interventions.

Conservation of Biological Diversity: The supported actions shall be required to consider the presence of any endangered species and any potentially significant adverse impacts on their habitats, breeding grounds, free movement, and migration needs and will be optimised to ensure that they:

- do not cause any reduction of any recognized Vulnerable, Endangered, or Critically Endangered species,
- avoid adverse impacts on endemic species, restricted-range species, and migratory species, and
- minimize unwarranted impacts on resident species populations.

They shall also be required to:

- not introduce species known to be invasive into new environments,
- promote the use of native species or more resilient varieties of native species as a priority, and
- use any potentially suitable alien species (e.g. climate resilient crop seed varieties) only if they were duly approved as posing no risks of potential invasive behaviour by the relevant authorities.

Climate Change: The supported actions shall be screened for any potential project-related increases in emissions that may exacerbate climate change, such as GHG emissions and black carbon emissions.

Where any such risks would arise (e.g. the use of cooling systems), the action shall be asked to consider and adopt technically and financially feasible alternatives for reducing proposal-related greenhouse gas emissions. Such options may include, but are not limited to:

- alternative project locations,
- adoption of renewable or low-carbon energy sources, or energy efficiency measures
- use of low-global-warming-potential coolants for air-conditioning and refrigeration,
- promote climate-smart agricultural, forestry, and livestock management practices, and ecosystem-based adaptation and mitigation measures (including potential integration of carbon sinks).

Pollution Prevention and Resource Efficiency: The supported actions shall be required to avoid, minimize, and mitigate environmental and related public health risks associated with the potential release of pollutants in routine and non-routine circumstances in accordance with the national law and international best practices used in the region.

Where the risks of pollution release would arise, the project will:

- require operators to conduct orientation training addressing relevant environmental and occupational health and safety issues prior commencement of the relevant operations,
- conduct regular surveillance is conducted to avoid leaks, spills, incidents or accidents occurring during the use of equipment and during storage,
- monitor, manage and remediate any chemical oil leaks or spills, and incidents/accidents occurring during the use of equipment and their effects, and undertake all necessary immediate actions to ensure they do not adversely affect water bodies/sources.

Where the risks of inadequate waste management would arise, the supported actions shall be required to:

- reduce the generation of any generated waste
- separate waste at the source (where possible)
- reuse waste in a manner that is safe for human health and the environment.
- transport all waste that cannot be reused to an appropriate waste recovery-or-treatment facility that appropriately controls its emissions and residues in accordance with the national law and international best practices used in the region.

Public Health: All project-supported constructions will be designed, implemented, and operated in accordance with the national law and will also respect the following UNDP requirements for construction process management:

- have design and management plans which were: i) prepared by suitably qualified and experienced professionals who are certified for such design process, and ii) cleared by the competent authorities for construction process management. Low-risk designs will require at least a peer-review by qualified professionals.
- be constructed and operated by the experienced contractor(s) having relevant certifications and permits for the relevant works,
- implement preventive/protective measures to avoid/minimize the relevant health and safety risks for the construction workers and the surrounding communities based on the national law and international good practice, and
- be before the beginning of their actual use/operation approved (and where needed certified) by either competent authorities or independent professionals not involved in their design and construction.

Where potential impacts on public health arise, the supported actions shall be required to:

- use qualified health and safety experts to assess the risks to, and potential impacts on, the safety of affected communities during the project design, construction, operation, and decommissioning,

- adopt preventive measures and plans to address any identified risks in a manner commensurate with their potential impacts based on good practices and standards used by the international organizations working in the region,
- prepare, implement, and monitor emergency preparedness plans in collaboration with stakeholders and relevant authorities, where relevant, and
- require periodic safety inspections and monitoring, and report to UNDP should any issue be found.

Physical and Cultural Heritage: The supported actions shall be required to:

- comply with the local requirements for their protection and preservation, and fully respect the requirements of the World Heritage Convention (if they might affect the World Heritage sites).
- consult the relevant authorities where potentially significant risks would arise and engage qualified professionals for cultural heritage preservation to explore all viable and feasible alternatives for the avoidance, minimisation, or offsetting these risks (including changes in the planned activities, in situ conservation and rehabilitation, etc.)
- ensure that they do not lead to the destruction of unknown cultural heritage (chance finds) and follow national requirements and/or globally recognized good practices for field study, inventorying, and documentation of archaeological heritage.

Lands and Soil Conservation: The supported actions shall be required to:

- avoid conversion of productive lands or lands that provide valuable ecosystem services
- avoid, and where avoidance is not possible, minimize adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity
- adopt appropriate measures to ensure that the supported activities promote soil conservation

Site-Specific Safeguard Measures:

Once grantees are selected, and as part of the Onboarding Learning Sprint, guidance on environmental and social safeguards will be provided to support integration of simplified safeguard and gender actions into implementation plans and budgets. Using project-developed templates, grantees will prepare required instruments proportionate to the scale and nature of their interventions. The PMU's Gender and Safeguards Specialist will review these instruments and, where necessary, trigger targeted screenings and community-level consultations. Safeguard considerations will also be incorporated into national coordinators' visits. For activities on the higher end of the Moderate risk category, grantees may be required to develop detailed instruments such as Environmental and Social Management Plans (ESMPs), Stakeholder Engagement Plans (SEPs), Gender Action Plans (GAPs), and risk mitigation frameworks. This phased approach ensures compliance with UNDP SES and Adaptation Fund policies and provides transparency throughout the project lifecycle.

The environmental and social standards guidelines will be translated and customised for broad dissemination to the project applicants to guide the development/submissions of the activities that will seek the project support. They will also be used as a reference during the review process of the project application.

7 IMPLEMENTATION AND OPERATION

UNDP will be the Implementing Agency for AFCIA 2, drawing on the expertise and operational reach of global and regional teams, including the GEF Small Grants Project, UNDP Innovation Facility, the five UNDP-Regional Bureaus (for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and the Commonwealth of Independent States) and will leverage as needed the existing network of over 150 country offices, to ensure alignment with national priorities and facilitate integration with existing adaptation, innovation and finance ecosystems. Critical learnings have been gathered from successfully running AFCIA 1.

As an Executing Agency, a Global Program Management Unit (PMU) will be established as the central coordination and technical support centre, and will strictly follow UNDP's Project and Operations Policies. The PMU will be based in UNDP's Office in Bonn (Germany), to optimise cost-efficiency, facilitate engagement with stakeholders—including grantees and local partners—and support streamlined delivery across geographies. This section below gives a clear definition of roles and responsibilities of Project staff and associated agencies in implementation of Project activities and application of social and environmental procedures (e.g. screening, assessment, preparation of management plans, monitoring). It assesses the particular institutional needs within the implementation framework for application of the ESMF. Where necessary, capacity building and technical assistance activities are included to enable implementing agencies and involved institutions and stakeholders to implement the ESMF, including preparation, implementation and monitoring of specific social and environmental management plans/measures. The PMU will include a parttime Social and Environmental Safeguards (SES) Expert responsible for ensuring compliance with UNDP's Social and Environmental Standards and the Adaptation Fund's Environmental and Social Policy. This expert will guide the screening of all Unidentified SubProjects (USPs), review risk categorizations, and provide technical support for the preparation and quality assurance of simplified Environmental and Social Management Plans (ESMPs), Gender Action Plans (GAPs), and Stakeholder Engagement Plans (SEPs). The SES Expert will also deliver safeguard training during the Onboarding Learning Sprint and provide ongoing advisory support throughout implementation.

7.1 PROJECT MANAGEMENT AND OVERSIGHT ARRANGEMENTS

UNDP will serve as the Implementing Entity (IE) for AFCIA 2 bearing responsibility for the oversight of the project in full compliance with the AF and UNDP policies, regulations and procedures. UNDP shall ensure compliance with fiduciary, procurement, legal, gender, and safeguard standards throughout the project cycle, and will serve as the project assurance function within the project governance structure.

UNDP shall also serve as the Executing Entity (EE) for this project, drawing upon the expertise and operational reach of global and regional teams, including UNDP´s Local Action Team, UNDP Innovation Facility, SDG Finance Hub, the five UNDP Regional Bureaus (for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and the Commonwealth of Independent States) and will leverage as needed the existing network of over 150 country offices, to ensure alignment with national priorities, identify synergies and facilitate integration with existing adaptation, innovation and finance ecosystems. Building upon UNDP' s existing networks, the project will be structured to promote cross coordination across grantees, engagement with key stakeholders in country, to help foster knowledge sharing, peer learning, and the transfer of innovative practices across regions.

Set up of the Global Project Management Unit (PMU):

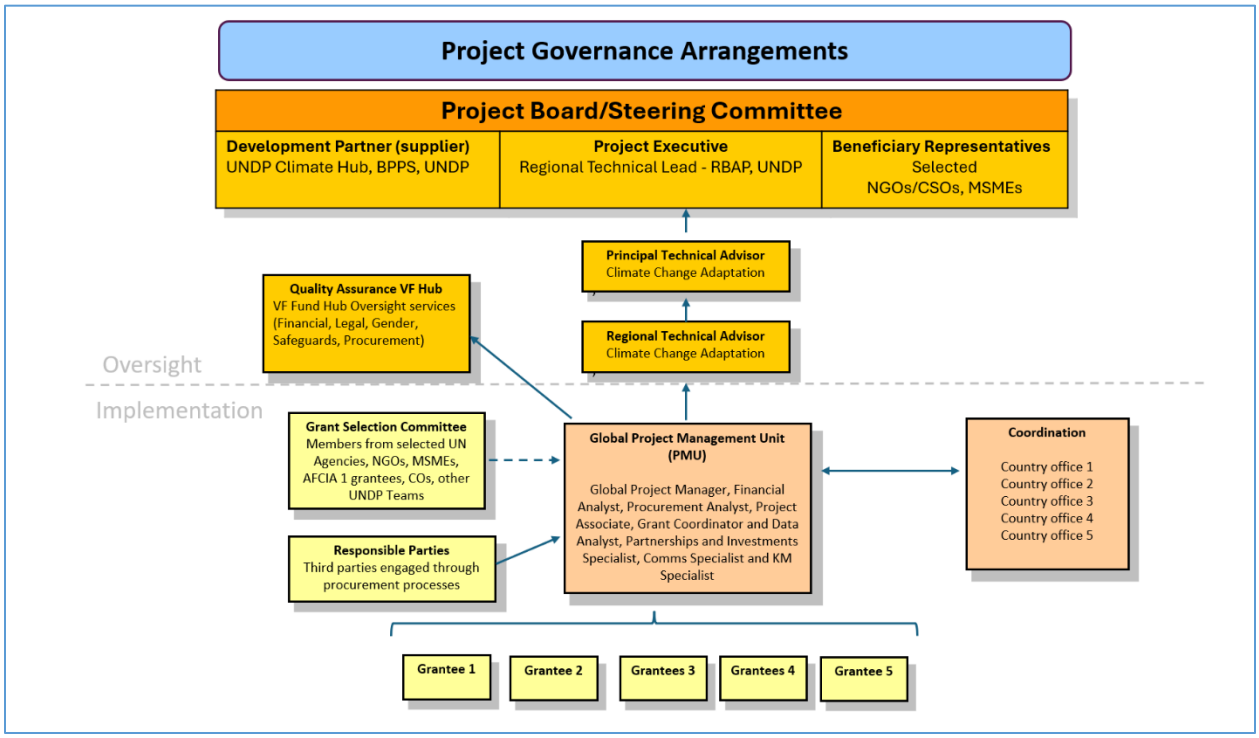
As part of this project, UNDP shall establish a Global Project Management Unit (PMU) (please refer to the organigram below) to serve as the central coordination and support hub that will directly execute the project

using a global Direct Implementation Modality (DIM). The PMU will be in charge of project implementation, ensuring project coherence and providing comprehensive management support. The PMU will be based in UNDP's Office in Bonn (Germany) with key managerial and operational positions, to optimize cost-efficiency, facilitate engagement with stakeholders and support streamlined delivery across geographies. The PMU will be integrated by a Project Manager, a Finance and Operations Analyst, a Procurement Analyst, and a Project Associate as the core operational personnel to be placed in BRH.

The responsibility of the PMU with regards to the safeguards is the following:

- Risks escalated by the PMU transfer ownership of this risk for treatment to the UNDP Program Board.
- When reviewing each grantee´s proposal, it will ensure risks identified in the social and environmental screening are realistic and credible and evidence based, with identified management measures, and that these are fully integrated in the grantee´s agreement prior to signature. The PMU will_provide a SES clearance for each grantee before signature with support of its SES AFCIA Expert. SES oversight will be at the program/portfolio level.

Figure 1. Project organisational structure



Set up of the Technical Support Arrangements:

To deliver the three core outcomes of AFCIA 2, the project will establish a specialized technical support structure combining in-house expertise and remote professionals for cost efficiency. Key roles include specialists in investment and partnership development, grant coordination and data analysis, learning and knowledge management, communications, business development, and safeguards and gender. This hybrid model—tested successfully under AFCIA 1—ensures high-quality technical assistance while minimizing overhead costs. Experts will directly contribute to Outcome 1 by strengthening systems for sourcing and supporting high-potential innovations; to Outcome 2 by enabling investment readiness and fostering strategic partnerships; and to Outcome 3 by capturing and disseminating lessons to inform replication and policy integration.

Safeguard compliance is embedded throughout this structure. The PMU will maintain a central registry of all approved sub-projects, documenting screening results, risk categorizations, and required instruments. A dedicated Gender and Safeguard Expert will guide grantees in preparing Environmental and Social Management Plans (ESMPs) and Gender Action Plans (GAPs), supported by standardized templates and review procedures under the ESMF and SESP. All grantees will participate in an Onboarding Learning Sprint covering monitoring and reporting, gender-responsive approaches, and business fundamentals. This process establishes core operational disciplines—such as clear outcomes models and systematic data capture—while reinforcing accountability and readiness for scale.

Institutional Arrangements for SES Implementation and Oversight:

The project's safeguards implementation is anchored in a clear division of responsibilities that ensures compliance with UNDP's Social and Environmental Standards (SES) while remaining proportionate to risk and responsive to grantee contexts. The PMU leads day-to-day SES delivery, including the screening and risk classification of sub-projects, the preparation and quality assurance of safeguard instruments and the coordination of consultations, disclosure, and periodic reporting. In cases where sub-projects sit at the upper end of the Moderate risk category, the PMU convenes independent peer review and seeks formal clearance from a UNDP Safeguard Specialist, thereby adding an extra layer of assurance for risk-proportionate oversight.

The SES budget covers the full set of activities required to meet SES and ESMF obligations. Budget lines for SES activities are tracked within the project workplan and financial system under dedicated safeguards entries, with clear segregation between implementation expenditures and oversight costs.

Detailed Governance Arrangements, Roles and Responsibilities

Executing Entity (EE):

UNDP serves as the Executing Entity (EE) for AFCIA 2 and is responsible for the overall execution and day-to-day management of the project through the Project Management Unit (PMU). The PMU ensures project coherence, prepares and implements work plans and budgets, manages disbursements, oversees procurement of goods and services, and handles recruitment of personnel. It also monitors progress against approved plans, manages risks—including social and environmental safeguards—and ensures compliance with UNDP and Adaptation Fund standards. The PMU is accountable for financial integrity, quarterly reporting, and maintaining alignment with donor requirements, while also implementing the communication and visibility strategy.

Specific PMU functions include planning and supervising activities, managing low-value grants, monitoring events under the project monitoring plan, and supporting audits and assessments. It prepares inception and annual reports, revises multi-year work plans as needed, and ensures timely submission of financial and progress reports. The PMU also facilitates evaluations, coordinates field visits, and captures lessons learned to inform adaptive management. By maintaining rigorous oversight of operational, financial, and safeguard processes, the PMU guarantees that project implementation remains efficient, transparent, and aligned with strategic objectives.

Implementing Entity (IE):

UNDP acts as the Implementing Entity (IE) for AFCIA 2, ensuring oversight, compliance, and alignment with Adaptation Fund requirements throughout the project lifecycle. Its responsibilities span upstream engagement—such as policy dialogue, eligibility verification, and technical screening of proposals—through to project preparation, execution oversight, and reporting. The IE provides guidance on converting concepts into feasible projects, sources technical expertise, validates partner capacities, and ensures that all activities meet technical, financial, social, and environmental standards. It also manages clearances with the Adaptation Fund, responds to information requests, and supports troubleshooting during implementation.

Beyond design and approval, the IE monitors progress, validates technical soundness, and ensures fiduciary integrity. This includes allocating and tracking annual spending limits, reporting to the Adaptation Fund, and returning any unspent funds. UNDP oversees evaluations—preparing TORs, engaging independent evaluators for mid-term and terminal reviews, and verifying the quality and compliance of all reports. Through continuous technical backstopping, quality assurance, and adaptive management, the IE guarantees that AFCIA 2 delivers results efficiently, transparently, and in full compliance with Adaptation Fund and UNDP standards.

Project Board:

The Project Board serves as the governing body of AFCIA 2, providing overall strategic direction and ensuring that activities remain aligned with agreed objectives and standards. It is responsible for steering the project toward expected results, taking corrective action when necessary, and upholding principles of fairness, transparency, integrity, and best value for money. Decisions are made in accordance with UNDP's accountability framework and Adaptation Fund requirements. If consensus cannot be reached, UNDP senior management or its delegate will mediate and, if needed, take the final decision to prevent delays in implementation.

Key responsibilities of the Project Board include approving governance arrangements and standard operating procedures, guiding the project within defined parameters, and addressing issues raised by the Project Manager. The Board reviews progress, appraises annual work plans and implementation reports, and arbitrates resource commitments. It also approves major deliverables such as the Inception Report, Mid-Term and Terminal Evaluations, and ensures coordination with government agencies. Additionally, the Board addresses escalated grievances, advises on amendments, and conducts an end-of-project review to capture lessons learned and identify opportunities for scaling successful approaches.

Grant Selection Committee:

The Grant Selection Committee will comprise 5 to 7 technical experts nominated by the Project Board based on their specialized expertise. This committee plays a critical role in the grant award process, working alongside the PMU to review longlisted applications, finalize shortlists, and recommend grantees for approval by the Project Board. It also advises on the design of grant selection criteria and provides technical guidance throughout the selection process to ensure transparency, fairness, and alignment with project objectives. Members will meet virtually after each funding window opens and operate under strict conflict-of-interest rules, prohibiting participation by individuals or entities that may apply for grants or provide technical assistance in the same window.

Beyond selection, the committee supports grantees during implementation by offering strategic advice on acceleration plans and technical areas such as business development, climate risk planning, safeguards, and gender mainstreaming. These advisory functions are delivered in collaboration with the PMU and tailored to grantee needs. Performance of grantees will be tracked by the PMU, with updates shared with the committee for any required actions. Through this dual role—selection and technical guidance—the committee ensures that high-potential innovations receive not only funding but also the expertise needed to scale effectively and deliver measurable adaptation impact.

UNDP and UNDP Country Offices and Bureaus:

The Project shall actively engage the UNDP Regional Bureaus and the UNDP Country Offices at multiple stages of the project to leverage localised expertise, networks and contextual knowledge throughout the project life cycle. This collaboration will enhance the project's local relevance and ensure that grantee support is responsive to local contexts. During the initial stages of the project, the PMU shall involve the UNDP Regional Bureaus and the UNDP Country Offices in the grantee selection phase. This process will involve mapping proposed solutions to national objectives.

Beyond selection, the UNDP Regional Bureaus and the UNDP Country Offices shall be involved in compliance monitoring and oversight of grantee activities. Further, to help strengthen technical capacity and local relevance, Country Offices will play a key role in facilitating connections with local innovation ecosystems through local networks (internal and external to UNDP). To facilitate these activities, the project will allocate funds to UNDP Country Offices where grantees are located, to support with specific follow up (in situ), verify safeguard and gender related matters in situ, help identify national scaling pathways, as well as learning and showcasing opportunities for the AFCIA 2 grantees operating in their countries.

7.2 Capacity Building and Training

Delivery organisations (e.g. contractors, NGOs, MSMEs) have the responsibility for ensuring systems are in place so that relevant employees, contractors and other workers are aware of the environmental and social requirements for Project implementation that have been agreed during the review of the Project applications.

7.3 Grievance Redress Mechanism

During the design, construction and implementation of any Project, a person or group of people may perceive or experience potential harm, directly or indirectly due to the project activities. The grievances that may arise can be related to social issues such as eligibility criteria and entitlements, disruption of services, temporary or permanent loss of livelihoods and other social and cultural issues. Grievances may also be related to environmental issues such as excessive dust generation, damages to infrastructure due to construction related vibrations or transportation of raw material, noise, traffic congestions, decrease in quality or quantity of private/ public surface/ ground water resources during irrigation rehabilitation, damage to home gardens and agricultural lands, etc.

Should such a situation arise, there must be a mechanism through which affected parties can resolve such issues in a cordial manner with the Program/Project personnel in an efficient, unbiased, transparent, timely and cost-effective manner. The Project GRM will serve as an escalation channel for unresolved grievances or cases requiring impartial review. To achieve this objective, a Grievance Redress Mechanism has been included in the ESMF for this Project.

The Grievance Redress Mechanism has been designed to:

- be a legitimate process that allows for trust to be built between stakeholder groups and assures stakeholders that their concerns will be assessed in a fair and transparent manner;
- allow simple and streamlined access to the Grievance Redress Mechanism for all stakeholders and provide adequate assistance for those that may have faced barriers in the past to be able to raise their concerns;
- provide clear and known procedures for each stage of the Grievance Redress Mechanism process, and provides clarity on the types of outcomes available to individuals and groups;
- ensure equitable treatment to all concerned and aggrieved individuals and groups through a consistent, formal approach that, is fair, informed and respectful to a concern, complaints and/or grievances;
- to provide a transparent approach, by keeping any aggrieved individual/group informed of the progress of their complaint, the information that was used when assessing their complaint and information about the mechanisms that will be used to address it; and
- enable continuous learning and improvements to the Grievance Redress Mechanism. Through continued assessment, the learnings may reduce potential complaints and grievances.

The GRM will be gender- and age-inclusive and responsive and address potential access barriers to women, the elderly, the disabled, youth and other potentially marginalized groups as appropriate to the Project. The GRM will not impede access to judicial or administrative remedies as may be relevant or applicable and will be readily accessible to all stakeholders at no cost and without retribution.

Information about the Grievance Redress Mechanism and how to make a complaint and/or grievance must be communicated during the stakeholder engagement process and placed at prominent places for the information of the key stakeholders.

7.3.1 UNDP SRM and SECU

In addition to the Project-level and national grievance redress mechanisms, complainants have the option to access UNDP's Accountability Mechanism, with both compliance and grievance functions. The Social and Environmental Compliance Unit investigates allegations that UNDP's Standards, screening procedure or other UNDP social and environmental commitments are not being implemented adequately, and that harm may result to people or the environment. The Social and Environmental Compliance Unit is housed

in the Office of Audit and Investigations, and managed by a Lead Compliance Officer. A compliance review is available to any community or individual with concerns about the impacts of a UNDP Project or project. The Social and Environmental Compliance Unit is mandated to independently and impartially investigate valid requests from locally impacted people, and to report its findings and recommendations publicly.

The Stakeholder Response Mechanism offers locally affected people an opportunity to work with other stakeholders to resolve concerns, complaints and/or grievances about the social and environmental impacts of a UNDP project. Stakeholder Response Mechanism is intended to supplement the proactive stakeholder engagement that is required of UNDP and its Implementing Partners throughout the Project cycle. Communities and individuals may request a Stakeholder Response Mechanism process when they have used standard channels for project management and quality assurance, and are not satisfied with the response (in this case the project level grievance redress mechanism). When a valid Stakeholder Response Mechanism request is submitted, UNDP focal points at country, regional and headquarters levels will work with concerned stakeholders and Implementing Partners to address and resolve the concerns. Visit **www.undp.org/secu-srm** for more details. The relevant form is attached at the end of the ESMF.

8 BUDGET FOR ESMF IMPLEMENTATION

At the Project level, the appropriate indicative budget is allocated to ensure effective implementation of the ESMF by grantees and to support UNDP governance functions. This budget assumes that a Gender and Safeguards Specialist within the PMU will cover both gender and social/environmental safeguards, providing integrated support. The estimate is based on a cohort of approximately 27 grantees; if the number of grantees increases, the budget will be scaled proportionally to maintain adequate capacity for screening, preparation of management plans, monitoring, and compliance with environmental and social safeguards and gender requirements.

#	Item to be budgeted for the design, implementation, monitoring and evaluation of this ESMF	Dedication
1	Update the ESMF and related materials (i.e. trainings), to ensure the standardized management.	2 days
2	Support the preparation and coordination of project-field visits and safeguard spot checks, as necessary.	3 days per grantee
3	Address comments and act as a point of contact for donors, partners and beneficiaries.	2 days
4	Support the PMU in the grant selection process, providing considerations and revisions from the safeguards perspective.	0.25 day per grantee
5	Screen Project grantees' proposal to identify potential safeguards risks.	1 day per grantee
6	Develop training materials at the Project level and at the grantee level.	4 days
7	Conduct training workshops and/or meetings (global and/or regional) for Project grantees, including preparatory communications and post-workshop follow up with the relevant parties till full understanding on a practical way for the audience.	2 days per workshop
8	Work with each medium and grantee as needed on the ESG risks management and Grant Coordinator and Data Analyst and Reporting plan.	0.5 days per grantee
9	Review the Project´s gender action plan, the donors´ gender requirements, and other relevant documents and develop a simple procedure that serves the Project to ensure gender policy compliance. Include across the documentation and actions the gender related concepts and procedures to help cohorts to understand, manage and measure appropriately gender related approaches.	2 days
10	Include in documentation and training the gender related concepts and procedures, to help grantees understand, manage and measure appropriately gender related approaches.	2 days

The estimated cost is approximately 55,000 USD, yearly, for the design, implementation, monitoring and evaluation of the Project's ESMF. This cost mainly corresponds to the engagement of a Gender and Safeguards Specialist (same person) that will support the implementation of the ESFM and the GAAP for this project (estimated dedication of 70 days/ per year, for five years). In addition to this, there has been

approximately 400,000 USD assigned to the COs, to support with safeguard coordination and project site visits/spot checks in case is required.

The proportional costs from other members of the AFCIA PMU (e.g. the Project Manager, Grant Coordinator and Data Analyst), who provide support to the project with regards to implementation of safeguards and gender commitments are not included here, but can be identified in the Detailed Budget Annex 8.

The proportional costs other members from UNDP who provide support to the Project with regards to safeguards and gender oversight (e.g. Regional Technical Specialist, HHQQ PTA, HHQQ Safeguards Team) are not included here, but can be identified in the Detailed Budget Annex 8, tab “IE fee Breakdown”.

Costs like operationalizing the GRM (drafting and distributing materials), any required translation of safeguards documents, and in general the implementation of the ESMP and GAAP per each grantee, will be budgeted under each grant agreement.

ANNEX 1: LIST OF NOT-FUNDED ACTIVITIES BY THE PROJECT

Potential adverse risks and impacts may arise from activities that are site-specific and involve physical interventions ("downstream" activities) as well as "upstream" activities involving planning, policy and/or sector reform, and capacity building.

These are activities with potential social and environmental risks and impacts on physical, biological, socioeconomic, and/or cultural resources.

Activities above a Moderate potential risk are not permitted, those are Substantial and High risk activities. They are defined as follows:

High Risk

Defined by UNDP's SES as "Projects that include activities with potential significant and/or irreversible adverse social and environmental risks and impacts, or which raise significant concerns among potentially affected communities and individuals as expressed during the stakeholder engagement process."

Substantial Risk

Defined by UNDP's SES as "Projects that include activities with potential adverse social and environmental risks and impacts that are more varied or complex than those of Moderate Risk projects but remain limited in scale and are of lesser magnitude than those of High Risk projects (e.g. reversible, predictable, smaller footprint, less risk of cumulative impacts). Substantial Risk projects may also include those with a varied range of risks rated as "Moderate" that require more extensive assessment and management measures."

Below is the indicative list of activities that may be expected to fall into these levels of risks, called High or Substantial Risk. Therefore, based on the above, the following activities/impacts are not permitted:

1) Activities with substantial or high adverse social and/or environmental impacts:
    a. To local communities or other project affected parties.
    b. Which may involve displacement and/or resettlement[13]
    c. Activities which may adversely impact the rights, lands, territories and resources of indigenous peoples
    d. Activities which may adversely impact critical habitats
    e. Activities which may result in significant adverse impacts to Cultural Heritage
    f. That violate the human rights
    g. That do not comply with relevant environmental and social national/state/local regulations.

2) Extraction and harvesting activities:
    a. Groundwater abstraction activities or artificial groundwater recharge schemes in cases where the annual volume of water to be abstracted or recharged amounts to 10 million m3 or more
    b. Industrial-scale commercial harvesting operations of tree plantations.
    c. Large-scale logging or deforestation of large areas
    d. Large-scale peat extraction
    e. Large-scale quarries and open-cast mining, and processing of metal ores or coal

[13] Displacement and/or resettlement refers here to potential scale. projects involving physical resettlement and/or economic displacement are generally considered High Risk. However where potential displacement and/or resettlement may be minimal, UNDP may determine that its requirements could be met with application of standard best practice and mitigation measures without the need for a full ESIA.

3) Land, agriculture, livestock projects:
    a. Large-scale land reclamation or sea dredging operations
    b. Large-scale primary agriculture or forestation, reforestation, or afforestation involving intensification, land use change or conversion of natural habitats, priority biodiversity features and/or critical habitats
    c. Industrial plants for the production of pulp from timber or similar fibrous materials or production of paper and board
    d. Large-scale installations for the intensive rearing of poultry or livestock
    e. Plants for the tanning of hides and skins where the treatment capacity exceeds 12 tonnes of finished products per day

4) Large-scale infrastructure (construction and/or expansion):
    a. Construction of motorways, express roads and lines for railway traffic; airports; new roads of four or more lanes; realignment and/or widening of existing roads to provide four or more lanes of 10 kilometers or more in a continuous length
    b. Large-scale sea and river ports and also inland waterways and ports for inland-waterway traffic; trading ports, piers for loading and unloading connected to land, and outside ports (excluding ferry piers)
    c. Large dams[14] and complex dams and other impoundments designed for the holding back or permanent storage of water, including, for example, for hydroelectric projects, water supply for irrigation or municipal water supply and other purposes, and flood control.

5) Large-scale energy and fuel projects, including transmission/transport (construction and/or expansion):
    a. Crude oil refineries
    b. Thermal power stations and other combustion installations (w/ heat output of at least 300 MW)
    c. Extraction of petroleum and natural gas for commercial purposes
    d. Installations for storage of petroleum, petrochemical, or chemical products
    e. Pipelines, terminals and associated facilities for the large-scale transport of gas, oil and chemicals
    f. Construction of high-voltage overhead, underground or submarine electrical power lines
    g. Large-scale wind power installations for energy production (wind farms)
    h. Installations for the capture of CO2 streams (generally of 1.5 megatonnes or more) and construction of sites for the geological storage of CO2

6) Waste and chemicals projects:
    a. Waste-processing and disposal installations for the incineration, chemical treatment or landfill of hazardous, toxic or dangerous wastes
    b. Large-scale waste disposal installations for the incineration or chemical treatment of nonhazardous wastes (generally with capacity exceeding 100 tonnes per day)
    c. Municipal wastewater treatment plants with a capacity exceeding 150,000 population equivalent
    d. Municipal solid waste processing and disposal facilities
    e. Integrated chemical installations, i.e. those installations for the manufacture on an industrial scale of substances using chemical conversion processes, in which several units are

[14] Large dams are defined as those with a height of 15 meters or more from the foundation. Dams that are between 5 and 15 meters high and have a reservoir of more than 3 million cubic meters are also classified as large dams. Complex dams are those of a height between 10 and 15 meters that present special design complexities, including an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, or retention of toxic materials.

juxtaposed and are functionally linked to one another and which are for the production of: basic organic chemicals; basic inorganic chemicals; phosphorous, nitrogen or potassium based fertilizers (simple or compound fertilizers); basic plant health products and biocides; basic pharmaceutical products using a chemical or biological process

7) Large-scale tourism and retail development

8) Other:
    a. Any activities that do not appear on the project proposal submitted by the grantee for the project are not permitted. This is because activities listed in the project proposal developed by each grantee represent the basis for risk categorization and the applicability of this agreement.
    b. Any other activities not listed above that may be identified as High or Substantial Risks along the project when the detailed information for each project are known and assessed. This is because the final categorization of each activity depends on the nature and extent of any actual or potential adverse social and environmental impacts, as determined by the specifics of its design, operation, and location.
    c. Any activity that may not be identified as High or Substantial Risk but may join and/or support through any of its means third-party initiatives/projects that fall under High or

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PROGRAMME ON INNOVATION:
AFCIA PROGRAMMES

REQUEST FOR PROJECT FUNDING FROM THE ADAPTATION FUND

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

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 must be fully prepared when the request is submitted.

Complete documentation should be sent to:

The Adaptation Fund Board Secretariat
1818 H Street NW
MSN N6-600
Washington, D.C., 20433
U.S.A
Email: afbsec@adaptation-fund.org

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

ADAPTATION FUND

MULTI/ REGIONAL INNOVATION PROJECT/PROGRAMME PROPOSAL

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:	UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2
Geographic Scope (Multi/Regional):	Multiple Countries
Thematic Focal Area[1]:	Innovative adaptation financing
Type of Implementing Entity:	Multilateral Implementing Entity (MIE)
Implementing Entity:	United Nations Development Programme (UNDP)
Executing Entities:	United Nations Development Programme (UNDP)
Amount of Financing Requested:	15,000,000.00 (in U.S Dollars Equivalent)

[1] The programme can have a thematic focus or foci, such as the following (i.e. this is not an exhaustive list): Agriculture and food security; Disaster risk reduction and early warning systems; Forests and land use management; Human health, including maternal and child health and welfare etc; Innovative adaptation financing; Local traditional ecological knowledge solutions, including harnessing or revival of indigenous, traditional solutions; Marine, fisheries, and oceans adaptation; Nature-based solutions, including ones that are biodiversity-supporting, in various settings (e.g. urban, peri-urban and non-urbanized); Urban adaptation and Water management

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Table of Contents

PART I: PROJECT/PROGRAMME INFORMATION 2

1. Problem Statement 5
2. Economic, Social, Development, and Environmental Context 6
3. Global Innovation and Adaptation Finance Context 9
4. Climate Vulnerabilities: Global and Regional Perspective 11
5. Climate-Change Adaptation Priorities 19

AFCIA 2: Targeted Response to the Adaptation Innovation Challenges 30

Project / Programme Objectives: 31

Overarching Development Outcome 32
AFCIA 2 four core principles 33

Project / Programme Components and Financing: 35

Projected Calendar: 36

PART II: PROJECT / PROGRAMME JUSTIFICATION 37

Project Components and Contribution to Climate Resilience 37

Theory of Change 38

Description of the Project Components 40

Activities contributing to Output 1.2 48

Activities contributing to Output 1.3 50

Activities contributing to Output 2.2: 54

Activities contributing to Output 3.1: 57

Activities contributing to Output 3.2: 60

Expected Results under the Innovation Pillar 61

Promoting New and Innovative Solutions to Climate Change Adaptation 63

Innovation for Adaptation Approach 65
Key Criteria for Scalable and Self-sustainable Innovation for Adaptation Solutions 65

Economic, Social, and Environmental Benefits and Safeguards 68

Screening for Economic, Social and Environmental Benefits 68
Screening for Inclusive, Equitable and Gender-Responsive Participation 69
Screening for socially acceptable and locally led Solutions 69
Screening for Environmental and Social Safeguards 69

Cost-Effectiveness of the Project and Added Value of the Global Approach 70

Alignment with National, Sub-National and Regional Adaptation and Development Strategies 72

Alignment with Technology Needs Assessments & Technology Action Plans 73

Compliance with National Technical Standards and the Adaptation Fund's Environmental and Social Policy 74

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Integration into Grant Proposal and Selection Process 74
Verification During Implementation 74
Environmental and Social Safeguards 74

Maximizing Synergy: Enhancing Regional Climate Resilience through Complementary Adaptation Initiatives 75

1. Complementarity within the Adaptation Fund's Implementing Partners 75

2. Complementary Focus with other Climate Funds 76

3. Innovation and SME-Focused Initiatives 78

Learning and Knowledge Management Component 79
Empowering Grantees and Strengthening Local Adaptation through Knowledge Exchange 79
Integrated Learning Architecture 80
Fostering Knowledge Exchange and Capacity Building through the MBA Fellowship Programme 80
Creating a Knowledge Platform to Support Scaling and Replication 81
Visibility and Branding of the Adaptation Fund 82

Consultative Process and Stakeholder Engagement Approach 83
Initial Consultations with Key Stakeholders 84
Future Stakeholder Consultations and Detailed Risk Assessments 90

Incorporating Diverse Perspectives on Innovation from Different Stakeholders 91

Justification for Funding Requested: Addressing the Full Cost of Climate Adaptation 92
Ensuring Sustainability of Project Outcomes in the Design Process 92

Overview of Environmental and Social Impact and Risk Screening Process 99
Screening and Categorization Process 99
Selection and approval mechanism of grants 100
Roles and Responsibilities 100
Monitoring, Reporting, and Learning Across USPs 100
Overview of Environmental and Social Impacts and Risks Relevant to the Project 101
(further detailed in Annex 4) 101

PART III: IMPLEMENTATION ARRANGEMENTS 114

1. Project Management and Oversight Arrangements 114
2. Detailed Governance Arrangements, Roles and Responsibilities 117

Financial and Project / Programme Risk Management 120
Measures for Financial and Project Risk Management 120

Environmental and Social Risk Management Measures 123

Monitoring and Evaluation Arrangements and Budgeted MEL Plan 124

Results framework for the Project 130

Alignment of the Project with the Adaptation Fund's Results Framework 143

Detailed Budget Breakdown 148

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Disbursement Schedule with Time-Bound Milestones 161

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY 162

PART V: ANNEXES 163

1. Problem Statement

The Global South bears a disproportionate share of climate impacts despite minimal historical responsibility for emissions.[2] Least Developed Countries (LDCs) and Small Island Developing States (SIDS) collectively account for less than 4% of global greenhouse gas emissions—LDCs approximately 1–3%, SIDS under 1%, and Africa around 3.6–4%—yet these regions face escalating climate hazards with constrained fiscal space and limited adaptive capacity[3][4][5]. As global temperatures approach 1.5 °C above pre-industrial levels, they are already confronting intensifying heat stress, hydrological extremes, sea-level rise and ecosystem degradation that threaten lives, livelihoods, fiscal stability and long-term development gains[6][7].

Within these regions , vulnerability is multidimensional and intersectional. Vulnerable groups—including women, youth, indigenous peoples, ethnic minorities, persons with disabilities, migrants and the urban poor—experience heightened exposure and reduced adaptive capacity due to structural inequalities in land tenure, finance, information access and decision-making[8][9]. Gendered roles in water and food provisioning, unpaid care burdens during disasters and systematic exclusion from governance amplify these risks[10]. These climate stresses interact with existing economic and social fragilities—high poverty, informality, limited social protection and under-resourced public services—to deepen inequality and constrain development choices.

Although most countries have submitted Nationally Determined Contributions (NDCs) and many have initiated National Adaptation Plans (NAPs), progress remains slow due to systemic barriers—fragmented governance, weak institutional capacity and insufficient finance[11][12]. Fragmented governance, weak institutional capacity, short project cycles and patchy knowledge-sharing ecosystems mean that climate risks are not systematically translated into bankable, locally grounded adaptation pipelines. Indigenous knowledge and community

2 Nationally Determined Contributions (NDC) Global Outlook Report 2021 The State of Climate Ambition United Nations Development Programme. (2021). [online] United Nation Development Programme, p.12. Available at: https://climatepromise.undp.org/sites/default/files/research_report_document/State%20of%20Climate%20Ambition.pdf

[3] Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. IPCC Sixth Assessment Report. https://www.ipcc.ch/report/ar6/wg2/

[4] United Nations Conference on Trade and Development. (2021). Trade and Environment Review 2021: Trade-climate readiness for developing countries. https://unctad.org/publication/trade-and-environment-review-2021

[5] International Energy Agency. (2025). Global Energy Review 2025. https://www.iea.org/reports/global-energy-review-2025

[6] World Meteorological Organization. (2024). State of the Global Climate 2024. WMO. Retrieved from https://public.wmo.int/en/resources/state-of-global-climate

[7] Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. IPCC Sixth Assessment Report. Retrieved from https://www.ipcc.ch/report/ar6/wg2/

[8] World Resources Institute. (2021). State of Climate Action 2021: Systems Transformations Required to Limit Global Warming to 1.5°C. Retrieved from https://www.wri.org/research/state-climate-action-2021

[9] Steinbach, D., Bahadur, A., Shakya, C., et al. (2022). The good climate finance guide for investing in locally led adaptation. IIED. Retrieved from https://www.iied.org/21231iied

[10] PinhoGomes-, A.-C., & Woodward, M. (2024). The association between gender equality and climate adaptation across the globe. BMC Public Health, 24, Article 1394. Retrieved from https://bmcpublichealth.biomedcentral.com/articles/10.1186/s12889-024-18880-5

[11] United Nations Environment Programme. (2024). Adaptation Gap Report 2024: Come hell and high water. UNEP. Retrieved from https://www.unep.org/resources/adaptation-gap-report-2024

[12] Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. IPCC Sixth Assessment Report. Retrieved from https://www.ipcc.ch/report/ar6/wg2/

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innovations are often overlooked, resulting in misaligned interventions and limited sustainability. The result is a widening gap between planning and delivery, particularly in LDCs, SIDS and fragile states.

This gap is reinforced by a severe and growing shortfall in adaptation finance, and by the way existing finance is structured and allocated. Global adaptation finance reached about US$63 billion in 2021–2022—just 5% of total climate finance—against needs of approximately US$212 billion per year by 2030 and approximately US$310–365 billion by 2035 for developing countries alone.[13] International public adaptation flows to developing countries were approximately US$28 billion in 2022 and approximately US$26 billion in 2023, far below the Glasgow pledge to double 2019 levels by 2025. Distributional inequities are stark: LDCs have received less than 3% of tracked adaptation finance, and the ten most climate-affected countries (2000–2019) received under 2% of total climate finance; fragile and conflict-affected states remain severely underfunded despite acute vulnerability[14][15][16].

At the same time, the actors best placed to deliver context-specific, scalable adaptation solutions remain trapped in a “missing middle”. Community-based organizations, micro, small and medium enterprises (MSMEs) and social enterprises—critical for context-specific, scalable solutions—are often too large for micro-grants yet too early-stage for commercial investment, and too unconventional for traditional development funding.[17][18][19].This structural gap limits innovation diffusion and scalability. Risk-averse funding modalities, rigid eligibility criteria and limited risk-sharing mechanisms mean that responsible risk-taking and the testing of novel approaches are the exception rather than the norm. Promising local innovations therefore struggle to move from idea and pilot to replication and scale, even where they directly address documented climate risks and vulnerable groups.

The desired future is one in which adaptation finance is significantly scaled up, predictable and better targeted: where LDCs, SIDS and fragile states receive a fair share of resources commensurate with their needs; where local and non-traditional actors—including women-, youth- and indigenous-led organizations, MSMEs and social enterprises—can access flexible, appropriately structured, risk-tolerant capital and tailored technical support; and where institutions and knowledge systems are configured to reward learning, responsible experimentation and the uptake of successful innovations. In that future, climate-vulnerable communities are not merely recipients of projects but co-designers and implementers of adaptation pathways that safeguard their economies, societies and ecosystems.

2. Economic, Social, Development, and Environmental Context[20]

13 Climate Policy Initiative (2023). Global Landscape of Climate Finance 2023. [online] CPI. Available at: https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

14 Christian Aid. (2024). Annual Report 2024. Retrieved from https://www.christianaid.org/wp-content/uploads/2025/04/FY24-Corporate-Annual-Report.pdf

15 Watson, C. (2025). Revitalising finance for adaptation: What role for the multilateral climate process? ODI Working Paper. Retrieved from https://odi.org/en/publications/revitalising-finance-for-adaptation-what-role-for-the-multilateral-climate-process/

16 Shawoo, Z., Browne, K., Canales, N., & Nazareth, A. (2025). Assessing the distributive equity of adaptation finance: A framework. Climate Policy. https://doi.org/10.1080/14693062.2025.2456552 Retrieved from https://www.tandfonline.com/doi/pdf/10.1080/14693062.2025.2456552

17 Uncdf.org. (2021). Addressing the ‘missing middle’ challenge in least developed countries By Anders Berlin and Abdul-Rahman Lediju. [online] Available at: https://www.uncdf.org/article/6520/addressing-the-missing-middle-challenge-in-least-developed-countries? [Accessed 6 Jul. 2025]

18 United Nations Capital Development Fund. (2024). UNCDF Annual Report 2024: Unlocking finance for local development. Retrieved from https://www.uncdf.org/article/1234/annual-report-2024

19 SEED. (2024). SEED Annual Report 2024: Accelerating green and inclusive enterprises. Retrieved from https://seed.uno/publications/annual-report-2024

20 This is a summarized section. For full details, please refer to Annex 12.

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2.1.Climate risks reshaping societies and systems

Climate change is accelerating and reshaping ecosystems and human systems across all regions[7]. Rising temperatures are driving more frequent and severe extremes—heatwaves, droughts, floods, and cyclones—that increasingly occur together or in quick succession. These compound and cascading events strain infrastructure, agriculture, water systems, energy, and health services, eroding resilience and elevating fiscal pressures[7]. Once global warming exceeds approximately 1.5°C, extremes intensify more sharply, and several ecosystems approach adaptation thresholds; coral reefs, coastal wetlands, mountain glaciers, and low-lying islands already exhibit stress signals that limit recovery and service provision for communities that rely on them[7].

The human dimension is central. Vulnerable populations—especially in the Global South—face disproportionate exposure and thinner safety nets. Nearly 80% of the world's poor live in regions where multiple hazards converge, and successive shocks since 2019 (pandemic, conflicts, price spikes, climate disasters) have reversed development gains, pushing millions into poverty and hunger[21]. This shock stacking deepens inequality, damages productivity, and traps households in cycles of vulnerability that are hard to escape without targeted support[171,22].

Economic and social context

Economic and social risks are tightly intertwined with climate hazards. Sub-Saharan Africa and South Asia host the largest concentrations of poor people who often face multiple, concurrent hazards—heat, drought, floods, cyclones—with limited adaptive capacity and access to finance[22] (UNDP, 2025). Middle-income regions now contain large shares of the poor as well, and many of these populations are highly exposed to climate extremes in urban and peri-urban settings where infrastructure deficits persist[21'22].

Risk is concentrated in specific settings that amplify vulnerability to climate hazards. In urban informal settlements, dense neighborhoods with inadequate drainage, cooling infrastructure, and emergency services experience acute heat stress and flash floods. Heavy rainfall often triggers disease outbreaks, while disruptions to housing, small businesses, and essential services reduce incomes and increase health costs[21] (United Nations, 2024).

In remote rural areas, livelihoods such as rainfed agriculture, pastoralism, and nature-based activities are highly sensitive to rainfall variability and temperature spikes. When droughts or floods strike repeatedly, households resort to coping strategies like selling assets, reducing food intake, or migrating seasonally—choices that erode resilience and increase long-term vulnerability[7].

Displacement settings face layered risks. Camps and host communities often combine elevated hazard exposure with resource scarcity and social pressures. Disaster-related displacement has surged in Asia–Pacific and parts of Africa and Latin America and the Caribbean, yet formal social protection coverage remains limited, leaving displaced populations highly exposed to climate shocks[21,22].

Gender and social identity shape vulnerability. Women's unpaid care work and roles in water and food provision reduce time and flexibility to adapt; limited land rights and credit access constrain enterprise resilience and farm productivity. Youth, indigenous peoples, persons with disabilities, migrants, and Afro-descendant communities often live in hazard-exposed neighborhoods with weaker access to services and finance (UNDP, 2025; United Nations, 2024). These factors compound risk and slow recovery, signaling the need for inclusive interventions that expand agency, assets, and protective systems.

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[21] United Nations. (2024). The Sustainable Development Goals Report 2024. United Nations. https://unstats.un.org/sdgs/report/2024/

[22] United Nations Development Programme. (2025). Overlapping Hardships: Poverty and Climate Hazards – Multidimensional Poverty Index 2025. UNDP. https://hdr.undp.org/

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Development context

Most countries now have Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs), yet implementation often remains slow and projectized. Aligning the two instruments is uneven, and institutional fragmentation across planning, finance, and sector agencies continues to hamper coordination and execution[23]. Country experiences—particularly in Latin America and the Caribbean—highlight persistent institutional capacity gaps that impede translation of national targets into multi-year, cross-sector programs[2324]. On the public financial management side, climate-budget tagging and related tools are gaining ground, but pipeline quality and the pace of execution still lag demand in many contexts[25].

Despite widespread policy commitments, a major adaptation gap lies in the insufficient climate-proofing of essential infrastructure—transport networks, energy systems, and water supply—where design standards often rely on historical climate data rather than forward-looking risk scenarios. This omission exposes countries to escalating repair costs, service disruptions, and fiscal stress as climate hazards intensify[26,27]. Global evidence indicates that disaster-related infrastructure losses have increased sevenfold since the 1970s, underscoring the urgency of integrating resilience measures into planning and investment[27]. While guidance exists to incorporate climate projections into infrastructure design, adoption remains uneven, particularly in LDCs and SIDS where financing and technical capacity constraints persist[28]. Strengthening adaptation requires mainstreaming risk-informed standards, scenario-based engineering, and dedicated resources for project preparation to ensure infrastructure assets remain functional and safe under future climate conditions[29,30].

Monitoring, evaluation, and learning (MEL) systems remain uneven, and risk information is not consistently converted into investment ready- projects. Global evidence from infrastructure project preparation shows that many concepts stall before becoming “bankable” due to weak feasibility, unclear risk allocation, and limited preparation capacity—issues that also affect resilience projects[31]. Investment promotion bodies and financiers repeatedly point to the shortage of bankable pipelines as a binding constraint for private capital participation[32].

Knowledge ecosystems have gaps as well. Indigenous and community innovations—such as low-cost cooling, water harvesting, -climate smart agroforestry, and -community led- early warning—are often underrecognized or -under resourced- in formal programs, despite growing evidence that they strengthen adaptation effectiveness and social legitimacy[33]. Recent reviews show that integrating Indigenous knowledge with

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[23] UNFCCC. (2024). Aligning National Adaptation Plans, Nationally Determined Contributions and Adaptation Communications (Policy brief, LDC Expert Group). https://unfccc.int/sites/default/files/resource/Policy-brief-NAPs-NDCs-AdComs.pdf

[24] Echebarria, K. (2024). Institutional challenges to the implementation of nationally determined contributions in Latin American and Caribbean countries (Working Paper No. 32). CGIAR. https://cgspace.cgiar.org/server/api/core/bitstreams/499e2025-2e41-4d10-a1d5-9f6a7d66a75d/content

[25] UNDP. (2025a). Using public financial management to implement NDCs and NAPs: Integrating climate goals into government budgets (Guidance note). https://www.undp.org/sites/g/files/zskgke326/files/2025-08/guidance_note_on_pfm_for_ndcs_and_naps_0.pdf

[26] IPCC. (2022). Climate Change 2022: Impacts, Adaptation, and Vulnerability. Cambridge University Press.

[27] OECD. (2024). *Infrastructure for a Climate-Resilient Future*. OECD Publishing.

[28] National Institute of Standards and Technology (NIST). (2024). Incorporating Climate Projections into Infrastructure Planning and Design.

[29] Wise, R. M., Capon, T., Lin, B. B., & Stafford-Smith, M. (2022). Pragmatic cost–benefit analysis for infrastructure resilience. Nature Climate Change, 12(11), 1013–1016.

[30] World Resources Institute (WRI). (2025). The Compelling Investment Case for Climate Adaptation.

[31] World Bank. (2017, September 26). Preparing bankable infrastructure projects (Blog). https://blogs.worldbank.org/en/ppps/preparing-bankable-infrastructure-projects

[32] Global Infrastructure Hub. (2019, April 23). Project preparation: Translate concept into bankable project. https://www.gihub.org/articles/project-preparation-translate-concept-into-bankable-project/

[33] Ciocco, T. W., Miller, B. W., Tangen, S., Crausbay, S. D., Oldfather, M. F., & Bamzai-Dodson, A. (2024). Indigenous knowledge in climate adaptation planning: Reflections from initial efforts. Frontiers in Climate, 6. https://doi.org/10.3389/fclim.2024.1393354

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scientific assessments improves relevance and uptake, but requires ethical engagement, tailored finance, and procurement approaches that value locally led solutions[34,33].

Finance context

Finance architecture remains a binding constraint for adaptation. The latest syntheses based on the UNEP Adaptation Gap Report estimate annual adaptation needs in developing countries on the order of US$187–359 billion, while public international adaptation finance delivered in 2022 was about US$28 billion—an order of magnitude lower than needs[35,36]. Private finance for adaptation remains limited and fragmented; IMF analysis finds that roughly 98% of tracked adaptation finance currently comes from public actors, underscoring the need for risk sharing- mechanisms and incentives to mobilize private capital[37,38].
Credit access is especially thin for micro, small, and medium enterprises (MSMEs)—the lastmile providers of goods, services, and jobs in vulnerable communities. The MSME finance gap in emerging markets and developing economies is estimated at US$5.7 trillion, with -women owned- MSMEs facing a gap of approximately US$1.9 trillion; these constraints limit investment in resilience upgrades, inventories, and technologies[39,40].

Environmental context

Escalating extremes and approaching adaptation limits in critical ecosystems raise systemic risks. Coral bleaching reduces fisheries and coastal protection; wetland loss damages water regulation and biodiversity; mountain glacier retreat affects dry-season flows, hydropower, and irrigation. In Asia's Hindu Kush–Himalaya, glacier retreat and the growing risk of glacier lake outburst floods (GLOFs) threaten downstream communities and energy systems; in coastal deltas, salinization reduces agricultural yields and affects drinking water quality. These environmental shifts reverberate across water, food, health, and infrastructure, with compound events—heat plus drought, flood plus disease outbreaks, storm surge plus sea-level rise—becoming more common[7,22].

3. Global Innovation and Adaptation Finance Context

Square Global innovation capacity remains highly concentrated in high income economies, while many climate vulnerable countries in Africa, Asia–Pacific, Arab States, Latin America and the Caribbean (LAC), and parts of Europe and Central Asia (ECA) operate- as emerging or under- -resourced innovators. At the same time, each region hosts "innovation over-performers"—economies whose innovation outputs exceed expectations given their income level—signaling latent capability that can be mobilized for adaptation[41]. Total climate finance

[34] Dorji, T., Rinchen, K., Morrison-Saunders, A., Blake, D., Banham, V., & Pelden, S. (2024). Understanding how Indigenous knowledge contributes to climate change adaptation and resilience: A systematic literature review. Environmental Management, 74, 1101–1123. https://doi.org/10.1007/s00267-024-02032-x
[35] E3G. (2025). Bridging the finance gap for adaptation (Briefing paper). https://www.e3g.org/wp-content/uploads/E3G-briefing-Bridging-the-finance-gap-for-adaptation-2.pdf
[36] UNEP. (2023). Adaptation Gap Report 2023. United Nations Environment Programme. https://www.unep.org/resources/adaptation-gap-report-2023
[37] IMF. (2024). Unlocking adaptation finance in emerging market and developing economies (Staff Climate Note No. 007). https://doi.org/10.5089/9798400293290.066
[38] OECD. (2023). Scaling up adaptation finance in developing countries. https://www.oecd.org/en/publications/scaling-up-adaptation-finance-in-developing-countries_b0878862-en.html
[39] SME Finance Forum. (2025). MSME finance gap: An updated estimation and evolution of the MSME finance gap in EMDEs. https://www.smefinanceforum.org/data-sites/msme-finance-gap
[40] World Bank. (2025). SME finance—Overview. https://www.worldbank.org/en/topic/smefinance
[41] World Intellectual Property Organization. (2024). Global Innovation Index. https://www.wipo.int/en/web/global-innovation-index

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reached ~US$1.3 trillion in 2021/22, but growth is skewed to mitigation (renewables, low carbon- transport), while adaptation—especially at local/community/MSME level—remains structurally under-financed[42].Recent syntheses place annual adaptation needs for developing countries at ~US$212 billion by 2030 and US$310–365 billion by the mid-2030s, compared to ~US$26 billion in public adaptation finance delivered in 2023, highlighting the magnitude of the adaptation finance gap[43,44].

From an adaptation innovation lens, the Global Innovation Index (GII) pillars most relevant are: framework conditions (policy, regulation), innovation investments in climate relevant sectors (water, agriculture, infrastructure, ecosystems, risk management), and outputs directly supporting adaptation (environment related technologies, early warning systems, SME green products/processes). Many developing countries already exhibit relative strengths in environment related environment related- technologies and SME product/process innovation, but these strengths are not consistently directed toward adaptation and are undermined by weak public R&D, limited risk capital, and insufficient government support for business innovation[41,7].

Regional Innovation Context

Africa

Sub-Saharan Africa combines high climate vulnerability with growing pockets of innovation excellence. The region hosts multiple innovation overperformers and is showing upward mobility in GII rankings, yet absolute performance remains low across many countries due to limited R&D, weak innovation infrastructure, and scarce finance (WIPO, 2024). Climate hazards—rapid warming, heavier downpours, multiyear droughts—and exposure in coastal cities compound stress on agriculture, water, health, and energy systems, with poverty and conflict amplifying risks (IPCC, 2022; UNDP, 2025). Converting rising innovation inputs (institutions, business sophistication) into high value adaptation outputs remains the key challenge (WIPO, 2024).

Asia–Pacific (including SIDS)

Asia–Pacific is the most disaster impacted region, with recurrent floods and storms, intensifying monsoon cloudbursts, and glacial retreat/GLOFs affecting livelihoods. SIDS face existential risks from -sea-level- rise and ocean warming despite negligible emissions[7]. The region also contains global innovation leaders such as (Singapore, Republic of Korea, China) and overperformers (e.g., India, Viet Nam), but many -low-income- economies and SIDS have small R&D bases and limited risk capital, slowing translation of frontier capabilities into locally led adaptation gains[41].

Europe & Central Asia (ECA)

ECA features top innovation leaders alongside moderate/emerging innovators. EU innovation performance improved approximately 10–13% (2017–2024), but regional disparities persist; Eastern/Southeastern Europe and parts of Central Asia show gaps in business R&D, public innovation support, and SME innovation, even as climate risks—heat drought- compounds, urban pluvial floods, glacier retreat and water stress—intensify[41,7] (IPCC, 2022; WIPO, 2024). Bridging the transition gap between strong institutional/technical capacity and frontline adaptation demands remains pivotal[41].

Arab States (MENA)

MENA is extremely water scarce- and increasingly exposed to extreme heat, flash floods, and desertification, with deltas (e.g., the Nile) experiencing salinization. Innovation performance is highly uneven; while several regional neighbors such as Israel, UAE, Türkiye, Cyprus rank among global leaders, while many low/-middle-

[42] Climate Policy Initiative. (2023). Global landscape of climate finance 2023. https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[43] E3G. (2025). Bridging the finance gap for adaptation (Briefing paper). https://www.e3g.org/wp-content/uploads/E3G-briefing-Bridging-the-finance-gap-for-adaptation-2.pdf

[44] UNEP. (2023). Adaptation Gap Report 2023. United Nations Environment Programme. https://www.unep.org/resources/adaptation-gap-report-2023

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income- states have weak R&D and fragmented innovation ecosystems[41,45]. Climate finance profiles show skews toward loans and mitigation, and SMEs struggle to access adaptation credit, constraining resilience investments[45].

Latin America & the Caribbean (LAC)

LAC faces intensifying cyclones, floods, droughts, rapid Andean glacier loss, and coastal surge/SLR in the Caribbean, alongside postCOVID- poverty reversals and rising food insecurity[46,7]. Innovation anchors—Brazil, Chile, Mexico—sit in midrange GII positions, while many countries exhibit low R&D intensity, limited infrastructure, and thin -early stage- capital. A persistent input–output gap sees investments in education/infrastructure not consistently translating into innovation outputs[41].

4. Climate Vulnerabilities: Global and Regional Perspective

Climate change is pushing Earth's systems toward dangerous tipping points and exceeding their capacity to adapt. Many critical ecosystems – from tropical coral reefs and coastal wetlands to mountain glaciers and low-lying islands – are already nearing or surpassing their "hard" adaptation limits[47]. Above about 1.5 °C of warming, the frequency and intensity of climate extremes (heatwaves, droughts, wildfires, cyclones, floods, etc.) rise sharply[48]. These extremes increasingly hit together or in succession, so that concurrent heat, drought and storm events cascade through infrastructure, food and water systems, health services and natural ecosystems. In practice, this means physical shocks compound one another and amplify impacts – for example, floods on top of storms or fires during heatwaves can overwhelm relief efforts and damage multiple systems at once. Crucially, these escalating hazards tend to hit the poorest and vulnerable communities hardest. Inequity and poverty limit adaptive capacity, so that low-income, vulnerable groups face far greater exposure and fewer means to cope[49]. In other words, intensifying climate hazards directly magnify socio-economic vulnerability, linking the physical threats of warming to the human development risks that follow.

Climate change is therefore not only an ecological challenge, but also a socio-economic challenge. The world's poorest populations, particularly in the Global South, bear a disproportionate share of climate impacts. Nearly 80% of the global poor (≈887 million people) live in regions exposed to hazards such as heatwaves, flooding, drought, and air pollution[50]. In low- and middle-income countries, successive shocks have reversed development gains: pandemics, conflicts, and climate disasters pushed 23 million more people into extreme poverty and 100 million more into hunger in 2022 compared to 2019[51]. About 83% of all poor people live in two

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[45] UNESCWA. (2024). Climate finance in Arab States. https://www.unescwa.org/publications

[46] Food and Agriculture Organization. (2024). The State of Food Security and Nutrition in the World 2024. FAO. https://www.fao.org/publications

[47] IPCC. (2022). Summary for Policymakers. *www.ipcc.ch*. IPCC. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/chapter/summary-for-policymakers/

[48] IPCC. (2018). Summary for Policymakers — Global Warming of 1.5 °C. *IPCC*. Retrieved November 8, 2025, from https://www.ipcc.ch/sr15/chapter/spm/

[49] IPCC. (2022b). Summary for Policymakers. *www.ipcc.ch*. IPCC. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/chapter/summary-for-policymakers/

50 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025b). (pp. 14–16). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

51 United Nations. (2024b). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 3). Retrieved November 8, 2025, from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

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regions—Sub-Saharan Africa (565 million) and South Asia (390 million), both climate hotspots[52]. Figure 1 illustrates the quantum of climate hazard. In South Asia, 99% of the poor face at least one climate hazard, and more than half face multiple hazards simultaneously[53].

The adaptation finance gap is stark. Developing countries need USD 310–365 billion annually for adaptation by 2035, yet in 2023, only USD 26 billion in public adaptation funds reached them—roughly 12–14 times less than required[54]. Global adaptation finance totaled just USD 63 billion (≈5% of climate finance), far below the USD 212 billion per year needed by 2030[55]. Most of these scarce resources flow to richer economies: LDCs have received under 3% of adaptation finance, and the most climate-vulnerable countries under 2%[56].

The interplay of poverty and climate risk deepens vulnerability. The latest UNSDG report warns that *"climate change is hindering poverty reduction, and disasters result in millions of households becoming poor or remaining trapped in poverty"*[57]. Food insecurity is rising as record-high prices—partly driven by climate shocks—worsen access to nutrition globally. About 65% of poor people live in middle-income countries, underscoring that hunger and vulnerability persist even where nations are not classified as "low income"[58]. Upper-middle-income countries have fewer poor people in absolute terms. But their exposure to climate

52 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025c). (p. 3). Retrieved from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

53 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025d). (p. 18). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

54 Environment, U. (2025). Adaptation Gap Report 2025. *UNEP - UN Environment Programme*. Retrieved November 8, 2025, from https://www.unep.org/resources/adaptation-gap-report-2025

55 Buchner, B., Naran, B., Padmanabhi, R., Stout, S., Strinati, C., Wignarajah, D., Miao, G., et al. (2023). *Global Landscape of Climate Finance 2023 AUTHORS* (p. 6). Retrieved November 8, 2025, from https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf

56 Buchner, B., Naran, B., Padmanabhi, R., Stout, S., Strinati, C., Wignarajah, D., Miao, G., et al. (2023). *Global Landscape of Climate Finance 2023 AUTHORS* (p. 6). Retrieved November 8, 2025, from https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf

57 United Nations. (2024c). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 8). Retrieved November 8, 2025, from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

58 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025e). (p. 6). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

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hazards is disproportionately high—91 per cent of poor people in these countries face at least one climate hazard[59].

Socio-economic and environmental inequalities compound these risks. Vulnerable groups—women, youth, indigenous peoples, ethnic minorities, persons with disabilities, migrants, and the urban poor—consistently lack adaptation support and voice[60]. Women shoulder disproportionate unpaid care work, limiting resilience, while indigenous knowledge is often excluded from planning. Environmental degradation and the loss of critical ecosystem services that people depend on—fisheries, freshwater regulation, soil health and crop biodiversity, non-timber forest products (NTFPs), and regulating services (e.g., carbon storage, flood buffering, pollination)—explicitly compound risk and create feedback loops with climate impacts[61]. Ocean warming, acidification and deoxygenation are already affecting marine ecosystems and fisheries productivity, heightening risks for coastal and small-scale fishers[61]. On land, desertification and land degradation reduce water retention and soil fertility, weakening agro-ecosystems and resilience[61].

Children under 18 make up just 33.6% of the population covered by the global MPI. Yet they account for 51% of people in multidimensional poverty. Among all children, 28% live in multidimensional poverty, more than double the rate among adults (13.5%)[62]. Many communities—such as informal urban settlements, remote villages, and nomadic pastoralists—already lack access to finance, markets, education, and services, leaving them highly exposed to climate threats.

Taken together, the evidence is clear: climate shocks are now intertwined with development challenges. Asia and Africa are epicenters of overlapping poverty and hazards, while even middle-income and urban populations face growing risks (e.g., heat in cities, coastal floods). The result is a vicious cycle: poor households and marginalized and vulnerable communities have fewer resources to adapt, so climate disasters deepen poverty and inequality. Closing this gap requires scaling up inclusive climate action that prioritizes those most at risk.

4.1. Regional Vulnerabilities

Africa is experiencing rapid warming, heavier downpours, and multi-year droughts. According to the World Meteorological Organization, 2024 was the warmest or second-warmest year on record for Africa, with surface temperatures about 0.86°C above the 1991–2020 average; North Africa warmed the fastest (≈1.28°C above that baseline)[63]. Human-driven climate change has already increased heatwaves and hot extremes in Africa. In 2024, extreme heat affected many parts of the continent, disrupting agriculture, reducing labor productivity and even forcing school closures during record heatwaves. Coastal and marine temperatures around Africa

59 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025f). (p. 18). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

60 IPCC AR6 WGII (2022) – Climate Change 2022: Impacts, Adaptation and Vulnerability – Summary for Policymakers (SPM).

61 IPCC SRCCL (2019) – Special Report on Climate Change and Land: desertification, land degradation, food security, and land–climate interactions. (SPM; Chapters 2, 4, 5).

62 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025g). (p. 6). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

63 Extreme weather and climate change impacts hit Africa hard. (2025, May 7). *World Meteorological Organization*. Retrieved November 8, 2025, from https://wmo.int/news/media-centre/extreme-weather-and-climate-change-impacts-hit-africa-hard

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

have also climbed: sea-surface waters in the Atlantic and Mediterranean reached record highs in 2024, fueling massive marine heatwaves unseen since measurements began[64].

Rainfall patterns are becoming more erratic and extreme. Intense short-duration storms have grown more frequent, causing catastrophic floods in places like the Sahel and East Africa, while other regions face prolonged drought. The WMO notes "exceptional flooding" in some countries from excessive rainfall and "persistent droughts and water scarcity" in others. Over the Mediterranean and Sahara margins, declining precipitation has increased aridity – the balance of evaporation over rainfall – exacerbating water stress in North Africa[65]. In contrast, East African highlands and parts of the Sahel have seen more intense downpours, consistent with warming-driven increases in atmospheric moisture and heavy rainfall intensity[66] [67]. Meanwhile, southern Africa has seen both record-breaking cyclones and multi-year droughts – trends that, under warming scenarios, will yield fewer but stronger tropical storms and more frequent multiyear droughts[68] [69].
Africa's long coastline and rapidly growing coastal cities are also at rising risk. Relative sea level is projected to climb by many tens of centimeters by 2100, threatening shorelines from the Nile Delta to West African coasts. One IPCC assessment estimates that 108–116 million Africans will be exposed to sea-level rise by 2030 (up from approximately 54 million in 2000), growing to 190–245 million by 2060[70]. Storm surges and coastal flooding driven by higher seas and more intense cyclones compound these threats to low-lying cities and infrastructure. By mid-century, the damages from sea-level rise and coastal storms could reach tens of billions of dollars for African coastal megacities[71] [72].

These climatic shifts compound existing social and economic vulnerabilities. As WMO warns, "extreme weather and climate change impacts are hitting every single aspect of socio-economic development in Africa and exacerbating hunger, insecurity and displacement". In practice, higher temperatures and erratic rain hurt rainfed agriculture, food and water security, and public health. Consequently, Africa's rapid warming, stronger heatwaves, heavier floods and deeper droughts set the stage for the socio-economic crises to follow. These climate pressures will amplify poverty, food insecurity and conflict in the region's vulnerable communities as Africa is home to the largest concentration of climate-vulnerable people.

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[70] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

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Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Arab States (MENA) Arab League countries – from the wealthy Gulf monarchies to the Maghreb and Mashreq – are warming at alarming rates, roughly twice the global average[73]. Extreme heat is becoming the "new normal," with heatwaves intensifying and land aridity increasing. As UNDP notes, "temperatures in the Arab States region are increasing twice as fast as the global average," driving frequent droughts and water scarcity. In fact, today the region contains 14 of the world's 20 most water-stressed countries. By mid-century, all Arab countries are expected to live under "extremely high" water stress, which could slash regional GDP by up to approximately14% by 2050[74] [75]. Nearly half of the region's farmland is already degraded by soil erosion, salinization or nutrient loss. The combined effect is a harsher desertification trend: staple agriculture faces steep productivity declines, threatening food security for millions.

Although the climate is drying on average, rainfall is becoming more erratic and extreme. Satellite data confirm that when desert storms hit, they can pour massive amounts of rain in a short time[76]. The IPCC and regional scientists warn of "increased extreme precipitation events" even as average rainfall declines. In arid and Mediterranean zones, winters and autumns may see more intense storms, while summers get drier. Evidence from 2023–24 shows climate change is amplifying these extremes. World Weather Attribution analysis confirms that climate warming made events like Storm Daniel up to 50x more likely and 50% more intense than in pre-industrial times. The upshot: arid cities face growing flash-flood hazards amid heat, even as the overall water supply dwindles.

Large low-lying areas and deltas in the Arab region – notably the Nile Delta, Arabian Gulf coasts, and Mediterranean fringes – are highly vulnerable to sea-level rise and storm surges. Currently, about 9% of the Arab population lives within approximately5 m of sea level, often in densely settled coasts[77]. As seas rise, saltwater is intruding into coastal aquifers and farmland (especially in Egypt's delta). NASA analyses show the Nile Delta's most fertile soils are already being lost: roughly 15% of Egypt's prime farmland has suffered permanent salinization due to rising seas and subsidence[78]. Rapid urbanization compounds the problem: cities like Alexandria and Cairo have been expanding onto delta land, eating away at agricultural buffers.

Overall, Arab states suffer "some of the world's fastest warming"[79], yet the region receives among the lowest levels of climate finance in the world. One UNDP analysis finds Arab countries need roughly $600 billion by

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Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

2030 to adapt and decarbonize, but received only approximately $35 billion from 2010–2020[80]. Adaptation is especially underfunded: United Nations Economic and Social Commission for Western Asia reports the region still gets 8.5x more loans than grants and about 3.5x more funding for mitigation vs. adaptation[81]. Financial flows are concentrated in a few wealthy states, while fragile or low-income countries see only approximately 5% of total climate aid. Credit remains scarce: the region "has the largest gap in access to credit in the world," hampering private investment in green projects. Small and medium enterprises – which make up approximately 96% of firms and 50% of jobs – struggle to get financing for clean-tech innovations.

Asia-Pacific, including Small Island Developing States (SIDS), is the world's most disaster-impacted region. Asia–Pacific is a climate hotspot: UNDP Human Development Report warns climate change is a "profound existential threat" to the region. It is home to roughly 60% of the world's population[82] in fast-growing economies (China, India, Southeast Asia) that still rely heavily on coal and oil (about 85% of energy). By contrast, vulnerable small islands contribute only approximately 0.01% of global emissions but face "immediate and existential" risks from rising seas and marine heatwaves[83].

Extreme weather already pummels the region. Asia–Pacific averages about six climate disasters per year – roughly double Latin America's rate and triple Africa's. In 2022 alone, storms and floods in the region caused approximately 7,500 deaths, affected 64 million people and inflicted approximately $57 billion in damage. Coastal megacities amplify these impacts: six of the world's largest flood-prone coastal cities (Tokyo, Mumbai, etc.) are here, and about 70% of the global population vulnerable to sea-level rise lives in Asia–Pacific[84]. At the same time, warming is intensifying regional hydrology: heavy monsoon downpours are expected to become much more extreme[85]. The Asia–Pacific region contains some of the world's highest mountains and most extensive glacier systems. The mountains and glaciers in the Asia–Pacific region are among the most vulnerable to ongoing climatic, societal and environmental changes. Glaciers in the HKH region are

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Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

disappearing at an alarming rate: 65% faster in 2011–2020 than in the previous decade ,according to UN World Water Development Report 2025[86]. They are also melting faster than the global average. It has been projected that under global warming scenarios of 1.5–2°C, glacier volume in the HKH region may reduce by 30–50% by 2100. If global warming exceeds 2°C, these glaciers may shrink down to 20–45% of their 2020 volume. These warming and melting trends will cause catastrophic changes. Increases in total runoff in the Third Pole region have been projected, with the largest impacts in the monsoon-dominated river basins. For rivers like the Indus where the contributions of glacier- and snow-melt are high, increasing streamflow is expected to peak, then diminish. While impacts vary by river basin, research reiterates the role of glacial melt as a contributor to GLOFs, flash floods and landslides and elevated damage to human settlements, farm and pasture production, transport networks and hydropower energy systems. The risk of GLOFs occurring in the HKH region has been predicted to triple by the end of the century, with a significant number of GLOFs affecting other downstream countries, primarily in the eastern Himalayas.

The human toll is compounded by poverty and inequality. The region holds 60% of the world's population, including fast-developing economies and huge concentrations of poor people (e.g. India, Bangladesh, Indonesia). Disasters strike frequently: Asia-Pacific sees approximately 6 natural disasters per year on average, roughly twice Latin America's rate and three times Africa's. Coastal megacities and small island states are especially exposed: Asia-Pacific contains six of the world's largest flood-prone cities, and about 70% of the global population is at risk from sea-level rise[87].

Europe and Central Asia (ECA) face compound heat-drought events, urban pluvial floods, and glacier retreat in Central Asia, which heightens water stress. While risk-layered finance and green-blue urban infrastructure are priorities, they remain underfunded. Across Europe and Central Asia, climate hazards are intensifying. Heatwaves have grown more frequent and severe in all sub-regions, while precipitation patterns are shifting – winters are wetter in the north and summers drier around the Mediterranean[88]. These changes fuel compound extremes, such as concurrent heatwaves and droughts that heighten wildfire and crop-failure risks[89].

Despite relatively lower overall poverty in ECA than in other parts of the world, stark disparities persist. Central Asian republics and the Caucasus are especially at risk, facing glacier retreat, chronic drought, and competition over dwindling water supplies. Recent droughts have slashed agricultural yields by 30–40% in parts of Central Asia[90], spurring food and water crises. Vanishing glaciers and reduced river flows are already stoking tensions

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Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

over shared waters like the Fergana Valley[91]. Rural mountain communities – pastoralists and subsistence farmers in the Pamirs, Tien Shan or Caucasus – are also highly vulnerable, as erratic rainfall and thawing permafrost trigger floods and landslides in remote villages with fragile infrastructure[92].

In the Western Balkans, drought combined with socio-political fragility has made the region a climate-security hotspot, where water shortages and farm losses could inflame unrest. Eastern Europe, meanwhile, faces compounding stresses: the war in Ukraine and energy price spikes have heightened social vulnerabilities alongside climate impacts. Even the wealthier EU countries are not immune – the deadly 2022 heatwaves and wildfires revealed that urban populations are also at risk, with thousands of mainly elderly people perishing from extreme heat[93]. Pockets of rural poverty persist too – in Moldova, a 30% collapse in harvests led to massive job losses and a recession. Climate change thus acts as a threat multiplier across ECA, hitting the poorest communities hardest and sometimes fueling instability.

Latin America and the Caribbean (LAC) experience intensifying cyclones, floods, and droughts. Latin America and the Caribbean are facing an alarming convergence of climate hazards and socio-economic vulnerabilities, underscoring the urgency for targeted intervention. Intensifying climate extremes are already exacting a heavy toll. In recent years, multiple hazards have battered the region: dying Andean glaciers, record-breaking Caribbean hurricanes, severe droughts and deadly floods have all scarred LAC's socio-economic landscape[94]. Tropical cyclones in the Caribbean are growing more destructive; for example, Hurricane Beryl in 2024 was the strongest on record to strike Grenada, wreaking devastation across the islands. Cyclical El Niño events now fuel unprecedented floods and droughts – in 2024, El Niño conditions contributed to widespread drought across the Amazon Basin, with major rivers like the Negro in Manaus dropping to record lows and parts of the Paraguay River hitting their lowest level in 60 years. The high Andes are experiencing dramatic glacier loss: Venezuela has now lost its last remaining glacier, and the Andes have shed roughly 25% of their ice since the late 19th century, with tropical glaciers melting ten times faster than the global average. Meanwhile, low-lying small islands face existential threats from coastal erosion and rising seas; ocean warming and melting ice are accelerating sea-level rise, heightening the peril for coastal communities and island nations in the Caribbean. From the vanishing glaciers of the Andes to drought-stricken Amazonian rainforests and eroding beaches in the Caribbean, climate hazards are intensifying on all fronts in LAC, inflicting damage that lasts long after each disaster's headlines fade[95].

For the region's most vulnerable people, these escalating hazards hit hardest. Rural smallholder farmers (campesinos) and indigenous communities, who rely on climate-sensitive agriculture and ecosystems, have seen their livelihoods devastated by erratic rains, extreme droughts and other shocks. In cities, the urban poor – often crowded into informal settlements on flood-prone hillsides or coastlines – also bear disproportionate risk. Afro-descendant and indigenous populations are overrepresented in high-exposure zones due to historical marginalization. For instance, Afro-descendants in Latin America are roughly twice as likely to live in urban slums as non-Afro-descendants[96], meaning they often inhabit the least protected, most hazard-exposed parts of cities. Indigenous groups, too, are directly in harm's way: during the severe 2024 Amazon drought (the worst in 45 years), at least 16 indigenous groups across 42 territories in Brazil were directly affected by water

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Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

shortages and wildfires[97]. These intersecting inequalities translate into a climate vulnerability gap – those with the fewest resources are the most exposed and least able to recover. Decades of social development gains are now at risk of unravelling. The COVID-19 pandemic, combined with recent climate catastrophes, has already reversed earlier progress in poverty reduction.

Taken together, these regional patterns reveal a global picture of accelerating climate hazards intersecting with socio-economic fragility. Addressing these vulnerabilities requires inclusive, well-financed adaptation strategies that prioritize the most exposed communities and ecosystems.

5. Climate-Change Adaptation Priorities

5.1. Global adaptation priorities

Adaptation is now a global imperative, especially for Least Developed Countries (LDCs) and Small Island Developing States (SIDS) that face escalating hazards while contributing little to historical emissions (e.g., coastal flooding, heat, drought, storms)[398]. The financing reality is clear: the adaptation finance gap is estimated at US$187–359 billion per year by 2030, and >US$310 billion annually by 2035, yet international public adaptation finance to developing countries was about US$28 billion in 2022 and approximately US$26 billion in 2023—a small fraction of needs[11]. Tracked flows in 2021–2022 reached approximately US$63 billion (public + private), only approximately 5% of total climate finance; Africa received approximately 20% of adaptation flows despite high exposure[133].

While more countries are submitting NAPs, implementation remains slow and projectized due to fragmented governance, constrained institutional capacity, and weak monitoring, evaluation and learning (MEL) systems[Error! Bookmark not defined.]. This is precisely why global guidance now emphasizes locally led adaptation (LLA) and the elevation of indigenous knowledge and gender responsive- climate services—principles the Adaptation Fund has mainstreamed in its 2023–2027 strategy[16612].

These priorities directly align with the Adaptation Fund's eligibility criteria [99] which prioritize developing country Parties to the Kyoto Protocol or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change, including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems.

5.2. Global evidence-based priorities: what to scale

The themes outlined below were selected through a synthesis of global evidence, policy signals, and lessons from AFCIA 1, reflecting interventions that combine high impact, cost-effectiveness, and scalability in climate-vulnerable contexts (for a detailed analysis please refer to **Annex 12**). They align with priorities consistently highlighted in National Adaptation Plans (NAPs), the Global Goal on Adaptation (GGA), and the Adaptation Fund's 2023–2027 strategy, which emphasize systemic resilience and equity[100,101]. Each theme addresses a

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Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

critical bottleneck identified in the above sections: gaps in early warning coverage, food and water security, resilient infrastructure, and urban adaptation finance, alongside the need for risk-layered instruments to protect households and economies. Importantly, Locally Led Adaptation (LLA) is included as a standalone priority because global reviews confirm that empowering communities as decision-makers—not just beneficiaries—improves relevance, uptake, and sustainability of adaptation measures[102,103]. LLA also responds to persistent equity gaps and the "missing middle" challenge, ensuring that grassroots innovators, MSMEs, and Indigenous knowledge systems are central to adaptation pathways. Together, these priorities represent actionable levers for closing the adaptation delivery gap and accelerating progress toward resilience at scale. Early Warnings for All, climate services & anticipatory action: Universal multi hazard early- warning systems (MHEWS) are among the most cost- effective- adaptation investments, with strong benefit–cost ratios and measurable lifesaving impact. Yet coverage is still incomplete, particularly in LDCs and SIDS. The 2024 Global Status of MHEWS shows countries with limited MHEWS suffer approximately 6-time- higher disaster mortality than those with substantial coverage; progress is uneven and finance must accelerate to close the gap[165]**Error! Bookmark not defined.**.

Water security across flood–drought cycles: Integrated measures—forecast informed- reservoir operations, floodplain restoration, drought risk management, and climate services for agriculture—reduce cascading risks to food, health, and cities and are prioritized in many NAPs**Error! Bookmark not defined.**[104].

Risk **informed, resilient infrastructure through locally led Nature based Solutions (NbS):** NbS—such as mangrove restoration, urban wetlands, floodplains, and ridge to- reef watershed management—reduce climate risks now by lowering flood depths, buffering storm surge, cooling urban heat, stabilizing slopes, and improving water availability. When we count all the benefits (avoided losses, fisheries and food security, recreation, biodiversity, and carbon), NbS- often deliver higher net benefits and lower lifecycle costs than grey- -only options, especially in coastal and riverine settings[12105].

Risk layered finance and adaptive social protection: Blending contingency funds, forecast-based finance, and parametric insurance with adaptive social protection (for example, shock-responsive cash transfers) helps governments and households bounce back faster aftershocks[106].

Urban adaptation: Cities concentrate risk, but urban adaptation finance remains limited. In 2024, adaptation flows to cities were approximately US$10 billion (1.2% of urban climate finance), and EMDE cities received just 11% of urban climate finance; LDC cities, approximately 1%[107]. Scaling urban NbS and heat/flood resilience requires better budget tracking and stock takes-; UNEP's State of Finance for Nature in Cities 2024 provides an Urban NbS framework and shows the global NbS finance gap[108].

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[108] United Nations Environment Programme. (2024, October 26). From grey to green: State of finance for nature in cities 2024. https://www.unep.org/resources/report/grey-green-better-data-finance-nature-cities-state-finance-nature-cities-2024

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5.3. Regional adaptation priorities

Africa

Across Africa, NAPs commonly elevate water resources management (including drought and flood risk), agriculture and food security, multi hazard early warning/DRR, and ecosystem- -based or NbS approaches—with many plans integrating these themes into sector strategies and budget pipelines[109]. These priorities are reflected in the UNFCCC's 2024 synthesis of submitted NAPs and in regional dialogues that underline the centrality of water and risk information for planning and finance access[110]. In East and Southern Africa, UNFCCC reporting highlights formal NAPs moving into implementation, with action lines on early warnings, sustainable land and watershed management, and risk -informed planned relocation, framed explicitly as NAP priorities [111] . Given the cross border- nature of many basins, African climate policy also references transboundary water cooperation and WASH service resilience as part of NAP–NDC alignment. In parallel, continentwide early- warning- initiatives (EW4All) are being institutionalized as a delivery track inside national adaptation frameworks and roadmaps111[112].

Arab States (MENA)

Across the Middle East and North Africa, NAP processes and regional briefs show a water centric portfolio: demand management, reuse and groundwater governance, alongside heath planning, urban flood/flash flood risk reduction, and coastal risk management for deltas and low-lying coasts[113]. Countries describe ongoing work to downscale climate information, run sectoral vulnerability assessments, and mainstream adaptation into national development plans—often starting with water, agriculture, health, and cities. Regional guidance from UNECE and partners also documents NAP linkages to transboundary aquifers, WASH resilience, and cooperative water governance—issues that recur across national priority lists in arid and semiarid settings. UNFCCC technical materials note that updated NAP guidance is being used to integrate these measures into costed implementation pathways and national monitoring systems[113].

Asia & the Pacific (including SIDS)

In Asia and the Pacific, NAPs frequently prioritize monsoon related early warning and flood management, coastal resilience (including NbS) approaches linking uplands to coasts, and, in mountain states, cryosphere risk management (notably GLOF early warning and downstream reservoir rules)[114,115]. Small Island Developing States (SIDS) embed chronic inundation planning, ecosystem restoration (reef and mangrove systems), and alignment with Loss and Damage interfaces within their NAPs/NDCs/Adaptation Communications, emphasizing institutions, targets, and indicative costs. UN ESCAP assessments and regional forums point to national priorities that combine coastal protection, all hazard warning coverage, and resilient public services, with NAPs functioning as the integrating vehicle. Development partners and knowledge platforms track these same emphases, noting that a growing set of Asia–Pacific countries have submitted NAPs and is revising them around coasts, water, cities and health[114].

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[113] UNFCCC. (2025). Updated technical guidelines for the national adaptation plan process. Retrieved from https://unfccc.int/sites/default/files/resource/Draft_Updated_NAP_technical_guidelines_July_2025.pdf

[114] ESCAP. (2023). Asia-Pacific disaster report 2023: Seizing the moment—Targeting transformative disaster risk resilience. United Nations. https://digitallibrary.un.org/record/4016071

[115] Asia-Pacific Climate Change Adaptation Information Platform (AP-PLAT). (2025). Status of adaptation in the Asia-Pacific. https://ap-plat.nies.go.jp/adaptation_plan/status_of_adaptation/index.html

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Europe & Central Asia (ECA)

European and Central Asian adaptation strategies (and DRR assessments that interface with them) emphases on green and blue infrastructure in cities (for heat and cloudbursts), river and floodplain restoration (room for the river approaches), heath systems, risk informed land use, and updating standards/codes with sea level rise and heat in mind[116]. Increasing drought periods are also a major concern in the region, and NAPs highlight measures such as agricultural drought plans, efficient water reuse, and contingency planning to manage prolonged dry spells[117]. Policy briefs and EU guidance echo these live priorities, describing how Member States and municipalities are mainstreaming urban nature based measures and cooling/health actions as part of their national adaptation strategies and local plans. UNDRR's regional assessment further shows that national agendas increasingly address system interdependencies and aging grey assets, reinforcing the role of nature positive and systemic measures within national strategies[118].

Latin America and the Caribbean(LAC)

Across LAC, national documents (NAPs, DRR strategies, and sector plans) emphasize tropical cyclone rainfall/surge early warning, urban drainage and watershed retrofits, NbS for coasts and hillslopes (mangroves, reefs, dunes; bioengineered slopes), and agricultural water efficiency; many plans also reflect human mobility and displacement as crosscutting adaptation concerns[119]. Urban adaptation agendas reference ecosystem based adaptation in cities and decision support for integrating NbS into municipal planning, complementing national priorities around flood, heat, and landslide risk. Country level NAP profiles in the region illustrate these themes—spanning integrated water resource management, coastal/marine ecosystems, health, and risk management, with large action menus and MEL provisions[120]. Regional thinktanks also note that governments are positioning NbS as a mainstream infrastructure option to deliver adaptation outcomes at scale, consistent with the priorities recorded in NAPs[121]

5.4. Strategic Rationale for the Selection of Three Thematic Focuses: Climate-Resilient Agriculture and Food Security, Nature-based Solutions, and Disaster Risk Reduction

The identification of the three thematic focuses is grounded in a robust, evidence-based assessment of global and national adaptation priorities. Across regions, countries consistently highlight the same clusters of vulnerabilities—food systems under climatic stress, degraded ecosystems reducing natural protection, and rising disaster risks that disproportionately affect the poorest and most marginalized. These priorities are reflected in National Adaptation Plans, DRR strategies, NDCs, and biodiversity frameworks, and are reinforced by experience from AFCIA 1, which demonstrated where catalytic finance can unlock the greatest additionality.

[116] European Commission. (2021). EU Adaptation Strategy: Climate action. Retrieved from https://climate.ec.europa.eu/eu-action/adaptation-and-resilience-climate-change/eu-adaptation-strategy_en

[117] United Nations Framework Convention on Climate Change (UNFCCC). (2024). Synthesis of National Adaptation Plans. UNFCCC Secretariat

[118] UNDRR. (2023). Regional Assessment Report on Disaster Risk Reduction 2023: Europe and Central Asia. Retrieved from https://www.undrr.org/rar/rar-2023-europe-and-central-asia

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Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

The AFCIA 1 portfolio showed a clear concentration of innovative solutions in these same areas: 82% (36 out of 44 grantees)[122] of supported solutions addressed food security, nature-based solutions, and disaster risk reduction, indicating strong demand, feasibility and relevance across contexts. Footsteps Bangladesh's DreamWater initiative (an AFCIA 1 grantee focused on disaster risk reduction) illustrates the role of catalytic capital in de-risking early-stage adaptation innovation within this thematic framing. AFCIA support enabled the footsteps' team to prototype and field-test a portable water filtration solution designed to convert surface and flood water into safe drinking water—directly relevant in a context where an estimated 68 million[123] people in Bangladesh lack safely managed drinking water.

In selecting climate-resilient food systems, nature-based solutions, and disaster risk reduction, AFCIA 2 aligns directly with these articulated needs and with the Adaptation Fund's mandate to support high-impact, locally led innovation. These thematic areas offer the strongest potential to generate scalable, equitable, and multi-benefit resilience outcomes—linking livelihoods, ecosystems, and risk reduction—while addressing the persistent barriers that prevent community organisations, MSMEs, and social enterprises from accessing finance. This strategic focus ensures that AFCIA 2 directs resources where demand is highest, vulnerability is deepest, and innovation can deliver systemic and sustained adaptation impact.

5.4.1. Climate-resilient food systems

Global assessments show an intensifying hydrological cycle—more extreme rainfall, longer dry spells, and compound hazards—creating systemic risks for water, food, health, and infrastructure (Intergovernmental Panel on Climate Change). Water and food systems are highly vulnerable: in 2022, half the world's population faced severe water scarcity and one-quarter experienced extremely high-water stress[124]. NAPs consistently prioritize water resources, agriculture, and DRR, with 58 developing countries submitting plans aligned to the Global Goal on Adaptation[125].

Adaptation potential includes measures for food production such as climate-smart agriculture (CSA) and integrated water management through rainwater harvesting, small-scale irrigation, and soil moisture conservation—combined with advisory services and finance. These are examples within a broader food system approach that also requires actions for storage, transport, processing, and market resilience[126,127] In Kenya, solar-powered irrigation pumps linked to farmer cooperatives have stabilized production during prolonged droughts[128]. In Ethiopia, community-based rainwater harvesting and small reservoirs have improved crop yields and reduced vulnerability to erratic rainfall[129]. In Bangladesh and Viet Nam, saline-tolerant rice varieties and

[122] AFCIA - Dashboard | UNDP Climate Change Adaptation. (2025). *Adaptation-undp.org*. Retrieved December 12, 2025, from https://www.adaptation-undp.org/afcia/dashboard

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[128] World Bank. (2023). Climate-smart agriculture and water management solutions. https://www.worldbank.org/en/topic/climate-smart-agriculture

[129] FAO. (2022). The State of Food Security and Nutrition in the World 2022. Rome: FAO. https://www.fao.org/publications

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

controlled irrigation protect food security under sea-level rise[130]. In Peru, watershed restoration and aquifer recharge sustain dry season cropping[131].

Women farmers face disproportionate care burdens and limited access to productive resources, while small-scale producers earn less than half the income of larger farmers, leaving them highly exposed to climate shocks[132]. AFCIA 1 revealed strong demand for food security solutions— 43% of supported innovations targeted agriculture—and notably advanced gender-responsive approaches by prioritizing interventions for local women farmers. These solutions included sustainable agriculture practices, efficient water irrigation systems, and capacity-building programs designed to improve yields and resilience for women-led farming enterprises. However, AFCIA 1 also highlighted persistent gaps in follow-on finance and scalability, underscoring the need for AFCIA 2 to bridge these challenges and replicate successful models at scale.

Why AFCIA 2 focuses on Climate Resilient Food Systems?

Climate-resilient food systems are a core priority for AFCIA 2 because climate shocks are already undermining the water and agricultural systems that underpin lives, livelihoods, and fiscal stability in vulnerable countries. Intensifying droughts, floods, salinisation, and heat stress are eroding yields, degrading soils and water resources, and driving food price volatility—risks that NAPs consistently rank among their highest adaptation priorities. These pressures fall hardest on small-scale producers, especially women farmers, who carry disproportionate care burdens, have weaker access to land, finance, and technology, and earn significantly less than larger producers, leaving them highly exposed to climate shocks.

AFCIA 2 responds by backing integrated, locally led solutions across the whole food system—from climate-smart production (e.g. CSA practices, drought- and salt-tolerant crops, and efficient water management) to storage, processing, transport, and market resilience. It builds directly on AFCIA 1, where 43% of supported innovations targeted agriculture and piloted gender-responsive models that improved yields and resilience for women-led and smallholder farmers. At the same time, AFCIA 1 highlighted persistent gaps in follow-on finance, market linkages, and scalability. AFCIA 2 is designed to close these gaps: deploying catalytic, blended finance and tailored technical assistance to take solutions to scale, strengthen value chains, and crowd in public and private capital. By focusing on climate-resilient food systems, AFCIA 2 advances the Adaptation Fund's mandate to protect the most vulnerable, safeguard food and water security, and deliver measurable, system-wide resilience outcomes aligned with national adaptation priorities and the Global Goal on Adaptation.

5.4.2. Nature-based Solutions (NbS)

Nature-based Solutions reduce flood, storm-surge, and heat risks while sustaining water regulation, food systems, and biodiversity co-benefits—exactly where the adaptation finance gap is widest[133]. Recent global finance assessments show that investment into nature must accelerate steeply by 2030, even as adaptation remains underfunded compared with mitigation[134]. For communities whose livelihoods depend on healthy ecosystems—forest-dwelling Indigenous Peoples, mountain villagers, and coastal fisherfolk—the stakes are immediate: when forests, wetlands, or coral reefs degrade, water supplies falter, food sources shrink, and natural buffers against hazards collapse, deepening poverty and risk[162]. Beyond coastal hazard reduction and fisheries, NbS deliver regulating services to utilities and hydropower. Upstream watershed protection safeguards drinking-water quality and flow regulation—New York City's Catskill–Delaware watershed is the

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[132] UNDP. (2023). Gender and climate change: Intersectional approaches for resilience. https://www.undp.org/publications
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[134] United Nations Environment Programme. (2024b). State of finance for nature in cities 2024. https://www.unep.org/resources/report/grey-green-better-data-finance-nature-cities-state-finance-nature-cities-2024

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

classic case where long-term conservation and rural partnerships enabled filtration avoidance and reliable supply for ~9 million people[135,136]. In cities, green/blue infrastructure (urban trees, parks, wetlands) mitigates the urban heat island and reduces pluvial flooding, benefits that are often overlooked and should be integrated into broader planning frameworks (e.g., utility regulation, urban planning, NAPs/NDCs), Recent syntheses indicate urban trees can lower pedestrian-level temperatures by up to ~12 °C in specific contexts, with cooling efficacy shaped by tree traits, urban morphology, and background climate[137]. Green roofs consistently lower roof surface temperatures and can reduce nearby air temperatures and building cooling demand, offering district-scale benefits when deployed at scale[138]. Because these benefits are often overlooked in heat policy, NbS for cooling should be embedded in broader planning frameworks.

Country demand and policy momentum are strong. Governments are updating National Biodiversity Strategies and Action Plans (NBSAPs) to align with the Kunming-Montreal Global Biodiversity Framework, embedding restoration and resilience targets that anchor ecosystem-based adaptation and open pathways for nature-climate finance**Error! Bookmark not defined.**. Emerging guidance urges countries to braid priorities across NBSAPs, N APs, and NDCs to avoid duplication and unlock finance at scale[139]. Beyond the biodiversity track, the European Union's Nature Restoration Law—now in force—sets binding restoration targets and anticipates financing measures, signaling to markets that restoration is moving from policy aspiration to regulated practice and lowering perceived policy risk for investors[140].

The evidence base for ecosystem-based adaptation benefits is now robust and practical. Mangroves, coral reefs, marshes, and floodplains act as natural shields, dissipating wave energy, reducing erosion, lowering flood damage, and protecting coastal livelihoods. On land, agroforestry and ridge-to-reef watershed restoration improve soil health, stabilize slopes, and store water, making farms and downstream communities more resilient to droughts and extreme rainfall[141]. Crucially, these benefits can be measured and valued with methods governments and investors trust. New guidance from the World Bank and the Global Facility for Disaster Reduction and Recovery (GFDRR)[142] sets out how to quantify both direct risk-reduction benefits and wider co-benefits such as biodiversity, water quality, recreation, and livelihoods. Real-world programs confirm the case: under UNDP's AFCIA 1, the silvo-fishery model in Indonesia pairs mangrove restoration with fish farming to curb coastal erosion and storm surge while creating food and income—an illustration of low-tech, locally led innovation that delivers protection and prosperity together.

Financing NbS requires blending public and private capital because many benefits (flood protection, cooling, water regulation) are public goods that don't always yield direct cash returns., at the same time ecosystem services are systematically under-valued or unpriced in markets—so incentives to pay for protection are missing. A practical sequencing has emerged: start with public and concessional funds to establish the basics—

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[136] NYC DEP: About the Watershed – overview of Catskill–Delaware supply and protection program

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[142] Global Facility for Disaster Reduction and Recovery. (2024). Assessing the benefits and costs of nature-based solutions for climate resilience: A guideline for project developers. World Bank. https://www.gfdrr.org/en/feature-story/assessing-benefits-and-costs-nature-based-solutions

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

clear tenure and land rights, local capacity, and technical support—then layer instruments such as low-interest loans, guarantees, and performance-based grants to mobilize private investment once risks are better understood and revenue logic is clearer[143][144]. While NbS for resilience currently receive a small slice of climate finance relative to energy and transport, the gap represents opportunity. In 2018, public funding for NbS for adaptation was only 0.6–1.4% of total climate finance and 1.5–3.4% of public climate finance, with private flows minimal[145]. More recently, adaptation overall accounted for just approximately 5% of global climate finance in 2021–2022, so NbS sit within a still-small adaptation envelope—a gap that is an opportunity to scale[146]. Across all NbS, financing reached about USD 200 billion in 2022, ~37% of what's needed by 2030, underscoring room to grow[147] . While NbS for resilience receive a small slice of climate finance relative to energy and transport, the gap represents opportunity. In 2018, public funding for NbS for adaptation was only 0.6–1.4% of total climate finance and 1.5–3.4% of public climate finance, with private flows minimal[148]. More recently, adaptation overall accounted for just approximately 5% of global climate finance in 2021–2022, so NbS sit within a still-small adaptation envelope—a gap that is an opportunity to scale[149]. Across all NbS, financing reached about USD 200 billion in 2022, ~37% of what's needed by 2030, underscoring room to grow[150] .Viable models include paying communities for ecosystem services, issuing verified (high-integrity) carbon credits where science and policy allow, and developing insurance-linked facilities so restored reefs or mangroves can be rapidly rehabilitated after storms—keeping protective value intact while channeling resources to local stewards[151].

The urgency to finance NbS is both fiscal and developmental. UNEP's latest State of Finance for Nature shows annual investment in nature must rise from roughly US$200 billion to about US$542 billion by 2030, with restoration finance needing to quadruple[152]. At the project level, the economics are compelling when co-benefits are counted properly: casework on urban wetlands and national-scale mangrove analyses demonstrate strong net benefits once avoided losses, fisheries, tourism, and carbon storage are included—a logic that resonates with treasuries balancing resilience with growth[153]. At the same time, adaptation remains the weak link in climate finance, and NbS offer a cost-effective way to address multiple risks with one investment[133]. To move from evidence to scale, the Global EbA Fund is providing rapid seed funding (≈ US$50k–250k; up to US$500k) for innovative EbA pilots—including nature based- insurance facilities and

[143] Convergence. (2024). State of blended finance 2024. https://www.convergence.finance/resource/state-of-blended-finance-2024/view

[144] Climate Policy Initiative. (2024). Toolbox on financing nature-based solutions. https://www.climatepolicyinitiative.org/publication/toolbox-on-financing-nature-based-solutions/

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[152] United Nations Environment Programme. (2024a). State of finance for nature—Restoration finance report. https://www.unep.org/resources/report/state-finance-nature-restoration-finance-report

[153] World Bank. (2022). The economics of large-scale mangrove conservation and restoration in Indonesia. https://www.worldbank.org/en/country/indonesia/publication/the-economics-of-large-scale-mangrove-conservation-and-restoration-in-indonesia

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

urban/coastal demonstration projects—that can be taken forward by multilateral funds and private investors for creating pipelines for larger pubic and private finance[154].

NbS also address stubborn systemic challenges. They counter fragmented ecosystems, land-use conflicts, and "grey-only" infrastructure biases by mainstreaming hybrid standards and valuing multiple benefits—risk reduction, biodiversity, and livelihoods—in appraisal and monitoring. Because governance and tenure barriers often limit adoption, integrated planning across agriculture, forestry, water, and urban systems is essential, alongside mechanisms such as payment for ecosystem services and high-integrity blue-carbon credits to channel finance to community-led restoration in an equitable way[144].

The approach is already visible across regions. In Small Island Developing States and Latin America, restoring mangroves and reefs reduces cyclone surge and coastal flooding while sustaining fisheries and tourism; new cost-benefit work in the Wider Caribbean is informing insurance-linked restoration and risk finance[155]. In Asia, ridge-to-reef restoration links upstream glacier-lake outburst flood reduction to downstream water security and soil stabilization, while silvo-fishery models in Indonesia combine aquaculture with mangrove planting to protect coasts and diversify incomes[156][157]. In Eastern Europe and the Middle East and North Africa, green-blue retrofits—urban wetlands, permeable surfaces, and tree corridors—are deployed alongside grey systems to mitigate pluvial flooding and urban heat, with rapid opportunity-scanning tools helping identify investable NbS early in the project cycle[142][158].

Why AFCIA 2 focuses on Nature Based Solutions?

AFCIA 2 makes NbS a priority because they are one of the most effective ways to reduce climate risks while also improving people's lives. NbS protect communities from floods, storms, and heat, and at the same time support food, water, and biodiversity. They are especially important because funding for these solutions is still very low compared to what is needed.

NbS also fit perfectly with the Adaptation Fund's goals of supporting projects that are locally led, innovative, and focused on learning. Countries are already creating strong policies for ecosystem restoration, and global agreements like the Global Biodiversity Framework and national adaptation plans provide a clear foundation for action. Today, we also have better tools to measure the benefits of NbS and show their value to governments and investors.

Financing models are improving too. By combining public and private funds, NbS projects can attract more investment and scale up. Most importantly, NbS put communities and nature at the center. They protect lives and livelihoods now and help build long-term resilience. For AFCIA 2, this means investing in solutions that deliver clear results, offer good value for money, and can be replicated in many places.

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[154] Nature-Based Risk Reduction & Insurance Facility (global): developing ecosystem-linked and parametric covers for climate risks—an EbA-aligned pathway to crowd-in insurance and blended finance (Global EbA Fund—Projects; Insurance Development Forum parametric case studies).

[155] The Nature Conservancy. (2022). Reducing Caribbean risk: Opportunities for cost-effective mangrove restoration and insurance.

[156] World Bank. (2023). Assessing the benefits and costs of nature-based solutions for climate resilience: A guideline for project developers. https://www.worldbank.org/en/news/feature/2023/05/22/assessing-the-benefits-and-costs-of-nature-based-solutions-for-climate-resilience-a-guideline-for-project-developers

[157] UNDP. (2025). AFCIA Phase I: Lessons from NbS pilots. UNDP Adaptation Innovation Marketplace. https://adaptation-undp.org

[158] National Oceanic and Atmospheric Administration/National Centers for Coastal Ocean Science. (2025). Evaluating the performance of nature-based solutions. https://coastalscience.noaa.gov/project/evaluating-nature-based-solution-performance/

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

5.4.3. Disaster Risk Reduction (DRR) – Prevention and Recovery

Climate-related disasters are becoming more frequent and severe, and the trend is accelerating. The UN Office for Disaster Risk Reduction reports that climate disasters have nearly doubled in the last two decades. A warmer atmosphere fuels stronger cyclones, floods, and droughts: every 1°C of warming can increase extreme rainfall by about 7% and make the most violent hurricanes up to twice as frequent. Heatwaves—already killing hundreds annually—are lasting longer and starting earlier; by the end of the century, heat stress could affect 1.2 billion people each year[159].

Recent years illustrate the scale of the problem. According to Centre for Research on the Epidemiology of Disasters Emergency Events Database (EM-DAT), 2023-2024 recorded as high-impact years, with 399 disasters causing between US$202 and US$242 billion[160]. UNDRR's Global Assessment Report estimates that when indirect and ecosystem losses are included, the true annual cost exceeds US$2.3 trillion—making a decisive case for prevention and resilient recovery rather than reactive response[161].

The burden of these disasters falls hardest on poor and marginalized groups. Urban slum dwellers living on floodplains or steep hillsides, remote rural villagers cut off during disasters, and island residents exposed to cyclones have minimal coping capacity. By 2050, 1.6 billion people in 970 cities will face extreme heat regularly, and 800 million will be vulnerable to coastal flooding. In Least Developed Countries and Small Island Developing States, these risks are most severe. Displaced and conflict-affected communities—such as refugees and informal camps—are also highly exposed. Rapid urbanization without planning leaves low-income neighborhoods especially vulnerable, compounding the risks for those already struggling with poverty and limited access to services[162][163].

Global policy frameworks recognize these challenges. The Sendai Framework for Disaster Risk Reduction sets prevention and "Build Back Better" as core priorities. Its midterm review calls for scaled, risk-informed public investment and broader early warning coverage—gaps that remain most acute in vulnerable countries. Regional assessments emphasize the need for green and blue infrastructure and systemic risk governance, particularly in rapidly growing cities where exposure is rising fastest[164].

Practical solutions exist and have proven effective. Disaster risk reduction measures such as early warning systems, resilient infrastructure, and preparedness save lives. Improved forecasting and local alert networks have already reduced casualties during recent Pacific cyclones. Impact-based forecasting combines hazard data with vulnerability mapping to trigger timely alerts and evacuation. Ecosystem-based approaches, such as wetlands for flood control, complement nature-based solutions and provide co-benefits for water and food security. Yet funding remains skewed toward post-disaster relief rather than anticipatory resilience, leaving

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[159] United Nations Office for Disaster Risk Reduction (UNDRR). (2015). Sendai Framework for Disaster Risk Reduction 2015–2030. United Nations. Retrieved from https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030

[160] Centre for Research on the Epidemiology of Disasters. (1988–2025). EM-DAT: The international disaster database. Université catholique de Louvain. Retrieved November 19, 2025, from https://www.emdat.be/

[161] United Nations Office for Disaster Risk Reduction (UNDRR). (2015). Sendai Framework for Disaster Risk Reduction 2015–2030. United Nations. Retrieved from https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030

[162] Intergovernmental Panel on Climate Change (IPCC). (2022). Climate change 2022: Impacts, adaptation and vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (H.-O. Pörtner et al., Eds.). Cambridge University Press. https://doi.org/10.1017/9781009325844 [unctad.org]

[163] United Nations Office for Disaster Risk Reduction (UNDRR). (2023a). Report of the Midterm Review of the Implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030. UNDRR. https://sendaiframework-mtr.undrr.org/publication/midterm-review-2023-working-towards-achievement-sendai-priorities-and-targets [iisd.org]

[164] United Nations General Assembly (UNGA). (2023). Main findings and recommendations of the midterm review of the implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030 (A/77/640). United Nations. https://digitallibrary.un.org/record/4000994 [iisd.org]

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

communities exposed to repeated shocks[165].

To change this, climate and disaster planning must be integrated and localized. Civic organizations and communities should lead hazard mapping and contingency planning. Investments in disaster insurance, contingency funds, and "Build Back Better" design can reduce future losses. Risk-layered financing—combining contingency funds, parametric insurance, and adaptive social protection—offers scalable models for resilience. These priorities align with the Adaptation Fund's Strategic Priorities, Policies, and Guidelines[166], which emphasize consistency with national adaptation plans and disaster risk reduction strategies, as well as robust monitoring and evaluation. Lessons from AFCIA 1 demonstrate what works: impact-based early warning systems, community shelter upgrades, and risk-finance pilots that now need standardization and scale-up.

A prevention-first approach also addresses systemic inequities. Women, migrants, and residents of informal settlements often face the greatest exposure and the slowest recovery. Bridging these gaps is central to AFCIA 2 goals: solutions must explicitly benefit those with the greatest need and draw on Indigenous and local knowledge to ensure justice and inclusion.

Across regions, examples show what proactive resilience looks like. In Asia, impact-based forecasting for cyclones integrates rainfall and surge data with community alerts and shelter upgrades. In Africa and the Middle East and North Africa, flash flood risk reduction focuses on wadis and informal settlements through drainage improvements and early warning systems. In Eastern Europe and Central Asia, heat-health systems and wildfire risk reduction combine with risk-informed land-use planning to protect vulnerable populations. These cases demonstrate that disaster risk reduction is not just about responding to crises—it is about anticipating them, reducing losses, and safeguarding lives and livelihoods in a changing climate[163165].

Why AFCIA 2 focuses on Disaster Risk Reduction (DRR) and Recovery?

DRR is a cornerstone of climate adaptation because climate-driven hazards—cyclones, floods, droughts, heatwaves—are increasing in frequency and severity, causing losses that erase decades of development gains[162165]. Vulnerable groups, especially women, migrants, and informal urban communities, bear the brunt of these shocks. The Adaptation Fund's Strategic Priorities, Policies, and Guidelines (SPPG) explicitly call for risk-informed planning, prevention-first approaches, and "Build Back Better" principles aligned with the Sendai Framework for Disaster Risk Reduction. AFCIA 2 operationalizes these priorities by financing locally led, innovative DRR solutions that move beyond reactive relief toward anticipatory resilience. This includes impact-based early warning systems, community-driven hazard mapping, risk-informed urban planning, and risk-layered financing models such as parametric insurance. By embedding equity and Indigenous knowledge in design, AFCIA 2 ensures that those most at risk shape the solutions. Investing in DRR under AFCIA 2 is not only about saving lives—it is about reducing long-term costs, protecting livelihoods, and delivering measurable adaptation impact in line with the Adaptation Fund's mandate to scale resilience where it is needed most.

Summary of systemic barriers to climate adaptation and innovation

- **Fragmented governance and weak institutions**
  - Climate risks are not consistently translated from NDCs/NAPs into bankable, locally grounded pipelines due to fragmented governance, limited institutional capacity and siloed sector planning.
  - Short project cycles and weak monitoring, evaluation, and learning systems constrain learning, replication and long-term impact.
- **Adaptation finance gap and skewed allocation**

[165] United Nations Office for Disaster Risk Reduction (UNDRR). (2024). Climate action and disaster risk reduction. UNDRR. https://www.undrr.org/implementing-sendai-framework/drr-focus-areas/climate-action-and-disaster-risk-reduction [wri.org]
[166] Adaptation Fund. (2022). Strategic priorities, policies, and guidelines (Amended October 2022). Adaptation Fund Board. https://www.adaptation-fund.org/apply-funding/policies-guidelines/

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

  - Adaptation receives only a small share of total climate finance, with a large and growing gap between needs and actual flows.
  - LDCs, SIDS, fragile and conflict-affected states, and the most climate-affected countries capture only a marginal share of adaptation resources.
  - Risk-averse funding modalities, rigid eligibility criteria and limited risk-sharing mechanisms discourage responsible risk-taking and innovation.
- **The "missing middle" in adaptation finance**
  - Community-based organizations, MSMEs and social enterprises are too large for micro-grants, too early-stage for commercial capital and often considered too "unconventional" for traditional development finance.
  - Promising locally led innovations struggle to move from idea and pilot to replication and scale because flexible, risk-tolerant capital is scarce.
- **Innovation readiness and ecosystem weaknesses**
  - Dedicated funding for adaptation innovation is limited; most climate finance targets conventional projects or mitigation
  - High perceived risk and early-stage costs create a "valley of death" for adaptation solutions, with a second valley between successful pilots and scale-up.
  - Weak ecosystems (incubators, accelerators, applied research, business development services) and cautious local financial institutions limit support for climate-relevant SMEs and community innovators.
- **Information, visibility and knowledge gaps**
  - Local actors often lack information about available support windows and how to access them, leading to under-utilization of existing mechanisms.
  - Indigenous, community and gender-responsive knowledge is frequently undervalued or excluded from formal planning, reducing the relevance and ownership of interventions.
- **Structural inequities in who adapts and who decides**
  - Women, youth, indigenous peoples, Afro-descendant and ethnic minorities, persons with disabilities, migrants and the urban poor face higher exposure and lower adaptive capacity due to structural inequalities in land, finance, information and decision-making.
  - Locally led adaptation principles are not yet consistently operationalized, and marginalized groups remain under-represented in the design, governance and financing of adaptation solutions.
- **Biases in infrastructure and policy frameworks**
  - "Grey-only" infrastructure biases, land-use conflicts and unclear tenure arrangements limit the uptake and financing of nature-based and hybrid solutions.
  - Policy and regulatory frameworks across climate, biodiversity, DRR and finance are often misaligned, slowing integrated, risk-informed and nature-positive investment.

AFCIA 2: Targeted Response to the Adaptation Innovation Challenges

Against the above contexts, AFCIA 2 directly confronts the above mentioned systemic barriers. It is designed to close the "missing middle" in adaptation innovation—where community organizations, MSMEs, social enterprises, and other nontraditional actors are best placed to deliver locally led, context specific solutions but remain underserved by conventional finance and support systems. The project approach aligns finance, pipeline preparation, ecosystem capacity, and inclusion to accelerate scalable adaptation outcomes.

Building on key lessons from AFCIA 1, three design lessons that underpin the need for AFCIA 2 are as follow

A) Narrower thematic priorities , deeper KM, peer learning, and ecosystem connections

AFCIA 2 will narrow thematic priorities to enable deeper, higher-quality knowledge management, structured peer-to-peer learning, and more targeted engagement with policy and investor ecosystems. This focus responds to AFCIA 1 learning that peer learning, knowledge partnerships, and visibility platforms are powerful

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

drivers of adoption and influence—yet require deliberate thematic clustering to generate reusable evidence and scalable pathways

B) Larger grants plus longer implementation periods help real scaling (not just pilots)

AFCIA 2 will increase grant size and extend implementation periods to match the real-world time needed for iteration, institutional strengthening, and scale. This responds directly to AFCIA 1 learning that innovation requires adaptive management and longer, sequenced support—without which promising solutions struggle to move beyond pilot stage or sustain momentum beyond a short grant cycle.

C) Working with MSMEs bridges the "missing middle" and unlocks blended finance pathways.

AFCIA 2 will more deliberately include MSMEs and hybrid models to address the early-stage finance gap identified in AFCIA 1 and to create credible pathways from grant support to blended finance. By pairing larger, staged support with investment readiness, market access facilitation, and structured investment brokering, AFCIA 2 targets the specific barriers that limited follow-on capital mobilization under AFCIA 1.
for consolidated and summarized lesson learned detail in **Annex 1**, AFCIA 2 will accelerate and promote the replication and integration of impactful solutions into broader adaptation, innovation and financial systems. Its goal is faster, more equitable progress toward climate resilience—empowering vulnerable communities not just to adapt, but to lead in their adaptation efforts. Based on extensive research and evidence, the project will focus on three thematic areas: climate-resilient food systems, nature-based solutions, and disaster risk reduction and prevention, which are priorities frequently emphasized in NAPs, DRR strategies, and sectorial plans across geographies.

Project / Programme Objectives:

The objective is to **"accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance, technical assistance, and ecosystem integration to high-potential[167] solutions that enhance climate resilience and benefit vulnerable populations".**

This objective will be achieved through the following three interlinked outcomes:

- **Outcome 1:** High potential, locally led adaptation innovations, including non-for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).
- **Outcome 2:** Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.
- **Outcome 3:** Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.

[167] High potential grantees will be selected utilizing the following criteria : 1) they address specific climate risks; 2) they are led by and benefit directly vulnerable communities (youth or elderly, women, Indigenous Peoples, people with disabilities, ethnic minorities, etc); 3) their solution is innovative according to AF's definition of "innovation for adaptation"; 4) Organizations must have track record of income generation or demonstrate revenue generation potential, as this is the main vehicle to scale and to ensure financial sustainability; 5) Must present a clear pathway to sustainability and scaling; 5) Their solutions should clearly define and demonstrate a theory of change around environmental and socio-economic impact.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

By supporting locally led adaptation innovations and aligning interventions with National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs), AFCIA 2 addresses critical gaps in adaptation finance and capacity while delivering context specific, concrete actions that strengthen resilience at both community and national levels. This approach ensures that the project directly responds to the Adaptation Fund's eligibility criteria, which prioritize developing country Parties to the Kyoto Protocol or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change, including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems. By focusing on vulnerable developing countries and supporting alignment with their NDCs, the project targets countries that are Parties to the Paris Agreement, ensuring full compliance with the Fund's requirements.

Overarching Development Outcome

This project adopts a holistic ecosystem-building approach to strengthen climate resilience at local and regional levels. By integrating innovation, inclusion, and knowledge-sharing, the project aims to catalyze sustainable, community-driven adaptation. The main project approach is described as follows:

1. Pilot Locally Led Adaptation Technologies and Practices

Objective: Empower communities to test and scale context-specific adaptation solutions.

Could be achieved through:

- Support solutions across all three thematic areas—climate-resilient food systems, nature-based solutions, and disaster risk reduction and recovery. This includes both technological and non-technological innovations such as climate-smart agriculture; local early warning and preparedness systems; community-led ecosystem restoration; and digital, financial, or market-linkage solutions (e.g., blockchain traceability, aggregation platforms, climate-risk analytics) that strengthen adaptive capacities and improve resilience outcomes. While AFCIA 2 will priorities scaling solutions with demonstrated effectiveness, it will also reserve a portion of resources for a carefully selected portfolio of very early-stage, Unlike AFCIA 1, these pilots innovations will be supported through a structured stage- gated pathway (readiness criteria, evidence requirements and support pathway) combining catalytic grants, tailored technical assistance, and explicit evidence and readiness criteria—to deliberately de-risk models, generate reusable learning within priority themes and build a future pipeline of investment-ready adaptation solutions.
- Facilitate participatory design processes to ensure solutions are culturally appropriate and locally owned.
- Monitor and evaluate pilot outcomes to inform broader replication.

Impact: Builds local capacity, enhances community ownership, and ensures solutions are grounded in real-world needs.

2. Incubate and Accelerate CSOs, NGOs, MSMEs, and Cooperatives

Objective: Strengthen the innovation ecosystem by supporting grassroots and entrepreneurial actors.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Could be achieved through:

- Provide performance-based catalytic grants coupled with tailored, demand-led technical assistance rather than a one-size-fits-all package—starting with an 8–10 week Learning Sprint (Monitoring, Evaluation, and Reporting, gender, business basics, unit economics, data systems), then providing bespoke, year-round PMU and MBA/EMBA fellow support on sectoral, financial, business development and organizational priorities, complemented by peer learning, replication tools, and investor introductions to crowd in follow-on capital.
- Establish innovation hubs or accelerators focused on climate-smart technologies and services.
- Foster partnerships between civil society, private sector, and academia.

Impact: Drives local economic development, creates green jobs, and scales innovative adaptation solutions.

3. Create Global Knowledge Platforms

Objective: Facilitate peer learning and replication of successful adaptation strategies.

Could be achieved through:

- Develop digital and in-person platforms for sharing case studies, tools, and lessons learned combining a dashboard and a dedicated website section—to share curated case studies, tools, lessons learned, and key highlights, with structured filters and short guidance notes that help MSMEs/SMEs and CSOs identify relevant approaches and next-step resources.
- Organize regional/thematic discussions, workshops, and exchange visits.
- Promote open-access knowledge products and policy briefs.

Impact: Enhances regional cooperation, reduces duplication of efforts, and accelerates the spread of effective practices.

4. Ensure Inclusive Innovation

Objective: Prioritize equity and inclusion in all project components.

Could be achieved through:

- Design targeted approaches for women, youth, people with disabilities, Indigenous Peoples, and other marginalized groups.
- Support leadership development and capacity-building for underrepresented stakeholders.
- Apply gender and social inclusion lenses in project design, implementation, and evaluation.

Impact: Promotes social equity, strengthens community cohesion, and ensures that adaptation benefits reach the most vulnerable.

AFCIA 2 four core principles

Lessons learnt and knowledge obtained from AFCIA 1 will be used as the base to design AFCIA 2, maintaining relatively large grants amounts per grantees (from 40,000 USD up to 200,000 USD), a longer period of technical assistance (between 24 to 36 months), strong emphasis in the scaling and replication of the solutions, and

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

strengthening the linkages with broader adaptation, innovation and finance ecosystems. The project will mainly support capable, locally rooted organizations in the "missing middle" that have demonstrated potential to scale context-relevant adaptation innovations and drive systemic impact, while also supporting a selective high-potential pilot solutions that can be further tested, refined, and prepared for future scale.

Sectoral and Thematic Focus for Synergistic Impact: To maximize coherence, cross-learning, and scaling potential, AFCIA 2 will prioritize three high-impact thematic areas aligned with global and regional adaptation priorities, including those in NAPs. These include climate-resilient food systems, nature-based solutions, and disaster risk reduction and recovery. The selection of these themes reflects their proven applicability across diverse geographic contexts, strong alignment with country-driven priorities, and high potential to deliver measurable, scalable adaptation outcomes. Climate-resilient food systems are critical for addressing increasing food insecurity and rural vulnerability under climate stress. Nature-based solutions offer cost-effective, locally grounded approaches that restore ecosystems while enhancing adaptive capacity and improving livelihoods—an approach strongly endorsed by institutions such as UNEP and IUCN.[168] Disaster risk reduction and recovery, guided by the Sendai Framework, remains essential for protecting lives, assets, and development gains in the face of intensifying climate hazards.[169]

While other thematic areas—such as health, urban infrastructure, or energy—were considered, they were not prioritized in order to maintain strategic focus, ensure efficient deployment of resources and technical expertise, and reduce operational complexity. Thematic clustering under these three areas will enable more structured knowledge exchange and peer learning, improve the replicability of successful models, and help avoid the fragmentation that can occur in broader, sector-agnostic funding models. Moreover, focusing on defined themes will allow the programme to tailor technical support more effectively, enabling targeted deployment of sector experts, learning resources, and capacity-building tools that are directly relevant to each sector, increasing the efficiency and quality of engagement. It will also facilitate knowledge and investments brokering services by aggregating solutions/grantees with a portfolio-based approach, grouping them by either thematic area or similarities in countries/regions.

Strategic Country Engagement with Multi-Grantee Clustering: The PMU's experience under AFCIA 1 showed that spreading limited resources across geographies (33 countries) and a wide range of sectors—often with only a single grantee per country—stretched support too thinly, reduced the effectiveness of technical assistance, and limited opportunities for clustering, peer learning, and systemic influence. In response, AFCIA 2 will adopt a more focused approach by concentrating resources in specific geographic and thematic areas. AFCIA 2 will (i) launch a global call for proposals and targeting the UNDP-Regional Bureaus for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and Central Asia, (ii) based on the proposals received prioritize support to the countries where a strong pipeline of high-quality applications emerges, based on grantee readiness, demand, technical assistance effectiveness, and consistency with nationally articulated climate and development priorities, including commitments under the Paris Agreement (iii) Support 2–3 high-capacity grantees per selected country (if possible).

The call for proposals will be disseminated globally, utilizing UNDP´s official communication channels and extensive local, regional and global networks of partners. The call for proposals will also be shared with the Adaptation Fund Secretariat so it can be further disseminated with other relevant partners and its accredited MIEs, RIEs and NIEs for further promotion. This clustering approach will allow for more targeted support, foster in-country peer learning, ecosystem building and promote collaboration across grantees facing similar

168 https://wedocs.unep.org/bitstream/handle/20.500.11822/41333/state_finance_nature.pdf?sequence=3 page X and 1-4

169 https://www.undrr.org/media/16176/download?startDownload=20250721 page 14

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

challenges. By concentrating efforts where readiness and strategic alignment are evident, the project can more effectively leverage existing partnerships, engage with UNDP's Country Offices, and support strengthening the local innovation ecosystems by tapping into established networks including local networks and innovation ecosystems.[170] This model promotes cost-effective delivery and supports country-specific scaling pathways, while maintaining flexibility to adapt to regional dynamics and levels of demand, in alignment with the Adaptation Fund's eligibility criteria by focusing on particularly vulnerable developing country Parties to the Kyoto Protocol or the Paris Agreement and supporting interventions that reinforce national adaptation priorities under the Paris Agreement and their NDCs.

Support for Scaling and Ecosystem Integration: CSOs, NGOs, social enterprises, and cooperatives will receive catalytic grants**,** along with tailored technical assistance and investment readiness support to help scale adaptation solutions (including business modelling, investor exposure, direct mentorship etc). It will be offered as an integrated package of in-house and external technical assistance leveraging the existing the Adaptation Innovation Marketplace (AIM)'s broader technical assistance network, including the partnership with business schools successfully utilized in AFCIA 1.

Leverage Existing Networks and AFCIA Partnerships: AFCIA 2 will build over the existing AFCIA 1 platform, integrate with and amplify existing regional and global innovation ecosystem, investors and knowledge networks, adaptation alliances, other AFCIA programmes (implemented by UNEP-CTCN, UNIDO, WFP, Pacific Community (SPC)) and other Large Innovation Grant Projects led by accredited AF-NIEs. These platforms will be used to: share evidence, case studies, and toolkits; facilitate south-south learning and replication; influence national and global adaptation policies and finance flows.

Project / Programme Components and Financing:

Project/Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US$)
1. Catalytic grants to implement and accelerate innovative adaptation solutions with potential to scale	**Outcome 1:** High potential, locally led adaptation innovations, including non-for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas. Output 1.2: Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion. Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on	Multi-regional Project	7,137,709

170 Local networks and platforms like the Small Grants Programme (GEF SGP), the BOOST Impact Acceleration Programme, the TADAMON NGO Empowerment Programme, UNDP Accelerator Labs, Youth Co:Lab, the Climate Venture Scaler, and other Country Office adaptation for innovation ecosystems.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		catalytic support to scale proven models and demonstrate systemic impact.		
2. Targeted technical assistance, Business development, and investment readiness support to enable scaling	**Outcome 2:** Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.	Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, thematic support on adaptation approaches, gender-responsive design, MEL systems, financial planning, and safeguard risk management. Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school and investors partners.	Multi-regional Project	2,987,994
3. Knowledge, Learning, and Strategic MEL to drive innovation for adaptation, scaling pathways and inform government programs.	**Outcome 3:** Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting peers, government partners, investors, and adaptation practitioners. Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organized to promote south-south and south-north collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners.	Multi-regional Project	3,101,571
6. Project/Programme Execution cost (3%)				409,090
7. Total Project/Programme Cost				13,636,364
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (10%)				1,363,636
Amount of Financing Requested				**15,000,000**

Project Duration: *5 Years*

Projected Calendar:

Milestones	Expected Dates

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Start of Project Implementation	1st Jan 2027
Mid-term Evaluation	1 July 2029
Terminal Evaluation initiated	01 July 2031
Terminal Evaluation Project Closing	30 Dec 2031
Project Completion Summary Report	30 June 2032(within 6 months of project closure)

PART II: PROJECT / PROGRAMME JUSTIFICATION

Project Components and Contribution to Climate Resilience

The project will be strategically anchored under the UNDP-led Adaptation Innovation Marketplace (AIM), a flagship initiative launched in 2021 to help countries overcome barriers in developing and implementing innovative climate adaptation solutions. AIM supports access to both finance and technical assistance and operates as a Flagship Initiative of UNDP's Climate Promise, the umbrella framework through which UNDP assists developing countries in achieving their Nationally Determined Contributions (NDCs) and delivering on the Paris Agreement goals

With initial support from the Adaptation Fund, the Global Environment Facility (GEF), and the European Union, AIM has empowered civil society organizations, social enterprises, and particularly women and youth, to scale up technologies, practices, and business models that strengthen local resilience. Beyond catalytic grant-making, AIM provides enterprise development support, technical mentoring, tailored advisory services, and connections to investors and global partners who can accelerate scaling and replication.

Positioning AFCIA 2 within AIM builds on these foundations by leveraging established partnerships, operational systems, and the lessons generated through the AFCIA 1 project (funded by the Adaptation Fund and the European Union), the Resilience for Peace and Stability, Food and Water Security Innovation Grant Programme (funded by GEF- already closed), and a recent Large Innovation project approved by the Adaptation Fund in four Western Balkans (Montenegro, North Macedonia, Serbia and Bosnia Herzegovina). This alignment also enhances the visibility and impact of AFCIA 2 within the broader Climate Promise framework, facilitating stronger collaboration across regions and sectors.

Anchoring the project within AIM ensures that portfolio-level evidence, investor engagement, and policy linkages are consolidated within an existing global mechanism rather than created in isolation.This integrated approach enables locally led adaptation solutions to scale more effectively, promotes replication in contexts facing similar climate risks, and supports countries in navigating coherent knowledge and finance ecosystems that align with their national adaptation priorities (NAPs/NDCs) , Technology Needs Assessments (TNAs) and

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Technology Action Plans (TAPs). By consolidating learning and evidence across multiple countries, the project fosters a multi-regional environment in which concrete adaptation interventions developed in one context can be adapted, transferred, and replicated elsewhere. This creates clear added value beyond stand-alone country projects, strengthening cross-regional learning and expanding the reach and impact of the adaptation solutions.

Theory of Change

Project Objective:

To accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance (via competitive grants), technical assistance, and integration into innovation and adaptation financing ecosystems – enabling high-potential solutions to enhance climate resilience and benefit vulnerable populations.

Outcome Pathways:

Outcome 1: High potential locally led adaptation innovations are identified and supported for scale.

> **If** high-potential, locally led and adaptation innovations are identified through a global, inclusive, and demand-driven process **and** supported with catalytic grants (for NGOs/CSOs and MSMEs) plus technical assistance,
>
> **Then** they will demonstrate operational, financial, and impact readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).

Outcome 2: Supported innovations achieve investment readiness and are integrated into adaptation finance ecosystems

> **If** supported innovations receive tailored technical assistance, business development support, and are connected to strategic partners and financing opportunities,
>
> **Then** they will become investment-ready and integrated into broader adaptation finance ecosystems, enabling sustainable scaling and replication.

Outcome 3: Evidence and learning informed replication, government programmes, and investment practices.

> **If** evidence and learning from supported innovations are systematically captured and shared through strategic platforms and partnerships,
>
> **Then** this knowledge will inform replication, government programmes, and investment decisions, amplifying the impact of AFCIA 2 beyond direct grantees.

By identifying and supporting high-potential, locally led adaptation innovations (Outcome 1), strengthening them for investment and scale (Outcome 2), and leveraging knowledge and partnerships to inform broader systems (Outcome 3), AFCIA 2 will catalyze a shift in how adaptation is financed, implemented, and valued—positioning innovation as a systemic enabler of climate resilience.

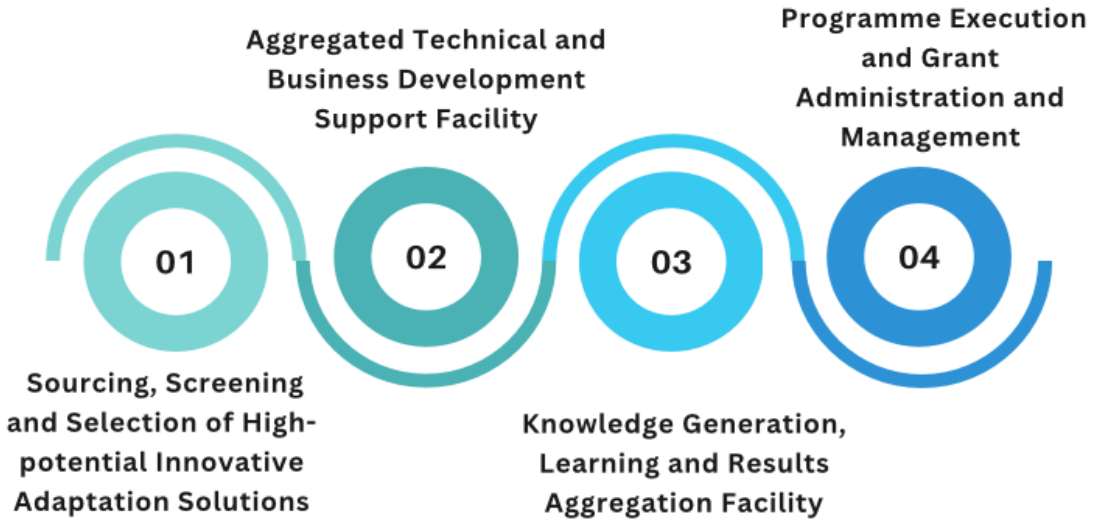
By supporting locally led adaptation activities across multiple countries in one coherent portfolio, the project achieves a compounded resilience effect: each site strengthens its own community, while insights from across the portfolio reinforce system-level resilience, generating enabling conditions that facilitate scale and replication.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

To achieve the project's objective of supporting the development and diffusion of innovative adaptation practices, tools, and technologies, the AFCIA 2 will be established and managed by UNDP with four main functions:

(1) Sourcing and Selection of High-potential Innovative Adaptation Solutions;
(2) Aggregated Technical and Business Development Support Facility;
(3) Knowledge Generation, Learning and Results Aggregation Facility;
(4) Project Execution and Grant Administration and Management.

All the funding windows under the UNDP's AIM follow a similar functions structure.



(Figure 1: Major Functions of AFCIA 2 Global Project.)

The four main functions are described as following briefly:

Function 1: Sourcing, Screening and Selection of High-potential Innovative Adaptation Solutions: The project will support adaptation innovations with demonstrated results and high scaling potential, including promising pilot solutions through catalytic grants from 40,000 USD up to 200,000 USD). These grants aim to de-risk the scaling process, enhance credibility, and attract follow-on investment by strengthening the operational, financial, and impact readiness of selected solutions. All innovations will be required to integrate gender-responsive and inclusive approaches, ensuring measurable benefits for vulnerable communities. The performance-based grants will support at least 26 high-potential adaptation innovations led by CSOs, NGOs, and MSMEs in key sectors such as climate-resilient food systems, nature-based solutions[171] and disaster risk reduction, with the objective of building resilience and creating social, environmental and governance impact in the targeted communities. Interventions that reduce exposure to climate hazards, restore critical ecosystem functions, safeguard livelihoods, and strengthen the ability of communities to anticipate, withstand, and recover from climate-induced shocks will make a direct and measurable contribution to climate resilience.

Function 2: Aggregated Technical and Business Development Support Facility: Selected innovations will

171 Considering that Nature Based Solutions can cut across multiple sectors, in the full proposal development stage, the types of nature-based solutions and sectors, will be defined/outlined clearly as part of the selection criteria for the call for proposals.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

receive tailored technical assistance, procurement and finance trainings, investment readiness support, and strategic ecosystem linkages to accelerate their transition from early- and mid-stage to the scale stage. AFCIA 2 will address critical barriers to scaling, such as financing gaps and limited market access, by connecting organizations to a broader climate finance ecosystem, including DFIs, venture capital, and impact investors. This integrated support will help create a robust pipeline of investable adaptation solutions. A three-tiered support system will be implemented, combining in-house technical expertise, external domain experts, and global MBA/e-MBA fellows. This comprehensive approach will enhance the operational, strategic, and financial capabilities of selected innovators, facilitating their journey towards scaling and broader impact. It will also help ensure that concrete adaptation activities are implemented effectively, efficiently, and sustainably, reinforcing their capacity to deliver long-term resilience outcomes.

Function 3: Knowledge Generation, Learning and Results Aggregation Facility: The project will capture and disseminate field-tested evidence and practical implementation insights on what works, for whom, and under what conditions, through its effective, strategic partnerships developed in AFCIA 1. These learnings will inform policy/programme/and systems level processes, support replication across geographies, and influence both public and private investment flows. The focus will be on scaling inclusive, gender-transformative approaches to climate adaptation. A robust knowledge architecture anchored around and leveraging off our business school partnerships will document and disseminate learnings, codify insights from implementation, and support cross-country peer learning. Additionally, partnerships with global adaptation platforms and South-South learning exchanges will extend the project's impact on adaptation policy, finance, and programming beyond the project boundaries. Through these knowledge exchange and learning mechanisms, the project creates enabling conditions for experimentation, piloting, and adaptive management, allowing for responsible risk-taking in real-world settings while capturing lessons and refining approaches. This process will help distil insights from individual project experiences into approaches that can inform and inspire similar efforts in other regions, demonstrating the added value of a multi-regional approach.

Function 4: Project Execution and Grant Administration and Management: The project will be managed in accordance with UNDP rules and regulations, ensuring compliance with all institutional standards. This includes comprehensive grant administration and supervision, covering the full lifecycle from sourcing and screening to disbursement and progress tracking. A robust framework will be implemented to track performance, manage risks, and ensure the timely achievement of key milestones. Regular reporting and performance assessments will be conducted to maintain alignment with strategic goals and to guarantee the efficient and transparent management of funds. These measures will reinforce accountability and support timely adjustments to ensure effective delivery throughout implementation.

Description of the Project Components

Building on the problem information provided above, AFCIA 2 has been designed to overcome the systemic barriers that prevent promising, locally led adaptation solutions from scaling. Across regions, community-based organisations, MSMEs and social enterprises are consistently trapped in a financing "missing middle"—too large for micro-finance yet too early-stage or small for commercial capital. As a result, high-potential innovations—from climate-smart irrigation to resilient water services and early-warning applications—stall before reaching sustainable scale. While regional investment landscapes differ, the core constraint is universal: limited access to appropriately structured, catalytic finance and the networks that translate prototypes into durable, investable models that generates resilience impact at scale.

In response, AFCIA 2 will provide catalytic grants and sustained technical assistance to high-potential local solutions, while deliberately linking them to investors, accelerators and national planning processes. By anchoring support in NAPs/NDCs and strengthening connections between grassroots innovators, finance and policy, the programme addresses the structural imbalance in current capital flows and ensures that benefits reach the most vulnerable. All supported innovations will embed social inclusion and gender-responsiveness, so that marginalized groups are not only beneficiaries but active leaders in design, innovation and delivery.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

The project's thematic focus—climate-resilient food and water systems, nature-based solutions and disaster risk reduction and recovery—reflects where vulnerabilities intersect and where solutions are both scalable and capable of sustained impact. This emphasis on "locally led, inclusive innovation" directly responds to the gaps identified above: it targets the communities and places most at risk and strengthens the ecosystems required to replicate what works.

Within this approach, grant sizing is tailored to maximize value for money and the scale of outcomes achievable at the community level. Civil society organizations—often focused on expanding proven models, strengthening institutional capacities, and deepening alignment with local and national planning—may, where appropriate, effectively utilize larger grants in the indicative range of USD 100,000–200,000 to extend geographic reach, leverage co-financing, and integrate complementary dimensions (e.g., technology, value-chain resilience, and gender-transformative practices), thereby enhancing impact per dollar invested. For MSMEs—central to testing market-based approaches and validating business models—moderate grants in the indicative range of USD 40,000–140,000 could serve as a good base to de-risk early stages and build investment readiness, recognizing that their interventions are typically more targeted and oriented toward specific products or services.

Drawing on implementation lessons from AFCIA 1, AFCIA 2 introduces several refinements to how innovation small grant projects are sourced, screened, and supported. While the programme will continue to use an open and competitive global call for proposals, AFCIA 2 places greater emphasis on early assessment of implementation readiness and longer-term engagement potential. Key enhancements include the introduction of a mandatory 8–10-week Onboarding Learning Sprint prior to full implementation, extended grant implementation periods for CSOs/NGOs, and differentiated support models for CSOs/NGOs and MSMEs. In particular, CSOs/NGOs will receive technical assistance and investment brokering support throughout the full implementation period, while MSMEs will benefit from a two-year structured engagement combining technical assistance and investment brokering. These adjustments are intended to strengthen delivery quality, sustainability of outcomes, and pathways to scale.

In sum, targeted financing and structured innovation support are strategic necessities for achieving equitable, measurable adaptation outcomes. By bridging the "missing middle," aligning with national priorities and building a pipeline of innovation-driven enterprises and community solutions under the AFCIA umbrella, the project is positioned to deliver transformative, locally owned resilience across Africa, Asia-Pacific, Arab States, Europe/Central Asia and Latin America & the Caribbean. The combination of catalytic grants, technical assistance, and cross-regional knowledge exchange enables the project to generate resilience outcomes that surpass those achievable through isolated country-level projects.

A description of each of the Outcomes, Outputs and Activities that are part of the project is presented as follows:

Outcome 1: High potential, locally led adaptation innovations, including non-for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).

High potential, locally-led adaptation innovations are developed, designed, and prepared for implementation through inclusive sourcing, technical assistance, and supported with catalytic finance, with a focus on addressing priority climate risks and advancing gender equality and social inclusion, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs), in accordance with the Adaptation Fund's eligibility criteria by targeting particularly vulnerable developing country Parties to the Kyoto Protocol or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change, and aligning with their commitments under the Paris Agreement.

Under Outcome 1, the project will establish a transparent, competitive, and gender-responsive grant selection and issuance process targeting participants from developing country Parties to the Paris Agreement or the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change to catalyze locally led adaptation innovations with strong potential for scaling. Building on the success of AFCIA 1, which awarded 44

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

grants to civil society organizations (CSOs) and non-governmental organizations (NGOs), AFCIA 2 will continue to promote inclusive participation by targeting approximately 21 CSOs and NGOs as primary grantees. This approach will ensure that adaptation solutions remain grounded in local realities and responsive to community priorities.

To further foster private-sector engagement and stimulate market-based adaptation pathways, AFCIA 2 will also pilot innovative solutions with at least 5 MSMEs (to a maximum of 15 MSMEs, depending on the size of the grant that ranges between 40,000 USD to 140,000 USD), leveraging their entrepreneurial capacity to scale viable business models for resilience. In total, the programme will channel at least 26 grants directly to innovators, strengthening the pipeline of locally driven, scalable adaptation solutions that contribute to inclusive and sustainable climate resilience. The total number of grants for NGOs/CSO and MSMEs could be higher, if the grant size is l smaller, but 26 would be the minimum amount of grants if the grant size remains in 200,000 USD (for NGOs/CSOs) and 140,000 for MSMEs.

Following the formulation of AFCIA Project Management Unit (PMU) and the necessary procurement processes, the global ‘open calls for proposal’ will be launched.

In collaboration with AIM partners and in line with the AFCIA 2 Communication and Visibility Strategy (Annex 11), the AFCIA PMU will leverage internal and external networks to raise awareness of the call among all eligible and potential applicants and promote for ‘open call for proposal’.

A broad, global outreach campaign will be undertaken to ensure inclusive access and strong visibility of the call for proposals. This will include targeted online information sessions designed to engage diverse groups such as NGOs, CSOs, cooperatives, MSMEs, and community-based innovators, including those from marginalized communities that may have limited access to traditional funding channels. All outreach materials and guidance documents will be made available online and disseminated through UNDP´s Country Offices, UNDP Regional Offices, UNDP´s innovation and acceleration programmes, the SGP programme, and AIM´s and AFCIA´s academic, investors and knowledge networks. All outreach materials and guidelines will be made available online and recorded webinars will be made available at the national level to increase outreach.

To ensure broad and inclusive participation, the programme will deploy targeted and context-specific outreach and communication efforts. This approach will help increase the diversity and quality of applications, while enabling the programme to identify and attract high-potential, locally led adaptation innovations, including those led by NGOs, CSOs and MSMEs. Tailored outreach will be informed by country and regional contexts, thematic priorities, and stakeholder mapping, ensuring that the call for proposals effectively reaches the actors best positioned to deliver innovative, scalable adaptation solutions.

The project team will deploy the following measures to ensure robust and equitable outreach:

- **Multi-channel outreach campaign:** Disseminating information through UNDP's networks, partner organizations, civil society platforms, business associations, academic institutions, and local authorities, using both formal and informal communication channels. A dedicated visual identity will be developed to increase visibility and stakeholder interest in the call for proposals. Dissemination materials will be made fully accessible online.
- **Targeted communication:** Preparing locally adapted messaging and materials, with specific attention to women-led entities, youth groups, Indigenous Peoples, and other vulnerable populations.
- **Information webinars and Q&A sessions:** Hosting thematic and/or regional information sessions at different times to accommodate diverse time zones and schedules, with recordings made available to ensure broader access.
- **Application support materials:** Providing clear application guidelines and an FAQ document outlining the process, eligibility criteria, assessment parameters, and expectations for applicants.

Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Adaptation innovations with demonstrated results and strong potential for scale will be sourced through two complementary mechanisms:

> **(i)** An **open call for proposals targeting CSOs, NGOs, and community-led organizations** that have developed context-relevant, and locally led adaptation solutions ready for scale-up.
>
> **(ii)** An **open call for proposals** targeting MSMEs through a competitive process that prioritizes adaptation-focused and for-profit entities, including youth- and women-led ventures with context relevant solutions and clear scaling potential.

Innovation small grant proposals under AFCIA 2 will be sourced through an open, competitive, and inclusive global call for proposals, building on the proven approach of AFCIA 1 and leveraging UNDP's and AIM's established adaptation and innovation networks. The call will be disseminated through existing adaptation, innovation, and entrepreneurship ecosystems—including UNDP innovation platforms, AFCIA/AIM networks, and partner institutions—to reach locally led organizations delivering concrete adaptation solutions.

The sourcing design will be inclusive and gender-responsive, with eligibility criteria and application requirements structured to encourage participation from locally rooted organizations, including women-led entities and innovators working with vulnerable and marginalized communities. The call will prioritize early-stage and growth-stage adaptation innovations that demonstrate readiness for implementation and the potential to deliver tangible, measurable adaptation and climate resilience outcomes, rather than concept-stage ideas.

It is to be noted that two Calls for Proposals will run concurrently in Q1 2027: one targeting CSOs, NGOs, and community-led organizations, and a second dedicated to sourcing MSMEs. For the detailed timeline of the whole project, please refer to Annex 9 – Multi annual Workplan. Following the application period, proposals will undergo a transparent and competitive screening process that adheres to adaptation innovation criteria as well as social and gender standards. Screening and evaluation will be conducted by 'Grant Selection Committee' and follow the requirements set out in Annex 2a (Preliminary Online Application Format), Annex 2b (Preliminary Detailed Proposal Application Format), and Annex 2c (Selection Process and Evaluation Criteria) of the proposal. All selection, evaluation criteria, and the composition of the Grant Selection Committee will comply with the Adaptation Funds eligibility criteria, UNDP procurement and programming policies and will be reviewed in consultation with the Technical Advisory Group. As explained in detail under the 'Project Governance' section of the proposal, the Project Board will be responsible for reviewing and finalizing the selection of grantees for the project based on the recommendations of the AFCIA PMU and Grant Selection Committee evaluation.
By combining **innovation, inclusivity, and scalability**, **Outcome 1** will establish a robust and diverse portfolio of adaptation solutions that deliver tangible benefits to vulnerable populations while advancing global climate-resilience goals.

Across three priority themes—**(i)** Climate-resilient Food Systems, **(ii)** Nature-Based Solutions (NbS), and **(iii)** Disaster Risk Reduction and Recovery —typical subproject activities may include:

- **Climate-resilient Food Systems:** climate-smart agronomy services; efficient water use and soil-moisture management; resilient inputs and storage; and farmer aggregation and processing models that stabilize income and reduce post-harvest loss.
- **Nature-based solutions:** watershed restoration; mangrove and riparian rehabilitation to reduce flooding and saline intrusion; regenerative land-use models; and locally appropriate eco-construction techniques that improve safety, comfort, and affordability.
- **Disaster risk reduction and recovery:** community risk mapping; climate-informed contingency planning; last-mile early-warning dissemination; small-scale resilient infrastructure to minimize losses during extreme events. In this category, solutions that contribute to "bounce back" from a disaster will also be considered, like establishing sources of drinking water or food production after a crisis, flood-resilient infrastructure in vulnerable areas, ensuring predictable, inclusive, and sustained financing for recovery efforts, and empowering local communities by training leaders, establishing recovery

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

networks, and fostering multi-stakeholder partnerships, to mention some.

All subprojects will integrate the meaningful participation of vulnerable and marginalized groups and comply fully with the 'Adaptation Fund's Environmental and Social Policy and Gender Policy'. Each grantee will prepare a contextualized and simplified 'Environmental and Social Management Plan (ESMP)' and a simplified 'Gender Action Plan' during the inception phase to ensure inclusive, equitable, and sustainable outcomes.

All supported innovations will be fully aligned with national adaptation priorities, including National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs), and will reflect the Adaptation Fund's definition of "innovation for adaptation." Issuance of small grants to accelerate and promote adaptation innovation will be managed through the AFCIA PMU in line with standard operating procedures of UNDP.

Activities contributing to Output 1.1:

- **Activity 1.1.1 Design and launch inclusive and competitive global calls for proposals:** Design and launch two concurrent, inclusive, and competitive global calls for proposals—one targeting CSOs, NGOs, and community-led organizations, and one targeting MSMEs—aligned with national adaptation priorities (NAPs/NDCs), Adaptation Fund eligibility criteria, and AFCIA thematic focus areas. The calls will integrate gender-responsive eligibility criteria and environmental and social safeguards.

  Relevant activities from the Multi-Annual Workplan include:
  - Preparation of call documentation, eligibility criteria, application templates, and evaluation tools
  - Alignment with Adaptation Fund ESP and Gender Policy requirements
  - Coordination with UNDP procurement and programme rules
  - Design and launch global calls for proposals targeting CSOs, NGOs, and MSMEs,
  - Development of gender-responsive eligibility criteria, application guidelines, and selection methodologies
  - Integration of environmental and social safeguards and gender-responsive requirements into call documentation
  - Outreach and communication activities to promote calls and ensure broad, inclusive participation, prioritizing outreach to women-led businesses, including from rural areas and from minority communities

- **Activity 1.1.2: Screen, select, and contract high-potential adaptation innovations:** Conduct a transparent, competitive, and gender-responsive screening, evaluation, and selection process to identify high-potential, locally led adaptation innovations, in line with UNDP rules and Adaptation Fund requirements. The open call for proposals requires the implement a broad, multi-channel outreach and communication campaign to ensure inclusive access to the calls, including targeted engagement of women-led entities, youth groups, Indigenous Peoples, and other marginalized actors. The selection process will integrate environmental and social safeguards, due diligence, and technical assessment, with final selection approved by the Project Board based on recommendations from the Grant Selection Committee and the Technical Advisory Group. Selected innovators will be contracted through performance-based grant agreements linked to agreed milestones, safeguards, and reporting requirements.

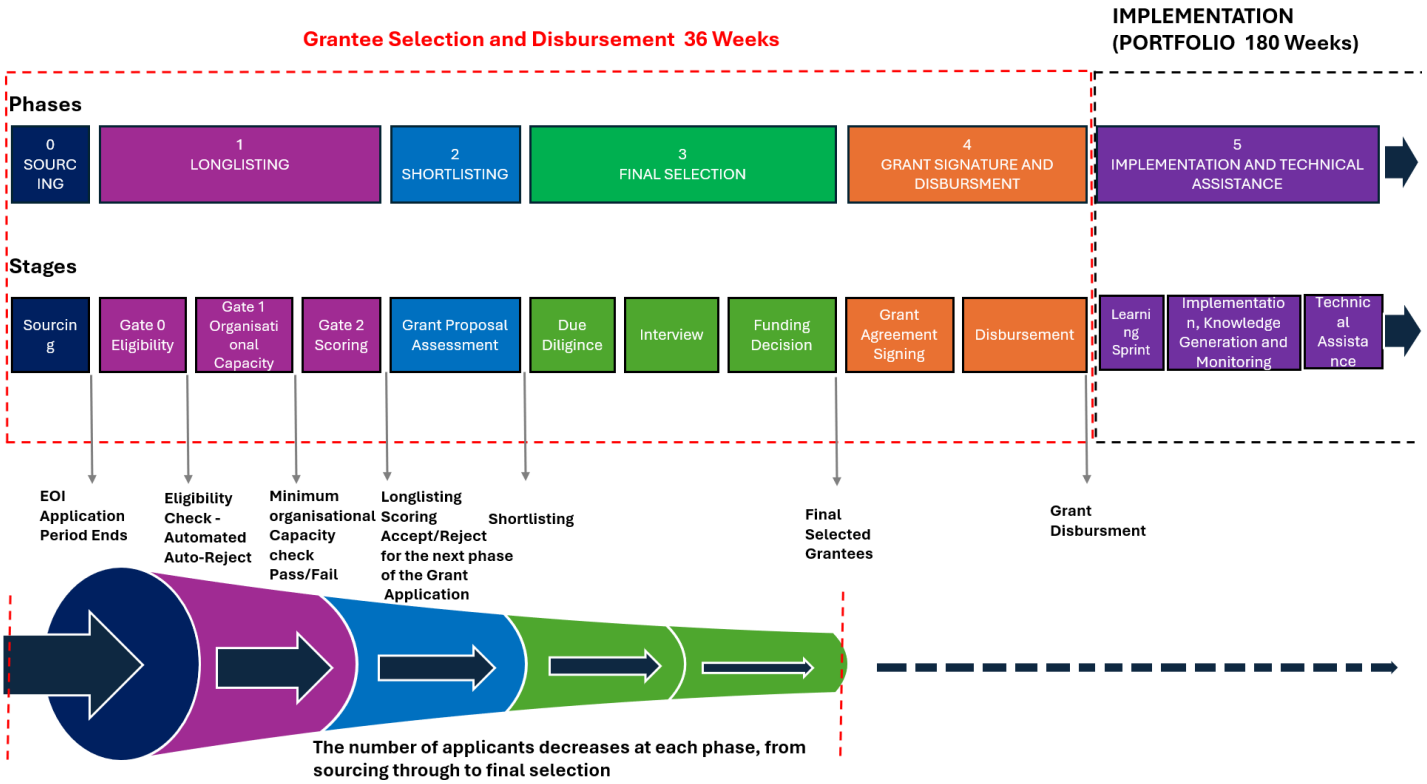
- **Relevant activities from the Multi-Annual Workplan include:**

  - Global and regional outreach through UNDP Country Offices, Regional Bureaux, AIM and AFCIA Partnership networks
  - Online information sessions, recorded webinars, and Q&A clinics
  - Dissemination of guidance materials, FAQs, and application support resources

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- Evaluation and scoring of proposals using gender-responsive and ESP-compliant criteria
- Technical screening and due diligence of shortlisted innovators
- Grant Selection Committee review and Technical Advisory Group consultation
- Project Board approval of final grantee selection
- Contracting of grantees through performance-based grant agreements

Figure 2 and Table 1 illustrate the end-to-end grant cycle at a high level, spanning the full process from sourcing through to the closure and tentative timeline of the AFCIA 2 grant project, respectively. Please note that the grant agreement will be for 2 years for MSME and 3 years for NGO/CSO, but the technical assistance will be provided to the grantees until the end of the AFCIA 2 project.



(Figure 2: End-to-end grant cycle at a high level, spanning the full process from sourcing through to the

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Phase	Timeline
Phase 0: Sourcing	4 Weeks (Q2 2027)
Phase 1: Long Listing	4 Weeks (Q3 2027)
Phase 2: Shortlisting	8 Weeks (Q3 2027)
Phase 3: Final Selection	8 Weeks (Q4 2027)
Phase 4: Grant Agreement Signing, Review, and Disbursement	12 Weeks (Q4 2027 and Q1 2028)
Phase 5: Implementation and Technical Assistance	180 Weeks (Q1 2028 – Q3 2031)

closure)

(Table 1: High-level implementation timeline)

Output 1.2: Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.

Selected innovations will receive catalytic grant financing alongside tailored technical support aimed at strengthening their operational, financial, and impact readiness. Grant disbursements will follow a performance-based approach, linked to the achievement of clearly defined milestones such as completion of agreed indicators or verified progress toward results. This will reinforce accountability, improve the quality of reporting, and promote a culture of continuous learning across the portfolio. It will also help de-risk implementation and scaling, strengthen the credibility of locally led solutions, and facilitate access to follow-on investment by connecting grantees to broader adaptation, innovation, and finance ecosystems. Under the performance-based grant funding approach, the funding is committed upfront for the full grant period, meaning there will be only one grant agreement for the entire amount committed, but the funding will be released in tranches linked to agreed results, ensuring grantees have early liquidity while keeping delivery and accountability at the center.

The grant period will be 24 months for MSMEs and 36 months for NGOs/CSOs. Disbursements will follow a clear, milestone-driven schedule (Table 2):

- 30% on grant agreement signature (Tranche 1) to support mobilization and initial execution.
- 30% on achievement of the first milestone (Tranche 2), typically aligned to 6-month targets for MSMEs and 9-month targets for NGOs.
- 20% on achievement of the second milestone (Tranche 3), typically aligned to 12-month targets for MSME and 18 month target for NGOs.
- 20% on achievement of the final milestone (Tranche 4), linked to delivery of the agreed outcomes towards the end of the grant period, typically aligned to 18-month targets for MSME and 27-month target for NGOs.

As part of the application process, each applicant is required to propose a milestone (refer Annex 2b for details – Component 5). These proposed milestones form the starting point for a joint planning process with the PMU: they are reviewed, refined, and where necessary amended to ensure they are realistic, evidence-based, and clearly define what success looks like for the specific project. The final, agreed milestones are then co-created and formally captured in the grant agreement, covering areas such as operational delivery,

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

beneficiary reach, adoption/usage, revenue or sustainability indicators, partnerships, safeguarding/compliance deliverables, and evidence of outcomes. Milestones targets will be reviewed periodically during implementation and may be further adjusted in consultation with the PMU to reflect on-the-ground conditions, while maintaining accountability to agreed outcomes.

Regardless of tranche release timing, each grantee remains actively engaged with AFCIA 2 for the full intended grant period, and technical assistance (TA) is provided throughout to strengthen implementation capacity, accelerate results, and support long-term sustainability of the innovations.

Tranche	% of total Grant commitment	Trigger	Typical timing - MSMEs	Typical timing - NGOs
1	30%	Grant agreement signed (mobilisation/start-up)	Month 0	Month 0
2	30%	First milestone achieved (6-month targets)	Month 6	Month 9
3	20%	Second milestone achieved (12-month targets)	Month 12	Month 18
4	20%	Final milestone achieved (end-of-grant outcomes)	Month 18	Month 27

(Table 2: Milestones-based grant disbursement)

The AFCIA PMU team will ensure all supported innovation interventions are designed to deliver measurable, equitable, and gender-responsive benefits for vulnerable communities. Gender equality and social inclusion will be systematically integrated throughout the grant-making process to ensure equitable access to resources and decision-making, with particular attention to women-led organizations and marginalized groups. Grant implementation periods will range between 24 and 36 months—approximately 24 months for MSMEs and 36 months for CSOs and NGOs—with exact durations confirmed prior to the launch of the open call and the processing of grant agreement. These implementation timeframes have also been informed by feedback received during stakeholder consultations, ensuring that grant implementation periods are realistic, context-appropriate, and responsive to the operational needs of the innovators.

Following selection and identification of grantees, each grantee will participate in a mandatory 8–10 weeks Onboarding Learning Sprint designed to strengthen implementation quality and accountability. This onboarding and capacity-building process will include practical modules on business-model refinement, financial and impact readiness, monitoring, evaluation and reporting, and gender-responsive and socially inclusive practices. Trainings and workshops will be led primarily by UNDP, complemented by external specialists for targeted sessions. Each grantee will be required to designate at least two representatives to complete the Onboarding Learning Sprint as a prerequisite for the start of grant implementation. The Onboarding Learning Sprint will serve as the primary entry point for establishing core operational disciplines across the portfolio. This includes the articulation of a clear outcomes model; development of basic unit economics; and the early adoption of systematic data capture practices—covering financial, operational, impact, safeguards and gender-related information. As grantees become more familiar with AFCIA 2's frameworks and operational expectations, the programme will introduce more specialized and advanced learning modules in addition to this initial Onboarding Learning Sprint, tailored to grantee profiles, sectoral needs, and demonstrated progress—such as advanced finance, investment readiness, and enhanced gender integration—to strengthen technical capacities and support continuous improvement. Further details on the Onboarding Learning Sprint and technical assistance

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

components are provided in the sections on 'The Phased Scaling and Intervention Framework' and 'Learning and Knowledge Management Component' parts of this proposal.

Activities contributing to Output 1.2

- **Activity 1.2.1: Establish and manage performance-based grant agreements:** Establish and manage performance-based grant agreements with selected innovators in accordance with UNDP rules and regulations and Adaptation Fund requirements. Grant agreements will define the total grant amount, implementation period, tranche structure, milestone framework, reporting obligations, and applicable environmental and social safeguards and gender requirements. Funding will be committed upfront for the full grant period and disbursed in tranches linked to the verified achievement of agreed milestones, ensuring early liquidity for grantees while maintaining strong accountability, fiduciary oversight, and delivery focus throughout implementation.

  Relevant activities from the Multi-Annual Workplan include:

  - Establishment of performance-based grant agreements
  - Definition and validation of milestone frameworks and tranche structure
  - Disbursement of grant tranches linked to verified milestone achievement
  - Financial oversight and compliance monitoring
  - Incorporation of safeguards, gender, and accountability clauses
  - Grant agreement management and administration

- **Activity 1.2.2: Disburse and manage performance-based grant tranches:** Disburse catalytic grant funding in tranches linked to the verified achievement of agreed milestones, while maintaining strong fiduciary oversight, accountability, and risk management throughout implementation. This activity will include verification of milestone achievement, approval and release of tranche payments, application of financial controls, and maintenance of complete documentation and audit trails. Milestone frameworks will be periodically reviewed and, where necessary, adjusted in consultation with grantees to reflect implementation realities, while preserving accountability to agreed outcomes and performance standards.

  Relevant activities from the Multi-Annual Workplan include:

  - Verification of milestone achievement
  - Disbursement and Monitoring of Low Value Grant Agreements (LVGAs) to NGOs/CSOs and MSMEs
  - Financial controls and fiduciary oversight
  - Documentation and trail of disbursements
  - Periodic milestone reviews and validation of adjustments
  - Documentation of approved milestone changes,
  - Review of financial and progress reports
  - Risk screening and follow-up actions
  - Coordination with UNDP assurance and oversight functions
  - Inputs to programme monitoring, reporting, and learning systems

Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact.

AFCIA 2 will build on the achievements of AFCIA 1 by providing follow-on catalytic support to high-impact innovations with clear potential for systemic influence (approximately 5). The programme is designed not only

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

as a financing mechanism but also as a platform for learning and evidence generation. A comprehensive Knowledge Management and Learning Framework will capture, analyze, and disseminate lessons from grantee implementation, enabling the identification of what works, for whom, and under what conditions.

The rationale for engaging a select number of high-performing AFCIA 1 grantees is grounded in both programme experience and the strategic guidance emerging from the Mid-Term Review (MTR) Report. The MTR underscored that several AFCIA 1 innovators are already close to achieving scale but require a final, targeted period of support to consolidate their business models, strengthen evidence of impact, and secure follow-on finance. It also highlighted the importance of continuity is most essential for that final lap. Across the portfolio, a number of grantees have demonstrated strong progress and clear pathways to scale, yet still need one final “push” to transition into self-sustaining enterprises. Without continued support, there is a real risk that innovations on the cusp of scaling could stall, diminishing earlier gains and reducing the long-term value of the AFCIA 1 investment to date. The MTR also reaffirmed broader structural challenges in the adaptation finance landscape: early-stage, locally-led solutions continue to face significant barriers in accessing patient, catalytic capital, even when supported by UNDP and the Adaptation Fund. This gap reinforces AFCIA’s role in de-risking, nurturing, and advancing innovations that the market alone is unlikely to support in short term. In response, AFCIA 2 proposes to selectively reinvest in the most promising AFCIA 1 innovators. This measured approach ensures continuity where it is most warranted, and accelerates the emergence of viable, scalable adaptation solutions capable of demonstrating broader market viability and delivering systems-level resilience gains.

Through this integrated approach—combining innovation, finance, technical assistance, structured and continuous learning, and evidence generation —Outcome 1 will accelerate inclusive and scalable adaptation action across the Global South. For the purposes of this programme, the term “Global South” refers exclusively to the eligible countries that meet AF´s criteria, which are the developing country Parties to the Kyoto Protocol or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change, including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems. The evidence, insights and lessons learned generated through Outputs 1.2 and 1.3 will inform national adaptation processes, strengthen enabling environments for investment in climate-resilient development, and contribute directly to the Adaptation Fund’s strategic objectives and UNDP’s mandate to advance transformative, locally led climate action.

Through its transparent, inclusive, and gender-responsive grant-making process, Outcome 1 will unlock catalytic financing for a diverse portfolio of high-potential, locally led adaptation innovations across NGOs, CSOs, and MSMEs. By directing resources to solutions that respond to priority climate risks, reflect national adaptation commitments, and demonstrate clear pathways for scale, the project will strengthen the pipeline of community-rooted and market-relevant adaptation models. Together, these measures ensure that the concrete activities implemented by grantees contribute not only to community-level resilience but also to broader systemic resilience through policy and market linkages. These catalytic grants will enable innovators to operationalize or expand proven approaches, address critical barriers to implementation, and establish the foundations needed for long-term sustainability. In doing so, Outcome 1 will play a central role in mobilizing and empowering local actors to deliver measurable adaptation benefits for vulnerable populations, while laying the groundwork for broader replication, institutional uptake, and investment-driven scaling under subsequent outcomes of the programme.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Activities contributing to Output 1.3

- **Activity 1.3.1: Identify and select high-performing AFCIA 1 innovations for follow-on support: I**dentify and select a limited number of high-performing AFCIA 1 grantees with demonstrated implementation capacity, strong evidence of impact, and clear pathways to scale and systemic influence. Selection will be informed by portfolio performance data, lessons from AFCIA 1 implementation, and strategic guidance from the Mid-Term Review and final evaluation, ensuring a transparent, competitive, and gender-responsive process.

  Relevant activities from the Multi-Annual Workplan include:

  - Portfolio performance review of AFCIA 1 grantees
  - Assessment of scale readiness, systemic influence, and sustainability potential
  - Development of a Knowledge Management Learning Framework
  - Validation of selected innovations through programme governance mechanisms

- **Activity 1.3.2: Establish and manage performance-based grant agreements for AFCIA 1 grantees, which provide follow-on catalytic grants to consolidate and scale proven adaptation models:** Provide targeted follow-on catalytic grant support to selected AFCIA 1 innovations to consolidate business models, strengthen operational readiness, and advance scaling pathways. Grants will focus on addressing remaining bottlenecks to sustainability, adoption, and market or institutional uptake, while leveraging prior investments and demonstrated results

  Relevant activities from the Multi-Annual Workplan include:
  - Design and approval of follow-on grant packages
  - Contracting of selected AFCIA 1 innovators under performance-based agreements
  - Disbursement of catalytic funding linked to agreed scale and impact milestones

- **Activity 1.3.3: Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress:** Provide follow-on catalytic support to a limited number of high-performing AFCIA 1 grantees through the disbursement and management of performance-based grant tranches linked to clearly defined and verified milestones. This activity will focus on monitoring implementation progress, performance, and delivery of agreed outcomes to ensure that additional support accelerates scale-readiness, consolidates proven business and delivery models, and strengthens evidence of systemic impact. Grant management and oversight will be tailored to the advanced maturity of AFCIA 1 grantees and will emphasize accountability, risk management, and learning, without duplicating onboarding or early-stage capacity-building support provided under other outputs.

  Relevant activities from the Multi-Annual Workplan include:
  - Verification of milestone achievement for AFCIA 1 follow-on grantees
  - Approval and release of performance-based grant tranches in line with agreed milestones
  - Review of financial, operational, and progress reports submitted by grantees
  - Monitoring of implementation progress, delivery risks, and performance against agreed outcomes
  - Documentation of tranche disbursements, milestone verification, and audit trails
  - Reporting on grant performance and implementation progress to programme governance bodies

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.

Outcome 2 focuses on transforming supported adaptation innovations into investment-ready solutions and integrating them into national and global adaptation, innovation, and finance ecosystems. Through tailored technical assistance, business development support, and strategic partnerships, AFCIA 2 will enable selected innovations to progress from early, mid, and late-growth stages toward scale. This integrated approach will address key barriers to growth—such as financing gaps, limited market access, and insufficient investor confidence—by connecting organizations to development finance institutions (DFIs), venture capital, impact investors, and other actors within the climate finance ecosystem. These measures will contribute to building a robust pipeline of investable adaptation solutions and help position adaptation as a viable and attractive investment class.

AFCIA 2 will provide targeted support to strengthen business acumen and reduce grantees' dependence on grant financing, enabling them to operate hybrid or market-facing models aligned with their mandates. Innovations will receive tailored investment readiness support and strategic ecosystem linkages, including engagement with investors through business school fellowships, mentorship programmes, and curated investor roundtables—creating opportunities for deal flow and follow-on capital mobilization. This support will be structured around a three-tiered model that combines in-house UNDP expertise, specialized external domain experts, and MBA/EMBA fellows to jointly enhance the operational, strategic, and financial capabilities of selected innovators.

Immediately upon selection, grantees will participate in an intensive Onboarding Learning Sprint designed to strengthen core operational disciplines, including business model refinement, unit economics, monitoring, evaluation and learning (MEL), gender-responsive design, and environmental and social safeguard risk management. This accelerator-type phase will ensure that all grantees have a clear outcomes model, basic financial systems, and data collection practices in place before moving into more advanced tailored support. Subsequently, grantees will access sequenced, demand-driven technical assistance modules that deepen their capacities in areas such as scaling strategies, adaptive management, and policy and market engagement.

A defining element of Outcome 2 is the strategic engagement with financial institutions, leveraging existing UNDP partnerships with the private sector. Working with private sector partners which are interested in impact funding and resilience, AFCIA 2 will:

- **Co-design adaptation investment metrics and screening tools** to help financial institutions identify and value resilience benefits in credit and equity decisions;

- **Pilot innovative financing pathways**—such as blended finance facilities, concessional credit lines, revenue-based financing, and insurance-linked mechanisms—to improve access to capital for MSMEs and hybrid community-led organizations; and

- **Leveraging UNDP's and its partners knowledge and experience** to support financial institutions in integrating climate adaptation considerations into their investment strategies and portfolios

These efforts will complement technical assistance provided directly to grantees, supporting CSOs and NGOs in strengthening their business acumen and enabling MSMEs to meet market expectations. Together, these interventions will help close the "missing middle" financing gap, where many community-driven and growth-stage adaptation solutions often stall.

All activities under Outcome 2 will promote gender equality and social inclusion, ensuring that scaling efforts generate fair opportunities and benefits for all members of society, particularly those most at risk. AFCIA 2 will support grantees to embed gender-responsive and socially inclusive approaches into their business models, governance structures, and service delivery mechanisms.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

AFCIA 2 will track progress using indicators such as:

- *Number of supported innovations achieving investment-readiness benchmarks;*
- *Number of women-led enterprises achieving investment-readiness benchmarks; and*
- *Number of innovations enabled to develop and implement gender-responsive business models.*

Peer learning and replication will be systematically embedded within Outcome 2 to accelerate scaling and reduce transaction costs. Proven approaches will be documented in practical replication toolkits, while regular replication clinics will create structured opportunities for grantees to exchange lessons, troubleshoot challenges, and adapt successful models across different contexts. This peer-to-peer learning architecture will help move effective innovations from isolated pilots to scalable, portfolio-wide practices.

To support the transition from promising pilots to scalable models, selected innovators will receive tailored technical assistance, investment-readiness support, and strategic ecosystem linkages that enable them to advance from early, mid, and late-growth stages toward scale. These support measures will be complemented by targeted brokering from UNDP and its partners, helping innovators translate their operational track records into credible, investable propositions for a range of capital providers.

By combining high-quality technical assistance, strategic partnerships with financial institutions, and innovative financing models, Outcome 2 will identify and contribute to unlocking new pathways for adaptation investment. This outcome will function as the programme's scaling engine, enabling high-potential, locally led innovations to move beyond grant dependence toward financially viable, institutionally embedded, and policy-aligned adaptation services that can endure and expand over time. This approach will accelerate the shift from pilot initiatives to market-ready solutions and strengthen the integration of locally led innovations into national and global adaptation finance ecosystems.

Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, thematic support on adaptation approaches, gender-responsive design, MEL systems, financial planning and safeguard risk management.

Under Output 2.1, AFCIA 2 will operationalize an integrated technical assistance facility that equips all supported CSOs, NGOs, MSMEs, and cooperatives with the skills, systems, and tools needed to strengthen their business models, adaptation approaches, gender responsiveness, monitoring evaluation and learning (MEL) systems, and environmental and social safeguard risk management. This support will be tailored to organizational type, sector, maturity level, and operational context, while maintaining a common minimum standard of capacity across the portfolio.

The technical assistance will draw on UNDP's internal expertise, specialized external partners, and the MBA Fellowship Programme with leading business schools from the Global North and the Global South. Together, they will provide hands-on support that is practical, context-specific, and aligned with the Adaptation Fund's Environmental and Social Policy, Gender Policy, and Adaptation Fund's Monitoring and Tracking System, as well as UNDP's safeguards and MEL standards. Through this comprehensive technical assistance architecture, Output 2.1 ensures that the concrete adaptation activities implemented by grantees are operationally sound, impactful, and positioned for long-term resilience-building beyond the project period.

The project will actively contribute to and benefit from a broader community of practice, showcasing learning and facilitating peer-to-peer exchange between AFCIA 1 and AFCIA 2 grantees. These efforts will be complemented by additional knowledge-sharing and peer-exchange opportunities supported across the wider AFCIA partnership, including initiatives led by UNEP-CTCN, UNIDO, WFP, and SPC through the UNEP-CTCN coordination function. Together, these collaborative platforms will strengthen cross-learning, enhance replication potential, and promote a cohesive, system-wide approach to advancing locally led adaptation.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- **Activity 2.1.1: Deliver an 8–10-week onboarding sprint for selected innovators:** Deliver an 8–10-week onboarding sprint for selected innovators covering business model refinement, value proposition clarification, unit economics, monitoring and evaluation, environmental and social safeguards, gender responsiveness, financial management, planning, and innovation management.

  Relevant activities from the Multi-Annual Workplan include:
  - Design and delivery of an intensive Onboarding Learning Sprint for selected grantees, with tailored business support for women-led organizations
  - Training modules on business model refinement, value proposition, unit economics, and innovation management
  - Capacity building on monitoring and evaluation, environmental and social safeguards, and gender responsiveness
  - Training on financial management, planning, fiduciary requirements, and operational readiness

- **Activity 2.1.2: Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning:** Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning to selected grantees throughout the piloting phase. This will include the deployment of MBA/EMBA fellows and expert mentors to work directly with grantee teams on:

  (i) testing, iteration, and risk management of innovations;

  (ii) strengthening internal systems such as financial reporting, budgeting, cash-flow forecasting, organizational and operational risk management, market analysis, and preparation of investor-ready data rooms and documentation, with tailored mentoring support for women-led and gender-responsive innovations where relevant;

  (iii) organizational development, governance, succession planning, and change management to support operational resilience, responsible growth, and long-term sustainability; and

  (iv) facilitating peer-to-peer learning through quarterly replication clinics, thematic learning sessions, and South–South exchanges that enable grantees to share tools, standard operating procedures, training materials, and other resources supporting learning, replication, and scaling of innovations.

  Relevant activities from the Multi-Annual Workplan include:

  - Provision of tailored technical assistance and advisory support throughout the piloting phase, including tailored business mentoring for women entrepreneurs and women-led organizations
  - Deployment of MBA/EMBA fellows to work directly with grantees on business development, financial systems, and investment readiness
  - Ongoing expert mentoring on innovation testing, iteration, and risk management
  - Organizational development and leadership coaching for grantee management teams
  - Facilitation of peer-to-peer learning, replication clinics, thematic learning sessions, and South–South exchanges

- **Activity 2.1.3: Assist selected grantees to prepare Gender Action Plans and ESMPs** : Assist selected grantees to prepare contextualized and simplified Gender Action Plans (GAPs) and

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Environmental and Social Management Plans (ESMPs), aligned with Adaptation Fund and UNDP standards, ensuring that gender equality, social inclusion, and environmental and social safeguards are systematically integrated across the full innovation project cycle.

Relevant activities from the Multi-Annual Workplan include:

- Technical assistance to develop contextualized and simplified Gender Action Plans
- Support to prepare Environmental and Social Management Plans aligned with Adaptation Fund and UNDP standards
- Guidance on integrating gender equality, social inclusion, and ESP measures across project implementation, including beneficiary engagement, staffing, and monitoring practices
- Ongoing monitoring and advisory support to operationalize GAPs and ESMPs during piloting

Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school and investors partners

Output 2.2 will focus on helping adaptation innovators identify, prepare for, and access appropriate financing pathways, including private commercial, concessional, blended, and public–private mechanisms. Building on UNDP's existing partnerships and ecosystems with DFIs, impact investors, commercial banks, and other financial actors—as well as the networks of leading business schools—the project will facilitate positioning grantees within relevant investment pipelines and policy frameworks. Local investor networks and knowledge platforms established by other UNDP-led programmes, such as the Small Grants Programme (GEF SGP), the BOOST Impact Acceleration Programme, the TADAMON NGO Empowerment Programme, UNDP Accelerator Labs, Youth Co:Lab, the Climate Venture Scaler, and other Country Office adaptation for innovation ecosystems will be explored to identify synergies and specific collaboration opportunities that can help AFCIA 2 grantees identify and access suitable financing pathways and connect with relevant financing ecosystems.

This output will translate the operational and strategic improvements achieved under Output 2.1 into tangible financing opportunities. It will support organizations to articulate their financing needs, understand investor requirements, and structure proposals that align with the expectations of different capital providers, while maintaining their social and environmental objectives. Through these measures, Output 2.2 strengthens the conditions necessary to position adaptation initiatives as credible financing propositions and enables the scaling of locally led adaptation across regions. This function is central to the project's multi-regional value proposition, whereby solutions proven effective in one context can secure financing and strategic partnerships that facilitate expansion into new geographies facing similar climate risks.

Activities contributing to Output 2.2:

- **Activity 2.2.1: Support innovators to identify and access appropriate financing pathways:** Support innovators to identify and access appropriate financing pathways through investor engagement, deal structuring support, preparation of investor-ready documentation, and linkages to private, public, concessional, blended, and public–private finance mechanisms, in collaboration with leading business schools, investors, and strategic partners.

  Relevant activities from the Multi-Annual Workplan include:

  - Support to grantees on investment readiness, including financial modelling, unit economics, and preparation of investor-ready data rooms and documentation, with additional support provided to women-led and gender-responsive innovations where relevant.
  - Engagement with private sector investors, financial institutions, and impact investors to explore financing options for supported innovations.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- Facilitation of linkages to public, concessional, blended, and public–private finance mechanisms
- Targeted advisory support on deal structuring and financing strategies, drawing on partnerships with leading business schools and investment partners, ensuring that financing models do not unintentionally reinforce gender-based exclusion (through collateral requirements or ownership structures, for instance).
- Organization of investor-focused learning sessions, pitch events, and strategic dialogues to connect innovators with potential financiers. The design of these engagement and matchmaking events will have intentional gender balance including through gender-sensitive formats, timing and locations accessible to women.

- **Activity 2.2.2: Generate and consolidate evidence of impact, scale, and systemic influence:** Generate, consolidate, and synthesize evidence from supported adaptation innovations to assess their impact, scalability, and potential for systemic influence. This activity will focus on aggregating technical, financial, organizational, gender, and environmental and social performance data across the portfolio to demonstrate adaptation outcomes, inform scaling and financing pathways, and support engagement with policymakers, investors, and implementing entities. Evidence generated under this activity will feed into learning products, investment readiness processes, and programme-level reporting, without duplicating knowledge dissemination activities under Outcome 3.

Relevant activities from the Multi-Annual Workplan include:

  - Track and document follow-on finance mobilized by grantees: Systematically track and document follow-on finance mobilized by supported innovations by consolidating grantee-level technical, financial, and impact performance data; analyzing monitoring and evaluation results to assess scalability and systemic relevance; and monitoring early signals of adoption, replication, and growth. This will include documenting outcomes related to gender equality, social inclusion, and environmental and social safeguards, and preparing portfolio-level evidence summaries to inform scaling pathways, investment engagement, and programme-level reporting. All evidence will be subject to validation and quality assurance processes to ensure its reliability for decision-making, learning, and engagement with partners and potential financiers.

Together, Outputs 2.1 and 2.2 operationalize Outcome 2 by combining high-quality technical assistance with proactive financing facilitation. This will enable AFCIA 2 grantees to become stronger, more resilient organizations that are capable of absorbing and managing diverse forms of capital, scaling their impact, and contributing to more inclusive and robust adaptation finance ecosystems.

Gender equality and social inclusion will be mainstreamed across all activities under Component 2 through gender-responsive selection criteria, the development and implementation of Gender Action Plans, integration of ESP requirements, targeted technical assistance, leadership coaching, and gender-disaggregated monitoring and reporting. This approach will ensure that gender considerations are systematically reflected in the design and delivery of support to innovators and in the strengthening of investment-ready adaptation solutions.

Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Outcome 3 leverages evidence and learning generated through supported adaptation innovations to influence replication strategies, policy processes, and investment practices at local, national, and global levels. AFCIA 2 will capture and disseminate field-tested insights on what works, for whom, and under what conditions, drawing on robust monitoring, evaluation, and learning systems and participatory learning approaches. These insights will inform policy and programme design, support replication across geographies, and shape public and private investment flows, with a strong focus on promoting inclusive and gender-transformative adaptation models. In line with the Adaptation Fund's definition of innovation for adaptation, AFCIA 2 will prioritize solutions that go beyond incremental improvements, address clearly defined climate risks, and evolve through iterative testing, learning, and adaptation with the meaningful participation of vulnerable communities. Central to this outcome is the project's emphasis on capturing how concrete adaptation activities implemented under Outcomes 1 and 2 generate measurable resilience outcomes, and translating these results into actionable guidance for policymakers, practitioners, and investors.

Building on the strategic partnerships established under AFCIA 1, AFCIA 2 will strengthen the role of regional platforms and global knowledge networks in accelerating systemic change. This includes engaging financial institutions, investors, and grantees across the wider AFCIA partnership through curated knowledge products—such as adaptation investment briefs and metrics toolkits—and through targeted dialogues and roundtables that help integrate adaptation considerations into portfolio strategies. Peer-learning exchanges, South-South and South-North collaboration, and knowledge sharing among innovators, local actors, academia, and private-sector partners will further support the uptake and scaling of proven models. From the outset, scalability will be embedded in how learning is structured, including through replication-oriented documents, knowledge exchange, and collaborative mechanisms that connect promising solutions to broader policy and investment pipelines. Outcome 3 will support the development of a knowledge framework that enables concrete adaptation practices proven effective in one country to inform, inspire, and potentially be adapted in other regions facing similar climate risks—providing added value that extends beyond individual country-level projects.

AFCIA 2 will also produce gender-transformative and socially inclusive case studies, ensuring that lessons reflect diverse contexts and promote the meaningful engagement of women, youth, and vulnerable groups. In coordination with AFCIA partnership agencies and the UNEP-CTCN coordination services function, the project will contribute to developing shared knowledge repositories and leveraging digital platforms for global visibility—enabling replication across countries, sectors, and ecosystems. All knowledge products will be designed to be practical, action-oriented, and accessible to local actors, including community-based organizations and Indigenous Peoples, thereby supporting informed decision-making at multiple levels.
Progress under Outcome 3 will be monitored through indicators such as the number of innovation-focused knowledge products disseminated and the number of learning events facilitated, including participation rates of women, vulnerable groups, and local institutions. These indicators will help track how evidence from innovation is translated into improved practice, replication, and policy and investment responses across the participating regions.

By linking evidence on the effectiveness and efficiency of supported innovations to policy dialogues, investment decision-making, and replication pathways, AFCIA 2 will help demonstrate how locally led solutions can inform government priorities and attract finance at scale. The project's principal contribution will be to generate robust, field-based evidence and translate it into actionable insights that inform partner-led processes and strategic initiatives. Through collaboration with financial institutions, local governments, and development partners, these lessons will be reflected in policy recommendations, investment briefs, and scalable business models. The application of clear innovation criteria—including value addition, feasibility, cross-scale acceleration potential, and long-term viability—will further guide how promising practices are adapted and integrated into policy frameworks and investment portfolios.

AFCIA 2's knowledge and learning architecture—anchored in partnerships with leading business schools and global adaptation platforms—will support systematic documentation, cross-country peer learning, and dissemination of proven practices. South-South and South-North exchanges will extend the project's influence on adaptation programming and finance beyond project boundaries. All knowledge products will reflect gender-transformative and socially inclusive practices and will be accessible to local stakeholders. The learning approach will align with the Adaptation Fund's Strategic Results Framework, with emphasis on innovation for

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

scale, policy integration, and cross-reporting on ecosystems, livelihoods, disaster risk reduction, and awareness and ownership. This architecture will build on a two-stage learning and innovation process—pre-selection and proposal-strengthening support, followed by an intensive Onboarding Learning Sprint for selected grantees—as well as the MBA Fellowship Programme, which links academic expertise with locally led adaptation practice and evidence generation.

Gender equality and social inclusion will be mainstreamed across Outcome 3 by ensuring that evidence generation, learning processes, and knowledge products systematically reflect diverse contexts and perspectives, including those of women, youth, Indigenous Peoples, and vulnerable groups. Scaling, replication, and financing pathways for supported adaptation innovations will build on gender-responsive design principles and environmental and social safeguards established in earlier phases, including Gender Action Plans and ESP measures developed by grantees. Through inclusive learning, partnerships, and investment engagement, Outcome 3 will promote responsible growth and the uptake of inclusive and market-oriented adaptation solutions across policy, replication, and investment pathways.

Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting peers, government partners, investors, and adaptation practitioners.

Output 3.1 focuses on generating high-quality, evidence-based knowledge products that capture the lessons, success factors, and challenges emerging from supported adaptation innovations. Through systematic monitoring, evaluation, and participatory learning processes, AFCIA 2 will document what works, for whom, and under what conditions—ensuring that insights are grounded in field realities and reflect diverse contexts. This includes synthesizing learning into practical case studies, evidence briefs, replication toolkits, and gender-transformative analyses that elevate the experiences of women, youth, Indigenous Peoples, and vulnerable groups.

Knowledge products—including case studies, thematic briefs, and investment-oriented reports—will be co-developed with partners to inform decision-making, influence policy, and support scaling. Special emphasis will be placed on documenting gender-transformative and socially inclusive practices and on demonstrating how concrete adaptation activities carried out by grantees translate into measurable resilience outcomes.
By working in coordination with the UNEP-CTCN coordination services function and the wider AFCIA Partnership, the project will contribute to shared digital repositories that strengthen global access to adaptation learning. These knowledge products will be designed to inform policy development, guide practitioners, support investor decision-making, and enhance the overall enabling environment for scaling and institutionalizing locally led adaptation solutions.

Through Output 3.1, AFCIA 2 transforms project-level knowledge into scalable, transferable adaptation models that can be replicated and institutionalized across regions.

Activities contributing to Output 3.1:

- **Activity 3.1.1: Design and implement a structured learning and knowledge management architecture:** Design and implement a structured learning and knowledge management architecture—including pre-selection learning activities, an Onboarding Learning Sprint, and systematic monitoring and evaluation—to capture technical, financial, organizational, gender, and environmental and social performance data from supported innovations.

  Relevant activities from the Multi-Annual Workplan include:

  - Design and implementation of a learning and knowledge management architecture
  - Delivery of pre-selection webinars and mini-courses to strengthen proposal quality

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- Delivery of an intensive Onboarding Learning Sprint for selected grantees
- Establishment of monitoring, evaluation, and learning (MEL) systems
- Preparation of baseline assessments and annual progress reports
- Tracking and reporting on Outcome 3 indicators, including gender-disaggregated data

- **Activity 3.1.2: Develop, maintain, and operationalize a digital knowledge platform:** Develop, maintain, and operationalize a digital knowledge platform, building on existing UNDP, AIM, and wider AFCIA community systems, to host and disseminate case studies, evidence briefs, dashboards, replication toolkits, metrics tools, and gender-transformative analyses for policymakers, practitioners, investors, and local actors.

  Relevant activities from the Multi-Annual Workplan include:

  - Development and maintenance of a digital knowledge platform and dashboard (building on AFCIA 1, UNDP, and AIM systems)
  - Creation and hosting of toolkits, replication kits, case studies, scorecards, fact sheets, and learning resources
  - Integration of learning outputs from the Onboarding Learning Sprint into shared digital repositories
  - Contribution to shared AFCIA knowledge repositories in coordination with UNEP-CTCN AFCIA coordination function

- **Activity 3.1.3: Produce, quality-assure, and disseminate innovation-focused knowledge products:** Produce, quality-assure, and disseminate innovation-focused knowledge products—including adaptation investment briefs, replication toolkits, evidence briefs, and gender-transformative case studies—that translate project-level results into actionable guidance for policy development, replication, and investment decision-making.

  Relevant activities from the Multi-Annual Workplan include:

  - Production of innovation-focused knowledge products, including adaptation investment briefs, metrics toolkits, replication toolkits, and evidence briefs
  - Development of gender-transformative and socially inclusive case studies
  - Develop and Mandate Gender/Social Inclusion (GSI) Guidelines; Specialized Training and Sensitization for Content Teams
  - Synthesis, quality assurance, and dissemination of knowledge products in line with UNDP and Adaptation Fund standards
  - Contribution of knowledge products to global adaptation dialogues and evidence bases

- **Activity 3.1.4: Operationalize the MBA Fellowship Programme and failure-learning protocol:** Operationalize the MBA Fellowship Programme and a structured failure-learning protocol as core knowledge-generation mechanisms, engaging fellows and grantees to document business models, unit economics, impact performance, and implementation challenges, and synthesizing lessons into guidance notes and shared learning products.

  Relevant activities from the Multi-Annual Workplan include:

  - Operationalization of the MBA Fellowship Programme as a core knowledge-generation mechanism
  - Engagement of MBA fellows to document business models, analyze unit economics, and assess impact performance

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- Establishment and implementation of a structured failure-learning protocol, including on barriers faced explicitly by women, women-led innovations, and vulnerable populations.
- Synthesis of lessons from implementation challenges into guidance notes and peer-learning products

Gender equality and social inclusion will be mainstreamed across all activities under Output 3.1 by ensuring that evidence generation, analysis, and dissemination systematically amplify women-led and gender-transformative solutions, reflect diverse contexts and build on Gender Action Plans and environmental and social safeguards developed by grantees.

Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organised to promote South-South and South-North collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners.

Output 3.2 aims to deepen collaboration, cross-fertilization of ideas, and the uptake of effective adaptation models through structured peer-learning and knowledge exchange activities. Building on the networks and learning mechanisms initiated under AFCIA 1, AFCIA 2 will convene regular global webinars, cross-country exchanges, replication clinics, and South-South/South-North learning sessions that bring together innovators, policymakers, investors, technical partners, and UNDP Country Offices.

Each grantee will participate in structured peer-learning sessions and thematic exchanges aimed at strengthening capacities in business development, monitoring and evaluation, gender integration, adaptive management. UNDP will facilitate these exchanges in collaboration with partners and external experts. Over time, targeted learning modules will build advanced skills in financial structuring, communication, impact measurement, and policy engagement, supporting grantees in mobilizing follow-on investment and contributing meaningfully to national and regional adaptation agendas. These peer-learning processes will bring together grantees from AFCIA 1, AFCIA 2 and grantees from the “Balkans Climate Adaptation Futures: A Regional Innovation Initiative for Resilience”—all of which operate under AIM into a unified community of practice that strengthens portfolio-wide synergies, supports cross-regional learning, and enables the transfer of tested approaches across AIM-supported initiatives.

These activities will create a dynamic space for sharing practical insights, strengthening technical capacities, and adapting successful solutions across regions and thematic areas. They will also provide opportunities to highlight gender-responsive and socially inclusive practices, showcase women- and youth-led innovations, and promote stronger visibility of locally led adaptation on regional and global platforms.

Beyond the grantee level, AFCIA 2 will serve as a regional and global knowledge broker within the AIM and the broader Adaptation Fund ecosystem. Collaboration with AIM partners, the Adaptation Fund Board Secretariat, and implementing entities such as UNEP-CTCN, WFP, UNIDO, and SPC will enhance knowledge interoperability and broaden access to adaptation learning platforms. Through AFCIA collaboration and coordination activities led by the UNEP-CTCN AFCIA Coordination Project, knowledge products and communication outputs generated under AFCIA 2 will be systematically disseminated also across the AFCIA coordination platform and relevant regional and global fora, for increasing the visibility, credibility, and potential uptake of supported innovations among national authorities and public and private funders, leveraging also the existing ecosystems established by the other AFCIA Partners. The programme will also facilitate South-South and South-North exchanges through workshops, webinars, and study visits (between grantees that work in similar thematic areas and solutions), enabling innovators, policymakers, and investors to share lessons and replicate successful models.

By facilitating ongoing collaboration between grantees and ecosystem actors, Output 3.2 will help translate learning into action, foster replication and policy influence, and contribute to a more interconnected and supportive adaptation innovation ecosystem. By leveraging AIM grantees and by working closely with the AFCIA Partnership (MIEs and RIEs)—these exchanges will support the embedding of tested innovations into policy frameworks, investment pipelines, and institutional programmes across regions. Through structured cross-regional exchange, Output 3.2 will also create opportunities for concrete adaptation practices that have

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

demonstrated effectiveness in one context to inform and inspire uptake in other geographies facing similar climate risks, enhancing the programme's overall contribution to resilience.

Activities contributing to Output 3.2:

- **Activity 3.2.1: Organise and facilitate structured peer-learning and knowledge exchange activities:** Organize and facilitate structured peer-learning and knowledge exchange activities—including global webinars, replication clinics, thematic learning sessions, and innovation showcases—bringing together innovators, policymakers, investors, UNDP Country Offices, and technical partners.

  Relevant activities from the Multi-Annual Workplan include:
  - Organization of global/regional or thematic webinars to share innovation results, lessons learned, and replication pathways, ensuring participation of women-led innovations, and youth, indigenous and marginalized groups as relevant
  - Facilitation of quarterly replication clinics focused on technical adaptation solutions, business models, and implementation challenges.
  - Delivery of thematic learning sessions on priority topics such as adaptation finance, gender-responsive innovation, and MSME scaling.
  - Coordination of innovation showcases linked to AFCIA and UNDP/AIM platforms to connect innovators with policymakers and investors.

- **Activity 3.2.2: Deliver targeted learning modules and peer exchanges to strengthen grantee capacities:** Deliver targeted learning modules and peer exchanges to strengthen grantee capacities in business development, monitoring and evaluation, gender integration, impact measurement, communication, and policy engagement, supporting follow-on investment and policy uptake

  Relevant activities from the Multi-Annual Workplan include:
  - Development and delivery of modular learning content on business development, impact measurement, and investment readiness.
  - Facilitation of peer-to-peer exchanges enabling grantees to share tools, templates, and standard operating procedures.
  - Capacity-building sessions on gender integration and application of Gender Action Plans across innovation cycles.
  - Targeted support on communication, storytelling, and policy engagement to support policy uptake and investor engagement.

- **Activity 3.2.3: Facilitate cross-country and cross-regional learning exchanges:** Facilitate cross-country and cross-regional South-South and South-North exchanges, including workshops and study visits, connecting grantees across AFCIA 1, AFCIA 2, and other AIM-supported initiatives to support replication, adaptation, and contextualization of proven models.

  Relevant activities from the Multi-Annual Workplan include:
  - Design and facilitation of cross-country and cross-regional workshops connecting innovators across AFCIA phases and regions.
  - Establish and maintain a multi-layered knowledge-sharing and learning activities. Structured exchanges between AFCIA-supported innovators and other AIM-supported initiatives to support contextualization and replication.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- Documentation and synthesis of lessons from exchanges to inform replication toolkits and knowledge products.

- **Activity 3.2.4: Implement coordinated communication, visibility, and dissemination activities:** Implement coordinated communication, visibility, and dissemination activities—aligned with Adaptation Fund and UNDP branding—to amplify learning outcomes, including women- and youth-led innovations, across national, regional, and global platforms and AFCIA coordination mechanisms.

  Relevant activities from the Multi-Annual Workplan include:
  - Development and dissemination of communication materials highlighting innovation results, lessons learned, and replication potential.
  - Visibility activities showcasing women- and youth-led innovations through AFCIA and UNDP platforms.
  - Coordination with UNDP Country Offices to support national and regional dissemination and policy dialogue.
  - Alignment of communication outputs with AFCIA coordination mechanisms.

Gender equality and social inclusion will be mainstreamed across all activities under Output 3.2 by promoting inclusive participation in learning events, addressing power imbalances in adaptation innovation ecosystems by amplifying women and youth-led solutions, highlighting gender-responsive and socially inclusive practices, enabling equitable participation in South-South and South-North in peer-learning processes and supporting equitable replication and responsible scaling of adaptation innovations.

B. Describe how the project /programme would contribute meaningfully to the Expected Results under the Innovation Pillar (i.e. (i) New innovations and risk-taking encouraged and accelerated; (ii) Successful innovations replicated and scaled up; (iii) Access and capacities enhanced for designing and implementing innovation and; (iv) Evidence base generated and shared)

Expected Results under the Innovation Pillar

AFCIA 2 combines performance-based catalytic grants (USD 40,000–200,000), an Onboarding Learning Sprint, tailored technical assistance (TA), MBA Fellowship Programme support, and structured replication & policy pathways to encourage responsible risk-taking, validate and scale viable solutions, build innovation literacy, and generate evidence that informs practice and policy at multiple levels. The design is anchored in Outcome 1 (sourcing & support), Outcome 2 (investment readiness & scale), and Outcome 3 (evidence & learning) of the Theory of Change.

ER1 – Encouraging and Accelerating New Innovations and Responsible Risk-Taking

The project embeds a robust innovation architecture to foster experimentation and adaptive learning while ensuring accountability and safeguards. Open, inclusive, and competitive calls will invite proposals from NGOs, CSOs, cooperatives, and a dedicated MSME window, focusing on three priority themes: climate-resilient food systems, nature-based solutions (NbS), and disaster risk reduction/recovery.

To de-risk bold testing and incentivize performance, catalytic grants will be disbursed in tranches against clearly defined operational and impact milestones. This performance-based approach balances flexibility for innovation with rigorous accountability. An intensive 8–10-week Onboarding Learning Sprint will institutionalize innovation practice among grantees, covering problem framing, development of business plans, monitoring and evaluation (MEL), financial reporting, environmental and social safeguards, gender-responsive design and planning. Learning is built into the project. The project will hold regular reviews and apply a “failure-learning” protocol so grantees can share what worked and what didn’t without fear. These lessons will be documented and used to improve future rounds.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Finally, responsible risk-taking is underpinned by embedded safeguards, including adherence to the Environmental and Social Management Framework (ESMF) and Social and Environmental Standards (SESP), with simplified Environmental and Social Management Plans (ESMPs) and Gender Action Plans (GAPs) tailored for each grantee to ensure “do no harm” principles throughout experimentation.

ER2 – Replication and Scaling Pathways

The project is designed to make sure that successful innovations don’t stop at the pilot stage. AFCIA 2 will create clear pathways for replication and scale-up by linking small-grant results to larger investment opportunities and policy frameworks.

First, every innovation will be assessed against performance criteria—such as cost-effectiveness, user adoption, and safeguard compliance—to identify those ready for scale. High-performing solutions will be showcased to potential private investors to attract co-financing and possible connection with government led programmes that promote LLA, adaptation for innovation or entrepeneurship. Wherever possible, efforts will be made to ensure that proven solutions can inform government-led standards, programmes or policies.

To support replication, the AFCIA 2 will also provide technical assistance and knowledge products—so that other communities and organizations can adopt these solutions. By combining financial linkages, policy integration, and practical guidance, we aim to scale what works and make it part of mainstream adaptation planning.

ER3 – Building Access and Capacity for Innovation

The project will make sure that selected organizations have the skills and systems they need to design and implement innovative solutions. This starts before selection, with short online courses and webinars to help applicants improve their proposals and understand what innovation means in practice.

Once selected, grantees will join an intensive 8–10 week onboarding sprint. This will cover essentials like monitoring and evaluation, gender-responsive design, environmental and social safeguards, financial planning, and how to manage risks and operations. The goal is to facilitate to every grantee the tools to not only successfully implement their grants, but to strengthen their organizational capacities overall to scale and ensute continuality of their initiatives.

Beyond onboarding, AFCIA 2 will deliver a comprehensive package of technical assistance and advisory services. This includes thematic clinics on food systems, nature-based solutions, and disaster recovery, as well as governance, financial controls, procurement, and ESG risk management. Grantees will also benefit from investment brokering and resource mobilization support, connecting them with impact investors, development finance institutions, and blended finance opportunities to accelerate scaling. Tailored advisory services will help organizations refine business models, strengthen partnerships, and adopt innovation-friendly policies and procedures.

To make innovation last, the project will help partner institutions adopt practical tools—such as innovation-friendly procurement templates, sandbox procedures, and gender-responsive monitoring systems. Peer learning will be a big part of this effort, with quarterly replication clinics and South–South and South-North exchanges connecting grantees with other grantees under AIM, the AFCIA Partnership and extended global networks.

By the end of the project, each grantee to deliver a tailored Gender Action Plan and an Environmental and Social Management Plan. This will create a strong foundation for scaling innovation beyond the life of the project.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

ER4 – Generating and Sharing Evidence

The AFCIA 2 will not only test new ideas but also make sure the lessons are captured and shared widely. Every innovation will be tracked through a strong monitoring and learning system that collects sex, age, and disability-disaggregated data and uses geospatial tagging where relevant. We will also apply a "failure-learning" protocol so grantees can openly share what worked and what didn't.
To turn these insights into action, we will produce practical knowledge products—such as case studies, replication toolkits, investment briefs, and open-source designs for nature-based solutions. Public dashboards and scorecards will make progress transparent.

The project will develop an integrated Learning and Knowledge Management Framework that will contribute directly to cost-effectiveness by embedding capacity development, MEL, and adaptive management within implementation. Knowledge sharing will happen through multiple channels: an online repository of knowledge briefs, factsheets and a dashboard, annual peer-learning events, global and regional webinars, thematic based webinars, South–South and South-North learning exchanges. Project will also coordinate with platforms like AFCIA Partnership community platform that will be developed under UNEP-CTCN coordination services project and UNDP Climate Promise to reach a wider audience.

Finally, the project will use this evidence to inform policy through online and offline channels. This includes building the capacity of local innovators, sharing communication and knowledge products, facilitating peer exchanges, and documenting lessons learned. By doing this, the project ensures that successful innovations contribute to national adaptation plans, sector standards, and local regulations.

C. Describe how the project/programme will source innovation small grant proposals, and screen them for the potential to support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience.

Promoting New and Innovative Solutions to Climate Change Adaptation

The project is designed to identify, support, and advance **locally led, innovative adaptation solutions** that respond directly to the climate vulnerabilities. Drawing on lessons learned from AFCIA 1, AFCIA 2 introduces a challenge fund model that combines catalytic finance, technical assistance, and investment readiness support—a relatively new and transformative mechanism in the adaptation landscape. This approach empowers non-traditional and underrepresented actors—such as grassroots organizations, social enterprises, cooperatives, Indigenous innovators, and women- and youth-led ventures—to design and scale context-specific climate adaptation solutions.

Unlike conventional adaptation projects, innovation under this initiative extends beyond technological invention. It includes any improved or adapted solution that delivers greater efficiency, effectiveness, inclusivity, or sustainability. These principles are operationalized through a transparent, competitive selection process paired with structured technical and business development support system, ensuring that innovations are both bold and grounded in local realities.

The project fosters innovation for adaptation considering:

- **New approaches and technologies** tailored to local socio-ecological realities;
- **Revived and contextualized knowledge of social, economic, and political marginalized communities and traditional, Indigenous knowledge** that supports adaptation;
- **Enterprise-based solutions** that integrate adaptation into sustainable business models;
- **Social innovations** that strengthen inclusion and climate leadership among women, youth, and marginalized groups.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

In line with the project's design, AFCIA 2 will source innovation proposals through a global, open call for proposals disseminated across UNDP's regional bureaus, country offices, AIM partners, civil society networks, and private-sector and academia. As explained in the proposal in detail and in Annex 11. Communications and Visibility Strategy, multi-channel outreach campaign—including targeted communication to women-led organizations, youth groups, Indigenous Peoples, CSOs, NGOs, MSMEs, and local innovators—will ensure inclusive participation and broaden access to adaptation finance. Dedicated information sessions, Q&A webinars, and accessible application guidance will further support equitable access, especially for actors with limited exposure to international funding mechanisms.

The screening and review process will follow a structured, multi-stage approach. Following submission, proposals will undergo eligibility checks, technical screening, and scoring using the formats set out in Annex 2a (Preliminary Online Application Format), Annex 2b (Preliminary Detailed Proposal Application Format), and Annex 2c (Selection Process and Evaluation Criteria). Calls for proposals will be restricted to innovators operating in, and delivering adaptation benefits within, countries that meet the Adaptation Fund's eligibility requirements. The Grant Selection Committee—operating in alignment with UNDP governance, procurement and programming rules—will review and recommend proposals for approval by the AFCIA 2 Project Board. In line with feedback received during stakeholder consultations, the Grant Selection Committee will also include one or two former AFCIA grantees (after verifying that there is no conflict of interest), ensuring that the perspectives and practical experience of locally led adaptation actors are represented in the decision-making process. This ensures competitive, transparent, and accountable decision-making across all stages of the grant award process.

All small grant proposals are screened against a rigorous set of innovation criteria, including:

- **"Different or Better"**: The solution must represent an improvement or alternative to existing practices;
- **Value-Driven**: The innovation must address a specific, quantifiable adaptation problem;
- **Scalability**: A clear strategy must exist for replication or policy uptake;
- **Feasibility**: Solutions must be viable within current capacities and resources.
- **Testing:** Although AFCIA 2 will mainly focus on accelerating proven innovative adaptation solutions, there will be also room to assign some grants for solutions which need to be tested from scratch and refined.

Additionally, proposals must outline pathways for financial and operational sustainability, including co-financing strategies, risk mitigation, and exit plans. Each will be reviewed through gender equality and environmental safeguards lenses to ensure social inclusion and resilience benefits. All proposals will be reviewed through gender equality and environmental safeguards lenses to ensure social inclusion and resilience benefits.

To support fairness, coherence, and innovation quality, the programme will integrate a structured post-selection proposal-strengthening and capacity-building process. All selected grantees will participate in a mandatory 8–10-week Onboarding Learning Sprint, which combines interactive webinars, mini-courses, and practical exercises on problem framing, adaptation rationale, safeguards, gender integration, Monitoring, Evaluation and Learning (MEL), communication, and business-model refinement—including unit economics and financial planning. This integrated approach enables grantees to refine their proposals, strengthen technical and operational readiness, and ensure comparability across submissions without restricting innovation.

The Onboarding Learning Sprint will serve as an accelerator-type phase that prepares grantees for implementation by establishing clear operational frameworks, outcomes models, and mechanisms for data capture, reporting, and adaptive management. Monitoring and evaluation of small grants will be integrated into AFCIA 2's overall MEL framework and supported by simplified Environmental and Social Management Plans (ESMPs), Gender Action Plans (GAPs), and structured reporting tools. Grant disbursements will follow a performance-based approach linked to milestone completion, verified progress, and adherence to operational,

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

financial, impact, and safeguards standards.

Innovation for Adaptation Approach

The definition of innovation for adaptation as defined by the Adaptation Fund, has been adopted by UNDP in both AFCIA 1 and 2: '*The creating, testing, deployment or diffusion of new, adapted or improved adaptation solutions, developed contextually and with the inclusion of the communities most vulnerable to climate change, to enable those communities to become more resilient to climate change. Innovation solutions may include approaches, technologies and mechanisms. Innovation projects and programmes differ from concrete adaptation projects and programmes in the nature of their stakeholder engagement, including with unconventional actors, and in the emphasis on iterative deployment where change, learning, and new information is embraced and can take innovation projects and programmes in different directions.*'

The Project will advance the Adaptation Fund's innovation agenda by supporting a diverse portfolio of community-driven solutions that strengthen resilience and generate evidence to inform policy. By linking innovation with measurable adaptation outcomes, the Project ensures that successful local initiatives can evolve from pilot interventions into institutionalized models with national and regional relevance. This support will cultivate a rich portfolio of locally appropriate innovation activities, each contributing to a broader ecosystem of learning, experimentation, replication, and scaling for sustainable adaptation impact.

Key Criteria for Scalable and Self-sustainable Innovation for Adaptation Solutions

1. **Different or Better Solutions:** Proposed innovations must demonstrate a clear value addition compared to existing practices—whether through the introduction of new technologies, nature-based approaches, or the integration of traditional knowledge and social inclusion mechanisms. The innovation should go beyond incremental improvements, offering a distinct or more effective way to address adaptation challenges.

   Projects are expected to:
   - Present novel or enhanced approaches that improve efficiency, effectiveness, equity, or sustainability compared to current practices;
   - Show potential for systemic and long-term improvement, ensuring that benefits extend beyond the immediate project context;
   - Encourage collaboration with non-traditional or underrepresented stakeholders, fostering inclusive innovation ecosystems and broadening impact.

   By promoting approaches that are both innovative and contextually grounded, the project will contribute to a more diverse and resilient portfolio of adaptation solutions that can inspire replication and policy integration.

2. **Delivers Value/ Addresses a Clear Adaptation Challenge:** Proposed innovations must respond to a specific and significant climate adaptation problem that imposes tangible costs—financial, environmental, or social—on target communities. The solution should clearly demonstrate how it reduces vulnerability or addresses identified climate risks, such as water scarcity, crop failure, or livelihood insecurity.

   For example, reviving indigenous water-harvesting technologies to enhance access to water during dry spells can lower agricultural production costs and improve community resilience.

   Each proposed innovation must:

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- Deliver measurable value and impact for the intended beneficiaries;
- Present a clear strategy for operational sustainability and long-term viability beyond project funding;
- Show potential for replication and scaling in other contexts or regions.

While direct financial contributions from beneficiaries are **not required**, proponents must articulate how the solution will continue functioning effectively and sustainably after the completion of project support— show evidence of long-term viability beyond project funding and contribution to climate resilience.

3. **Cross-Scale Policy and Acceleration Potential:** Scalability and replicability must be embedded in the project design from the outset, ensuring that successful practices can be expanded, institutionalized, or integrated into relevant policies, programmes, and investment pipelines. Proposals should demonstrate how the innovation has the potential to influence or align with broader adaptation strategies at local, national, or regional levels, to promote policy uptake and cross-country replication.

   Projects are expected to:

   - Integrate scale-up and replication strategies into their implementation plans from the beginning;
   - Foster partnerships with governments, investors, private sector actors, and regional networks to enhance policy uptake and mobilize co-financing opportunities;
   - Identify and engage tested or complementary solutions that can be adapted, replicated, or scaled through collaborative mechanisms;
   - Outline concrete steps to promote knowledge exchange and acceleration, such as organizing knowledge fairs, showcasing best practices, or engaging social impact investors.

4. **Doable and Practical:** Feasibility is a cornerstone of successful innovation. Proposed solutions must be realistic, contextually appropriate, and practically implementable within the project's scope and available resources. The project will support applicants through targeted technical assistance to refine and strengthen promising ideas, ensuring they are viable, desirable, and grounded in local realities, and designed for practical implementation and sustainability.

   Projects are expected to:

   - Demonstrate technical and operational feasibility, showing that the concept can be effectively implemented under existing local conditions;
   - Reflect the capacity, commitment, and track record of the implementing team or organization, ensuring that the idea can be developed into a successful, sustainable venture;
   - Present solutions that are testable and adaptable, with potential for validation, learning, and improvement through implementation.

   Through this approach, the project ensures that even early-stage or high-potential innovations receive the necessary support to become practical, scalable, and sustainable adaptation solutions.

5. **Evolves and Strengthens Through Learning and Innovation Practices:** Innovations are expected to grow through continuous learning, feedback, and adaptive design, ensuring they remain relevant, effective, and sustainable over time. Proposals should show openness to iterative testing, community engagement, and technical refinement using innovation frameworks such as human-centered design, systems thinking, and foresight.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

To enable this evolution, the project will draw on the expertise and innovation practice of UNDP, providing structured support and capacity building at two key stages:

1. Pre-selection and Proposal Strengthening Phase: Between the long-listing and short-listing stages, applicants will be invited to participate in interactive webinars or mini-courses designed to improve their understanding of problem framing, proposal writing, and alignment with international standards. These sessions will help applicants refine their ideas, clarify objectives, and strengthen the quality of submissions—ensuring comparability across proposals and enabling UNDP to identify the most promising solutions.
2. Onboarding and Capacity-building Phase: Following selection, successful grantees will participate in an 8–10 weeks accelerator programme that provides targeted technical assistance, mentorship, and business development support. This phase will deepen their capacity in key areas such as Monitoring, Evaluation and Learning (MEL), Gender and Safeguards, Communications and Business Model Development, drawing from tested UNDP methodologies and global best practices.

Through this two-stage learning and innovation process, the project not only enhances the quality and readiness of proposals but also builds a stronger, more investable pipeline of locally led adaptation innovations. This approach ensures that both selected and non-selected applicants benefit from knowledge transfer and skills development, contributing to a broader ecosystem of innovation and climate resilience.

6. **Embed Gender Equality and Social Considerations into Business Operations:** Projects must demonstrate a strong commitment to gender equality and social inclusion, ensuring that proposed innovations deliver equitable benefits and do not exacerbate existing inequalities. Special attention will be given to initiatives that actively engage and benefit women, youth, and vulnerable groups, while promoting inclusive participation and leadership.

   Proponents are required to:

   - Quantitatively assess (where feasible) the economic, financial, social, and environmental costs and benefits of their proposed innovations, highlighting advantages for vulnerable populations;
   - Compare the benefit–cost ratio of their innovation against existing practices or baselines to demonstrate its added value and cost-effectiveness;
   - Meet at least Gender Marker 2, signifying that gender equality is a significant objective of the project;
   - Conduct a simplified gender analysis to identify and address the specific needs, priorities, and structural barriers faced by different groups, particularly women and marginalized communities;
   - Ensure that all projects **screen for environmental and social risks** and formulate relevant, proportionate **risk mitigation measures** as part of the proposal/implementation plan.
   - Screen for environmental and social risk, and formulate relevant risk mitigation measures.

In line with the Adaptation Fund and UNDP Environmental and Social Policies, each proposal will include a brief environmental and social impact analysis, along with a Gender Action Plan, monitoring, and evaluation plan proportionate to the scale and risk level of the intervention. Based on this assessment, grantees may be required to develop targeted management plans.

All proposals under AFCIA 2 will include a brief environmental and social analysis, identifying potential risks and outlining mitigation measures using simplified templates provided by the program. This screening process ensures alignment with UNDP Social and Environmental Standards and the Adaptation Fund's Environmental and Social Policy. Based on the screening results, grantees will be required to develop simplified management

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

plans, such as detailed ESMPs or expanded GAPs, for higher, medium and lower -risk activities. A project-level Stakeholder Engagement Plan (SEP) will be develop to guide inclusive engagement principles across all grantees. Each grantee will apply these principles and, where relevant, prepare a simplified engagement approach for their specific context, ensuring consistency with the project GAP and SEP requirements.

Projects must clearly outline how gender equality and women's empowerment are embedded throughout design, consultation, implementation, monitoring, and evaluation phases, and ensure that adequate budgetary provisions are allocated to deliver these objectives.

Ultimately, all supported innovations must contribute to building inclusive, resilient communities where both women and men are equally empowered to adapt to climate change impacts, ensuring that no activity or outcome reinforces existing inequalities.

Through this architecture, the programme ensures that sourcing, screening, awarding, monitoring, and learning from small grants reinforce a robust pipeline of high-potential, locally led innovations. These processes allow AFCIA 2 to broaden participation, foster responsible risk-taking, accelerate evidence-based adaptation, and strengthen climate resilience across participating countries.

D. Describe how the project / programme would screen innovation small grant proposals for their potential to 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.

Economic, Social, and Environmental Benefits and Safeguards

AFCIA 2 applies a structured and safeguards-aligned screening process to ensure that innovation small grant proposals provide clear economic, social, and environmental benefits for vulnerable communities, while avoiding or mitigating negative impacts in line with the Environmental and Social Policy (ESP) and Gender Policy (GP) of the Adaptation Fund. The screening approach emphasizes inclusive and equitable participation and ensures that innovations are locally led, socially acceptable, environmentally sound, and gender-responsive.

Screening for Economic, Social and Environmental Benefits

All applications undergo a structured review process to assess the potential of each proposed innovation to generate equitable and sustainable adaptation benefits:

Economic Benefits

Screening criteria require proposals to identify both direct and indirect economic gains for vulnerable populations. Each small grant proposal must identify both direct and indirect economic impacts—such as reduced loss and damage from climate hazards, improved agricultural productivity, and new or strengthened livelihood opportunities. The project also encourages innovations that lower climate-related costs for at-risk communities and foster long-term financial sustainability, recognizing the varied economic structures and challenges across different regions and income levels.

Social Benefits

The project is committed to strengthening social equity and resilience across diverse cultural and social contexts. Proposals must describe how they address differentiated vulnerabilities across social groups, with a particular focus on enhancing the adaptive capacity and leadership of women and girls, while also empowering youth, Indigenous Peoples, persons with disabilities, and other vulnerable groups. Proposals are required to articulate how they will promote inclusive participation, strengthen community networks, and contribute to improved access to information, resources, and services, considering context-specific barriers and opportunities.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Environmental Benefits

Funded innovations are expected to contribute to environmental protection and ecosystem resilience, including through nature-based solutions, climate-resilient food systems and disaster risk reduction. Applicants must identify expected environmental co-benefits for biodiversity, soil and water quality, and long-term ecosystem services.

Screening for Inclusive, Equitable and Gender-Responsive Participation

In alignment with the Adaptation Fund's Gender Policy and UNDP Social and Environmental Standards, the screening process embeds gender equality and social inclusion at every step. All grantees will be required to:

- Conduct a simplified gender analysis as part of project planning;
- Ensure inclusive participation of women and men in consultations and decision-making;
- Embed gender-responsive objectives and indicators in their results frameworks, including commitments to address structural barriers, promote leadership roles, and ensure equitable access to resources, benefits, and decision-making.
- Allocate sufficient resources to implement gender-focused activities.

Proposals must also show how project design and implementation will contribute to addressing structural barriers, ensuring equitable access to benefits, and strengthening the agency of women and girls, youth, peoples with disabilities, elders, Indigenous Peoples, ethnic and religious minorities, refugees and internally displaced persons, and other marginalized groups in local adaptation efforts. Proposals that do not demonstrate tangible benefits and meaningful participation for vulnerable groups will not advance past the screening stage. Please refer to Gender Analysis and Gender Action Plan (GAAP) in the Annex 5.

Screening for socially acceptable and locally led Solutions

To promote **locally led adaptation**, the screening process will evaluate how well proposals reflect:

- **Local priorities,** knowledge systems and community decision-making structures.

- **Integration of National Priorities:** Localized knowledge from project teams and stakeholder input will be used to align the grantee-projects with national climate adaptation priorities, international commitments (including NDCs, NAPs, TNAs and TAPs), and contextual realities across participating countries. This approach is applied before and throughout the identification of specific grantee-led interventions, helping ensure local relevance, ownership, and enhanced safeguard responsiveness from the outset.

Screening for Environmental and Social Safeguards

All project activities will be assessed and implemented in accordance with the Environmental and Social Policy (ESP) of the Adaptation Fund and UNDP's Social and Environmental Standards. Environmental and social risks will be proactively identified and managed through a phased, consultative approach.

Site-Specific Safeguard Measures: Once grantees are selected, and as part of the Onboarding Learning Sprint, guidance on environmental and social safeguards will be provided to support the integration of simplified safeguard and gender actions into their implementation plans and budgets. Using project-developed templates and guidance, grantees will prepare the required instruments proportionate to the scale and nature of their interventions. The PMU´s Gender and Safeguards Specialist will undertake a review of the instruments and based on the review, targeted screenings and or community-level consultations will be conducted. Safeguard considerations will also be incorporated into national coordinators' visits to grantees, alongside their broader

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

support functions. These screenings may require the preparation of targeted and detailed safeguard and gender-related instruments such as:

- Environmental and Social Management Plans (ESMPs)
- Stakeholder Engagement Plans (SEPs)
- Gender Action Plans (GAPs)
- Risk mitigation frameworks

This phased safeguards approach enables responsible expectation management, ensures compliance with AF and UNDP policies, and provides transparency throughout the project lifecycle—especially in the early stages when grantee selection and project sites are still being finalized.

More information is found in Annexes 3, Social and Environmental Screening Procedure and Annex 4, Environmental and Social Management Plan.

Integrated Risk and Benefit Management

Through the screening and review process, all grantee proposals will be evaluated for:

- **General due diligence process;** including checking legal registration documents, social media accounts, and other relevant documents to ensure compliance with the minimum application pre-requisites, including the alignment with National, Sub-National and Regional Adaptation and Development Strategies' (as specified in Section F of the proposal) (if applicable);
- **Economic and financial viability**, including direct and indirect benefit potential;
- **Social inclusiveness and gender-responsiveness**, with clear targets for vulnerable groups and consideration of context-specific vulnerabilities;
- **Environmental sustainability**, with impact mitigation plans where necessary.

A portion of the project's technical assistance facility is dedicated to helping grantees **implement safeguards, exit strategies, and sustainability measures**, ensuring that adaptation innovations deliver long-term, transformative impact without causing harm across the diverse global contexts.

E.Describe or provide an analysis of the cost-effectiveness of the proposed project / programme and explain how the regional or multi-regional approach would support cost-effectiveness.

Cost-Effectiveness of the Project and Added Value of the Global Approach

The project employs an open, competitive, and transparent process to identify, test, and scale locally led adaptation innovations. Rather than predetermining intervention sites or thematic areas, the 'open call for interest' mechanism allows a bottom-up selection process through which the best ideas emerge based on merit and contextual relevance. This avoids inefficiencies often associated with top-down project design and ensures that resources are directed to interventions with the highest potential for impact. Proposals are assessed through clearly defined multi-criteria screening that evaluates adaptation relevance and innovation potential; financial, technical, and operational sustainability; economic, social, and environmental co-benefits; and compliance with the Adaptation Fund's Environmental and Social Policy and Gender Policies. Only initiatives demonstrating strong value for money and alignment with adaptation priorities will be supported.

Resources are allocated through a performance-based disbursement model, with catalytic grants released in tranches tied to milestone achievements. This approach strengthens accountability, ensures that funds are

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

disbursed only upon delivery of measurable outcomes, and enhances both fiduciary assurance and adaptation impact per dollar invested. By leveraging UNDP's existing infrastructure, mechanisms, governance systems, and global partnerships, the project avoids establishing new delivery mechanisms, thereby reducing overhead costs and start-up time. Administrative, procurement, and MEL functions are managed through UNDP's established corporate systems, drawing on the experience of AFCIA 1 and comparable global initiatives that advance local action work such as the GEF Small Grants Programme which has been implemented for years by UNDP and also brings a wealth of lessons learnt to draw upon. Likewise, existing teams in UNDP that could provide technical assistance, mentoring, investment brokering and broader connections at the national level, will be engaged (e.g. SDG Finance Hub, Innovation Teams, Youth Co:Lab in Asia and the Pacific, the Regional Bureous and associated Country Offices), making the model cost-effective and efficient as these capacities already exist within UNDP.

AFCIA 2 demonstrates strong cost-effectiveness by building on the tested architecture, partnerships, and delivery systems established under AFCIA 1, thereby avoiding the costs of developing new mechanisms while substantially expanding its reach and impact. The Project's global approach allows the efficient deployment of resources across countries, linking local innovation with regional/thematic and global knowledge networks. By consolidating technical support, capacity building, and learning under a single framework, AFCIA 2 minimizes duplication of effort and ensures that multiple countries benefit from shared expertise, advisory services, and learning platforms. This enables greater impact per dollar invested compared to isolated national initiatives.

Implementing AFCIA 2 as a global initiative rather than as separate national projects creates multiple opportunities for cost-efficiency and knowledge synergies. Shared technical and advisory resources across countries reduce duplication of effort and enable access to a wider pool of expertise and knowledge. Joint learning platforms and global coordination mechanisms streamline governance, reduce transaction costs, and improve implementation consistency, while cross-border replication of successful solutions eliminates the need to redesign adaptation models in each national context. As a result, a greater proportion of available funding directly supports innovation development and scaling, rather than administrative costs.

The project applies a portfolio approach to innovation and risk management, supporting grantees at different stages of maturity to balance experimentation with performance. This diversified investment strategy hedges against individual project underperformance while increasing the likelihood of identifying scalable, investable models. It maximizes learning returns and minimizes sunk costs, ensuring a higher aggregate impact per dollar invested.

Cost-effectiveness is further enhanced through strong strategic partnerships and co-financing opportunities. Building on AFCIA 1 collaborations, AFCIA 2 will explore engaging key partners such as UNCDF, the Global Resilience Partnership (GRP), ICCCAD, CDKN, Climate-KIC, and other public, private, and philanthropic networks that operate in the five regions, to expand technical capacity and mobilize complementary resources. These partnerships enhance reach and visibility, enable resource pooling, unlock additional investment pathways for scaling successful innovations, and align technical and financial support with investor expectations. Strategic collaboration with academic institutions, innovation networks, and impact finance actors also extends the reach of project investments and strengthens co-financing potential. Through this collaborative model, AFCIA 2 leverages global synergies and explore co-financing opportunities to deliver adaptation impact at scale, ensuring that collective learning, risk-sharing, and replication across geographies enhance both the cost-effectiveness and long-term sustainability of the Project.

Under the UNDP-AFCIA MBA Fellowship Programme and thought leadership workstream, three informal Collaborative Working Groups have been established with key systemic stakeholders—including Alti Global, BNP Paribas, UNCDF, Euroclear, Fidelity, and Acumen—to explore and advance the potential of micro-bonds and blended finance as innovative mechanisms to mobilize capital for climate resilience and adaptation at the local level. A key focus of this initiative is addressing one of the most critical bottlenecks facing adaptation projects in the Global South: the small ticket sizes and high perceived risks that deter private investment. The Collaborative Working Groups are developing pathways to de-risk such investments, making them more attractive to private sector and institutional investors while ensuring financial models that enable scalability and long-term sustainability. By aligning with partners that share the goal of accelerating innovation for climate

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

resilience, the project amplifies its impact without requiring proportional increases in budget.

The project also leverages UNDP's institutional capabilities and global expertise, to provide technical guidance on innovation, systems thinking, and ecosystem development. Proven UNDP tools, and portfolio and foresight methodologies are integrated to strengthen project design, implementation quality, and scaling potential, thereby improving cost efficiency.

The project's integrated Learning and Knowledge Management Framework contributes directly to cost-effectiveness by embedding capacity development, MEL, and adaptive management within implementation. Initiatives such as the Onboarding Learning Sprint, advanced training modules, and the MBA Fellowship Programme strengthen grantees' technical, financial, and operational capacities early in the cycle, reducing the need for costly corrective measures and improving implementation quality. This proactive learning structure accelerates scaling, fosters adaptive management, and enhances both efficiency and sustainability of results.

Through its global coordination, competitive selection, results-based financing, and strategic partnerships, AFCIA 2 ensures that resources are deployed efficiently to deliver maximum adaptation impact per dollar invested. The combination of UNDP's proven infrastructure, shared global services, and collaborative partnerships allows the project to minimize duplication, pool expertise, and scale successful innovations across geographies. This structure delivers strong value for money with a focus on sustainability, scalability, and inclusive impact—fully aligned with the Adaptation Fund's objective of achieving transformative, cost-effective climate adaptation outcomes.

F. Describe how the project / programme is consistent with national or sub-national sustainable development strategies, adaptation planning processes, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action, national adaptation plans (NAPs), nationally determined contributions (NDCs), adaptation communications, and other voluntary adaptation reports, where they exist, as well as with the UNFCCC technology framework, and other relevant instruments.

Alignment with National, Sub-National and Regional Adaptation and Development Strategies

AFCIA 2 is designed as a catalytic enabler to translate locally led innovations into nationally recognized climate impacts, aligning them with national and sub-national priorities. While the project will not preselect countries at the concept stage, it is structured to integrate with existing policy frameworks, such as NAPs and NDCs ensuring that innovations are both contextually grounded and aligned with broader national climate goals at different stages of the project.

Right from the start, the project is designed to target three key priority areas Climate-resilient Food Systems, Nature-Based Solutions, and Disaster Risk Reduction and Recovery, implementing interventions that directly address these sectors. These areas were selected based on a comprehensive review of priority actions identified in NAPs and NDCs across multiple regions, as referenced in Section "Project/Programme Background and Context", numeral 5 "Climate-Change Adaptation Priorities".

Moreover, during the screening stage, grant proposals are assessed against criteria that explicitly consider alignment with national sustainable development strategies, NAPs, NDCs, Technology Needs Assessments (TNAs), Technology Action Plans (TAPs) and other relevant instruments. Further, to ensure alignment with national strategies, AFCIA 2 will closely engage with UNDP Country Offices, who are well-positioned to guide the selection of grantees and ensure that their efforts support national development objectives. UNDP Country Offices also provide final confirmation that each selected solution maps effectively to relevant national instruments and contributes to the country's broader adaptation goals, including those reflected in

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Once grantees are selected, the operational model for AFCIA 2 further ensures vertical integration between local-level innovation and national adaptation planning processes. Through UNDP Country Offices involvement in the selection process, each supported innovation will be mapped against national adaptation priorities and tracked for its potential contribution to national targets under the Paris Agreement and other multilateral framworks as appropiate. The program uses a flexible, demand-driven approach that tailors its support to the specific needs of grantees, while also helping to elevate their work in line with national adaptation targets.

At the same time, AFCIA 2 facilitates horizontal integration through regional peer learning and cross-country exchange, allowing countries with similar climate risk profiles to identify replicable adaptation technologies and practices. This strengthens coherence with regional adaptation frameworks and supports transboundary resilience where relevant.

Alignment with Technology Needs Assessments & Technology Action Plans

AFCIA 2 complements national and regional adaptation technology priorities as identified in Technology Needs Assessments (TNAs), Technology Action Plans (TAPs), and National Adaptation Plans (NAPs)[172]. According to the Fourth UNFCCC TNA Synthesis Report, adaptation priorities consistently include agriculture, water management, and climate-resilient livelihoods, with over 94% of countries preparing TAPs to implement these priorities[173]. The report estimates that USD 4.4 billion is required for adaptation technology actions, and over 440 project ideas focus on agriculture and water sectors—areas directly addressed by AFCIA 2's thematic pillars: Climate-Resilient Food Systems, Nature-Based Solutions, and Disaster Risk Reduction.

Regionally, TNAs reveal distinct priorities. For example, Africa emphasizes technologies for climate-smart agriculture, drought management, and water harvesting (UNFCCC, 2020). Asia-Pacific prioritizes early warning systems, resilient crop varieties, and integrated water resource management (UNFCCC, 2020). Similarly, Latin America and the Caribbean focus on agroforestry, soil conservation, and nature-based solutions for disaster risk reduction[173]. These priorities align closely with AFCIA 2's approach, which supports innovations that address these technology gaps.

Rather than pre-selecting technologies, AFCIA 2 adopts a demand-driven approach identifying innovations through competitive screening and ensuring alignment with national instruments, including TNAs, TAPs, and NAPs. UNDP Country Offices validate this alignment, ensuring that supported solutions contribute to national adaptation objectives and technology pathways under the Paris Agreement. Once onboarded, AFCIA 2 strengthens **vertical integration** by mapping innovations to national priorities and **horizontal integration** through regional peer learning, enabling replication of adaptation technologies across countries with similar risk profiles.

By embedding practical tools and fostering investment brokering, AFCIA 2 creates an enabling environment for scaling technologies prioritized in TNAs and TAPs—such as drip irrigation, rainwater harvesting, climate-resilient crop varieties, and nature-based disaster risk solutions. This approach accelerates deployment of adaptation technologies and supports systemic change in line with national and regional adaptation pathways.

G. Describe how the project / programme would screen innovation small grant proposals for meeting the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund.

[172] UNEP Copenhagen Climate Centre. (2025). TNA step by step: A guidebook for countries preparing Technology Needs Assessments and Action Plans (2nd ed.). UNEP-CCC. https://tech-action.unepccc.org/resources/

[173] UNFCCC. (2020). Fourth synthesis report on technology needs identified by non-Annex I Parties. United Nations Framework Convention on Climate Change. Retrieved from https://unfccc.int/ttclear/tec/techneeds.html

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Compliance with National Technical Standards and the Adaptation Fund's Environmental and Social Policy

AFCIA 2 is designed to ensure full compliance with relevant national technical standards, sectoral regulations, and the Environmental and Social Policy (ESP) and Gender Policy (GP) of the Adaptation Fund. Alignment with these frameworks is embedded in both the design and implementation modalities of the project.

Integration into Grant Proposal and Selection Process
As part of the competitive grant process, all applicants will be required to:

- Demonstrate alignment with national technical regulations and standards, including but not limited to environmental assessments, building codes, agricultural practices, water management protocols, and public health standards relevant to the nature and scope of their proposed innovation;
- Describe how proposed products, services, or technologies comply with applicable national and—where relevant—international standards, especially for innovations intended for broader replication or export.

This requirement is clearly outlined in the grant application template and forms a core part of the proposal evaluation and due diligence process.

Verification During Implementation
Once grants are awarded, grantees will be expected to:

- **Report on their compliance** with the national technical standards outlined in their original proposal;
- **Provide supporting documentation or certificates** (where applicable), such as approvals, permits, or independent verification of conformity with standards;
- **Submit to compliance monitoring** conducted through the project's monitoring and evaluation framework, in collaboration with UNDP Country Offices and technical experts.

This process will ensure that innovations supported by the project are not only context-appropriate and effective, but also safe, legally compliant, and scalable.

Environmental and Social Safeguards
Since the project includes a range of activities and sub-projects with yet unknown design parameters and uncertain social and environmental risks that cannot be fully assessed during the project appraisal, this Environmental and Social Management Framework (ESMF) has been developed to guide further assessment and management of the expected environmental and social risks of the project based on the applicable UNDP's Social and Environmental Standards (SES) and the Adaptation Fund's ESP and GP.

In line with the ESMF: All grantees will undergo a preliminary environmental and social risk screening as part of the proposal assessment process; A qualified Gender and Safeguards Specialist in coordination with the Grant Coordinator and Data Analyst will provide technical support and quality assurance to grantees throughout the project lifecycle. UNDP will ensure that no activity causes or contributes to adverse environmental or social impacts, particularly on vulnerable or marginalized groups. Local consultations and grievance mechanisms will be implemented where necessary, consistent with national requirements and the Adaptation Fund´s policies.

H. Describe if there is duplication of project / programme with other funding sources, if any.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Maximizing Synergy: Enhancing Regional Climate Resilience through Complementary Adaptation Initiatives

The UNDP-AFCIA 2 has been designed to complement, rather than duplicate, existing global adaptation initiatives, ensuring its alignment with, and complementarity to, the broader global climate adaptation agenda. By addressing local vulnerabilities and supporting climate resilience, the project will build on and scale up adaptation innovations in synergy with ongoing initiatives in an effort to showcase deeper learnings, more scalable examples of investable projects and promote greater awareness of successful locally led adaptation (LLA) approaches and practices. Careful attention to leveraging existing resources, structures, infrastructures, and services from other projects to maximize efficiency and impact. Where there are close similarities between projects, the goal is to amplify, multiply and expand learning and system influence.

During the preparatory phase, the project will reassess relevant ongoing and past initiatives to ensure proper alignment, complementarity, and compatibility. By prioritizing consultation and collaboration (at the project development and implementation stages), the project will avoid redundancy and ensure that activities are well-integrated within the broader landscape of regional adaptation efforts.

Through a structured approach to coordination, AFCIA 2 enhances its contributions to adaptation goals, driving innovation while supporting and building on existing frameworks. This proactive strategy will ensure that the project complements, amplifies and strengthens existing efforts, fostering a collaborative environment where synergies can be realized, and outcomes can be maximized.

The following provides a comprehensive analysis of how the proposed project aligns with and contributes to the broader spectrum of existing innovation for adaptation initiatives globally:

1. Complementarity within the Adaptation Fund's Implementing Partners

- **World Food Programme (WFP) – Innovation Accelerator**: Adaptation Fund Climate Innovation Accelerator[174] : WFP's Innovation Accelerator supports climate adaptation in food systems. Each year it targets a different region and countries (e.g. Asia in 2025), and selects SMEs, CSOs/ NGOs or social enterprises to receive equity-free funding plus a 6–9-month intensive acceleration program. WFP's focus on food-system resilience complements UNDP-AFCIA 2, which funds a broader range of community-driven adaptation solutions at the global level. UNDP-AFCIA 2 targets predominantly civil society, hybrid organisations and MSMEs in three areas such as climate-resilient food systems, disaster risk reduction and recovery and nature-based solutions, whereas WFP specializes solely in food systems and targets specific regions and countries. This thematic distinction prevents overlap and allows each entity to build on its strengths. In practice, UNDP brings local adaptation expertise, an SDG13 (climate action) framing, and a global perspective, which allows for cross-learning and resource sharing, while WFP offers operational scale-up pathways linked to SDG2 in specific regions and focus countries. In addition to this, in the specific thematic area targeting climate-resilient food systems concrete synergies and collaboration between the UNDP-AFCIA 2 Project and the WFP AFCIA Project will be identified and advanced (if possible and applicable).

- **United Nations Industrial Development Organisation (UNIDO) – Adaptation SME Innovation Facility (ASIF)**[175]: ASIF supports private-sector climate adaptation innovation. It targets MSMEs with marketable adaptation solutions. UNIDO's MSME-focused approach is complementary to UNDP-AFCIA 2's community-based focus. UNDP-AFCIA 2 will fund NGOs, CSOs, and hybrid solutions in

[174] Adaptation Fund Climate Innovation Accelerator | WFP Innovation. (2024). Wfp.org. Retrieved November 13, 2025, from https://innovation.wfp.org/adaptation-fund-innovation-accelerator

[175] UNIDO. (n.d.). The Adaptation SMEs Innovation Facility (ASIF). Retrieved November 13, 2025, from https://www.adaptation-fund.org/project/the-adaptation-smes-innovation-facility-asif/

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

addition to MSMEs, whereas ASIF deliberately supports only for-profit MSMEs with scalable, market-based models. This creates a natural pipeline: innovations supported by UNDP-AFCIA 2 can be trialed and de-risked at the community level, and those with strong market based bankable solutions could be potentially connected to UNIDO's ASIF acceleration ecosystem. Furthermore, learnings between the two entities can be shared: UNDP-AFCIA 2 grantees can draw insight from MSME scaling from the UNIDO AFCIA program, while UNIDO grantees can gain valuable learnings in the creation of positive societal and environmental externalities through UNDP´s NGOs and CSOs.

- **Pacific Small Grants – SPC and SPREP (Pacific Community and Pacific Regional Environment Programme)**[176] : SPC and SPREP jointly manage dedicated adaptation-grant windows for Pacific Island countries. The flagship is SPC's Climate Innovation Co:Lab, which aims to "incubate, catalyze, de-risk and scale locally led climate adaptation innovations across Pacific SIDS". SPC's Climate Innovation Co:Lab establishes a climate-specific funding stream within SPC's existing Funding with Intent programme, financing community-driven solutions (for example, traditional knowledge practices, coastal resilience measures and low-tech innovations) tailored to the high vulnerability of Pacific atolls. The grants support hyper-local projects that build resilience in island communities using SPC's regional networks. While UNDP-AFCIA 2 will be available to Pacific applicants, its scope is worldwide. SPC/SPREP's windows, by contrast, are 100% Pacific-focused. Together, they form a continuum of support: UNDP-AFCIA 2 can disseminate broad learnings and open calls to Pacific NGOs, CSOs and MSMEs, while SPC/SPREP provide deep, contextualized support to Pacific projects. Additionally, the global nature of UNDP-AFCIA 2 allows for a wider cross learning between grantees, thereby strengthening the learning and support system for the Pacific grantees.

- **UNEP – Climate Technology Centre & Network (CTCN)**[177] :The program supports developing countries through demand-driven technical assistance, capacity building, and technology transfer for climate adaptation and mitigation. Within the broader AFCIA Partnership, UNEP-CTCN plays a cross-cutting role by coordinating implementing partners, offering technical advisory services, and maintaining global knowledge-sharing platforms. UNEP-CTCN complements UNDP-AFCIA 2 by working upstream to strengthen enabling environments and policy frameworks, while UNDP-AFCIA 2 supports grassroots innovation led by NGOs, CSOs, MSMEs, and hybrid models. The two approaches are synergistic: UNEP-CTCN's technical expertise and national-level government engagement seek to provide a foundational system and context for UNDP-AFCIA 2 grantees to build and scale solutions (in the countries where both programmes have grantees). Conversely, successful community-driven innovations supported under UNDP- AFCIA 2 can inform UNEP-CTCN's broader advisory and policy work. Together, they offer a coordinated innovation-to-impact pathway that spans from policy and feasibility to local implementation.

2. Complementary Focus with other Climate Funds

- **Green Climate Fund (GCF)**[178] focuses on paradigm-shifting investments and balances its portfolio 50/50 between mitigation and adaptation, with over half of adaptation funding benefiting LDCs, SIDS, and African states. However, GCF projects are typically multi-million-dollar interventions, and it uses instruments like concessional loans, equity, or guarantees to mobilize private capital for resilience infrastructure.. UNDP-AFCIA 2 complements GCF by nurturing a pipeline of grassroots innovations

[176] Pacific Community (SPC). (n.d.). SPC's Climate Innovation Co:Lab. Retrieved November 13, 2025, from https://www.adaptation-fund.org/project/spcs-climate-innovation-colab/

[177] Environment, U. (2017). Climate Technology Centre and Network. UNEP - UN Environment Programme. Retrieved November 13, 2025, from https://www.unep.org/explore-topics/climate-action/climate-technology-centre-and-network

[178] Fund, G. C. (2023b, March 20). Adaptation. Green Climate Fund. Retrieved from https://www.greenclimate.fund/theme/adaptation

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

that can later be scaled up. While GCF de-risks and scales proven models (e.g. resilient infrastructure or climate-smart agriculture at the national scale), UNDP-AFCIA 2 supports early-stage, locally led ideas that would be too small for GCF initially. In this way, UNDP-AFCIA 2 funded pilots could mature into larger projects suitable for GCF support, creating a continuum from innovation to investment. Coordination through national climate focal points and knowledge-sharing ensures UNDP-AFCIA 2 grants align with countries' specialized adaptation plans (e.g. NDCs/NAPs) so that successful grantees can attract GCF or other donor financing later, rather than overlapping with existing GCF projects.

- **Global Environment Facility (GEF) - Small Grants Programme (SGP)**[179]: GEF-SGP implemented by UNDP, has delivered support to 30,000+ community-level projects in 127 countries, supporting community-led initiatives that address global environmental issues. GEF-SGP empowers local civil society and community-based organizations, including women, indigenous peoples, youth, and persons with disabilities, through a decentralized delivery mechanism at the country level. UNDP-AFCIA 2 is aligned with the same locally driven ethos as GEF-SGP: empowering community organizations, women and youth as agents of adaptation. However,UNDP- AFCIA 2's exclusive focus on innovation for adaptation sets it apart. For example, the GEF-SGP might fund a broad range of community resilience projects (from biodiversity to clean energy), whereas UNDP-AFCIA 2 specifically targets novel climate adaptation solutions for scaling up. Likewise, UNDP-AFCIA 2 grants (from 40,000 USD up to 200,000 USD) are somewhat larger than regular SGP micro-grants, enabling support for technologies or business models that require more capital and time to mature and scale. UNDP- AFCIA 2 complements the GEF-SGP implemented by UNDP, by focusing on innovative early-stage solutions and by creating a bridge between community-based innovation and larger-scale implementation. Successful innovations emerging from UNDP-AFCIA 2 could be replicated or scaled with GEF/LDCF(Least Developed Countries Fund) financing, ensuring a continuum of support.

- **Least Developed Countries Fund (LDCF) & Special Climate Change Fund (SCCF)**[180]: The LDCF (for LDCs) and SCCF are GEF-managed funds that typically support government-endorsed adaptation projects. Recently, these funds have also started to back innovation and private sector engagement – for example, the SCCF is co-funding the Adaptation SME Accelerator Program (ASAP) (described below) to spur entrepreneurial solutions. UNDP AFCIA 2 shares the goal of helping vulnerable countries innovate, but operates through a different modality. LDCF/SCCF projects (often $3–10 million each) work at the policy or sector level, whereas UNDP AFCIA 2 provides smaller grants directly to local actors. By aligning with national adaptation priorities, UNDP AFCIA 2 ensures it complements LDCF/SCCF initiatives. Essentially, AFCIA's flexible small grants fill the gaps by reaching non-governmental innovators and MSMEs, complementing the public-sector projects financed by LDCF/SCCF.

- **GEF Challenge Program for Adaptation Innovation**[181]: The GEF's SCCF launched an Adaptation Innovation competition that awarded funds to pilot new private-sector solutions toa dress climate risks. The strong response to GEF's global innovation call (400+ proposals) shows the huge demand for adaptation innovation funding. UNDP-AFCIA 2 helps meet this demand on an ongoing basis. Unlike the one-off GEF challenge (which made a handful of larger grants through international partners), UNDP-AFCIA 2 runs continuous support and provides many direct grants along with direct TA packages to local organizations (NGOs, CSOs and MSMEs) in developing countries. This inclusive approach reaches grassroots innovators that big global competitions might miss. There is no duplication, as UNDP-AFCIA 2's grants are smaller and more locally focused. In fact, UNDP-AFCIA 2 can feed promising ideas into future rounds of GEF or other donor funding.

[179] GEF Small Grants Program. (2024, November 22). Global Environment Facility. Retrieved from https://www.thegef.org/what-we-do/topics/gef-small-grants-program

[180] New initiative aims to leverage climate adaptation investment | UNIDO. (2023). UNIDO. Retrieved from https://www.unido.org/news/new-initiative-aims-leverage-climate-adaptation-investment

[181] Challenge Program for Adaptation Innovation. (2024). Global Environment Facility. Retrieved November 13, 2025, from https://www.thegef.org/what-we-do/topics/challenge-program-adaptation-innovation

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- **Climate Investment Funds – Pilot Program for Climate Resilience (PPCR)**[182]: The PPCR (under the World Bank's Climate Investment Funds) historically provided funding to highly vulnerable countries to integrate climate resilience into development plans. It financed large-scale interventions and readiness activities. Programs like PPCR built the enabling environment and national plans that pave the way for local innovation. UNDP-AFCIA 2 will be aligned with those national adaptation plans, ensuring that the grassroots solutions it funds support the priorities identified through programs like PPCR. There is no duplication: PPCR did not typically fund small NGOs, CSOs or startups – in fact, many AFCIA applicants come from countries that now have climate strategies thanks to PPCR and similar efforts. By operating in this improved policy environment, UNDP-AFCIA 2´s investments have a higher chance to scale and integrate into government programs, achieving synergy with past multilateral investments.

3. Innovation and SME-Focused Initiatives

- **Adaptation SME Accelerator Program (ASAP)**[183]: This is a global initiative led by Lightsmith Group and supported by the GEF-SCCF, Inter-American Development Bank, and Conservation International. ASAP is an ecosystem-building program to identify and accelerate climate adaptation SMEs in developing countries. ASAP provides only acceleration services (mentorship, investment readiness) and helps connect SMEs with investors. Moreover, ASAP's focus in certain regions (e.g. Latin America and Africa) and sectors (tech-based adaptation solutions), whereas UNDP AFCIA 2 has a much broader scope in terms of both geography and sectoral focus. Additionally, ASAP's acceleration service offers a valuable opportunity to share knowledge and information.

- **UNCDF´s LoCAL**[184]: The UNCDF runs the LoCAL program, providing climate finance to local governments; while LoCAL gives performance-based climate grants to municipalities, UNDP AFCIA 2 funds NGO, CSOs and MSME solutions in those same communities – together strengthening locally led adaptation from both the public and civil society sides. By coordinating through AIM, such efforts ensure coherence: LoCAL funds a community's climate-resilient infrastructure, UNDP AFCIA funds a complementary community-based solution, each aware of the other. Additionally, UNCDF is a strategic partner for UNDP AFCIA 2 and therefore we can purposefully align with UNCDF on such programs to maximize synergy and outcomes.

- **Global Innovation Fund (GIF) – Climate Resilience Window**[185]: In partnership with the UK's FCDO and Sida, GIF launched an Innovating for Climate Resilience fund to invest (via grants, equity, or debt) in scaling climate adaptation innovations that benefit the poorest. It seeks out high-impact innovations and helps de-risk and scale them, often co-investing with other donors. The GIF climate resilience initiative operates more like an investor than a small-grants provider – it looks for innovations that have proven potential and can reach millions of people if funded to grow. This is a natural next step for successful innovations emerging from UNDP AFCIA 2. There is no overlap in funding approach: UNDP AFCIA's mandate is to target early-stage and demonstrate locally led solutions, whereas GIF can later provide larger follow-on funding (including equity investments) to those that show evidence of impact. In fact, GIF explicitly aims to "partner with other investors, large and small, to identify innovations and feed into a growing pipeline" for climate adaptation. UNDP AFCIA 2 is exactly such a pipeline of early

[182] Pilot Program for Climate Resilience | Climate Investment Funds. (n.d.). www.cif.org. Retrieved from https://www.cif.org/topics/climate-resilience

[183] The Adaptation SME Accelerator Program (ASAP): Africa Focused Adaptation SME Market Study. (n.d.). Retrieved from https://climateasap.org/wp-content/uploads/2023/09/ASAP-Africa-Adaptation-SME-Market-Study-September-2023.pdf

[184] LoCAL Climate Adaptive Living Facility Homepage. (2024). Uncdf.org. Retrieved from https://www.uncdf.org/local/homepage

[185] Innovating for Climate Resilience. (2025). Global Innovation Fund. Retrieved November 13, 2025, from https://www.globalinnovation.fund/innovating-for-climate-resilience

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

innovations. By maintaining dialogue with these key partners (GIF is a strategic partner of the Global Resilience Partnership and the Adaptation Research Alliance, which are also UNDP AIM´s partners), AFCIA 2 will ensure that its most promising grantees are visible to scale-up financiers like GIF, rather than both programs unknowingly funding the same stage of the same project. Thus, GIF and UNDP-AFCIA 2 form a synergistic ladder of finance – with AFCIA at the early stage and GIF at the mature growth stage – collectively accelerating innovation for resilience.

- **Global Ecosystem-based Adaptation (EbA) Fund**[186]: The Global EbA Fund provides seed capital for innovative ecosystem-based adaptation measures worldwide. It offers rapid, targeted grants to projects that use nature-based solutions to help communities adapt. The EbA Fund specializes in nature-based solutions, whereas UNDP-AFCIA 2 has a broader innovation mandate with three thematic areas. The knowledge exchange between the EbA Fund and UNDP-AFCIA 2 can multiply impact – lessons from EbA projects can inform UNDP-AFCIA 2 grantees pursuing similar objectives, and vice versa. UNDP-AFCIA 2 offers integrated support to innovators via its TA provision. Through AFCIAs deep and extensive networks with business schools, it can leverage and multiply the outcomes of both programs to a wider private sector audience.

In addition to funding coordination, UNDP-AFCIA 2 actively contributes to shared learning platforms to prevent siloed efforts. The project's knowledge management approach will document lessons from local innovation projects and disseminate these globally. Building on this, AFCIA 2 will also leverage UNDP's and partners' business school networks to convene and expose different strands of adaptation work, including through dedicated roundtable-style workshops (in-person and hybrid) hosted in business schools per quarter.

These sessions will provide a neutral, safe space for Adaptation Fund implementing entities, Green Climate Fund and Global Environment Facility partners, and other adaptation-focused funds and programmes to exchange insights, compare what has worked (and what has not), and explore opportunities for a more coordinated approach to adaptation support. By sharing evidence with the wider community of practice, UNDP-AFCIA 2 helps other funders adjust their instruments and avoid duplicating approaches. Likewise, UNDP-AFCIA 2 will stay updated on outcomes from parallel programmes and feed this intelligence back into its own TA offer to maximize adaptation results. In summary, UNDP-AFCIA 2 is explicitly designed to maximize synergies with other climate funding sources, occupying a complementary niche in supporting grassroots innovations while partnering closely with the broader UNDP system and international climate finance architecture.

I.Describe the learning and knowledge management system to capture and disseminate evidence, particularly of effective, efficient adaptation practices, products or technologies generated, as a basis for potential scaling up.

Learning and Knowledge Management Component

Empowering Grantees and Strengthening Local Adaptation through Knowledge Exchange

Knowledge exchange and peer-to-peer learning are central to the project, creating opportunities for grantees to share insights, best practices, and lessons learned from implementation. By facilitating direct communication and collaboration among grantees, the project fosters a learning community where participants collectively address challenges and learn from practical solutions. This approach promotes the cross-pollination of ideas, strengthens adaptive capacity, and accelerates the scaling of effective adaptation practices. The project adopts a "learning-by-doing" approach to ensure that knowledge is continuously applied to improve both institutional and community-level resilience.

[186] https://www.unep.org/gef/focal-areas/climate-change-adaptation/our-work/access-adaptation-finance

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

The Learning and Knowledge Management plan aims to systematically strengthen the capacity of AFCIA 2 grantees to design, implement, monitor, and scale innovative, inclusive, and gender-responsive adaptation solutions. It combines structured learning processes with adaptive feedback loops to ensure that knowledge is captured, applied, and shared throughout the project cycle.

Integrated Learning Architecture

AFCIA 2 will adopt a two-stage learning and capacity-building structure aligned with the Adaptation Fund's Strategic Results Framework and UNDP's Monitoring, Evaluation, and Learning (MEL) standards. Learning will be embedded across all implementation stages—from project selection and proposal refinement to scaling and policy integration.

- **Stage 1 – Pre-selection and Proposal Strengthening:** Interactive webinars and mini courses will support long-listed applicants to strengthen problem framing, proposal design, and alignment with environmental, social, and gender standards.

- **Stage 2 – Onboarding Learning Sprint and Capacity Development:** An intensive 8-10 weeks Onboarding Learning Sprint will guide selected grantees to refine their business models, strengthen monitoring and reporting systems, and embed gender and social inclusion measures from the outset.

AFCIA 2 will formalize this process through an integrated MEL system that captures lessons across the project cycle—from selection and implementation to scaling and replication. The resulting lessons will be synthesized into actionable guidance, toolkits, and policy briefs to inform adaptation programming at national, regional, and global levels.

Immediately following selection, grantees will participate in a structured Onboarding Learning Sprint designed to strengthen their technical, financial, and operational readiness. The Sprint will combine group workshops, one-on-one mentoring, and peer-to-peer exchanges, complemented by expert sessions from academia, finance, and innovation ecosystems. Through this process, grantees will refine their business models and value propositions, strengthen financial management and resource mobilization, and explore sustainable hybrid models such as social enterprises. They will also prepare contextualized Gender Action Plans, apply gender marker criteria to ensure equitable participation and benefits, and develop simplified Environmental and Social Management Plans (ESMPs) in line with Adaptation Fund and UNDP standards. Practical training on monitoring, reporting, and data quality will enhance accountability and support consistent aggregation of results across the portfolio.

Within the Onboarding Learning Sprint, grantees will further benefit from advanced thematic modules on business development and scaling, gender-responsive monitoring and evaluation, policy and investment engagement, and communication tools, sequenced to match their stage of implementation and evolving capacity needs.
During implementation phase, AFCIA 2 will pilot a "Onboarding Learning Sprint Review"—a structured reflection exercise engaging grantees from both AFCIA 1 and 2, EMBA/MBA partners, and investors. The review will help identify emerging trends, needs, and adaptive measures, ensuring that lessons directly inform project improvement and investment strategies.

Fostering Knowledge Exchange and Capacity Building through the MBA Fellowship Programme

The MBA Fellowship Programme is a cornerstone of UNDP-AFCIA's knowledge and capacity-building framework. It strategically connects academic expertise from leading business schools with the operational realities of locally led climate adaptation initiatives. This partnership—between UNDP, a responsible party

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

selected under UNDP procurement processes, and top-tier universities—creates a structured platform for applied learning and collaboration.

By embedding EMBA/MBA students within AFCIA-supported organizations, the project will enable the transfer of business and financial skills, particularly in enterprise development, investment readiness, and impact measurement. In turn, students gain first-hand experience with adaptation challenges in the Global South, bridging academic knowledge with practical implementation. This collaboration also supports the development of a new generation of climate and development professionals equipped to advance innovation for resilience at scale.

From a knowledge management perspective, the project serves as a dynamic repository for continuous documentation and learning. Grantees receive tailored business development and scaling support, while students contribute to case studies, data collection, and evidence generation. These outputs will be consolidated into a shared knowledge library and inform publications and joint learning events focused on scalable adaptation business models.

Through AFCIA 2, EMBA/ MBA fellows also gain hands-on exposure to locally led adaptation models, community priorities, and the practical realities of delivering climate resilience on the ground. AFCIA 2 allows them to take this learning into their places of work and influence, to better assign and allocate capital based on a more nuanced and deeper grasp of local adaptation. This immersive experience builds a deep appreciation for context-driven solutions, social equity, and long-term sustainability—elements often overlooked in traditional business and policy training. As these fellows transition into influential roles across the private sector, public institutions, multilateral organisations, consulting, research, and philanthropy, they carry forward this understanding and values-based mindset. Over time, they become champions who shape decisions, policies, and market behaviours—driving change not only in investment flows, but also in corporate practice, product design, procurement models, risk management, and public–private partnerships.

While the impact may not be immediately visible at the project level, this intentional cultivation of future leaders contributes to long-term systemic transformation. It seeds a global network of informed and committed decision-makers who can shift institutional norms, unlock climate and development finance, influence policy agendas, and advance inclusive and locally led approaches to adaptation. By investing in the next generation of academics and leaders, AFCIA 2 strengthens the enabling environment needed for climate resilience—ensuring that the principles of localisation, equity, and sustainability gain influence in boardrooms, ministries, financial markets, and global development platforms.

For further reference, check the blog "Shaping the future of climate adaptation through academic collaboration" which captures the main lessons learnt of this academic collaboration with AFCIA 1.

Creating a Knowledge Platform to Support Scaling and Replication

The project will establish a multi-layered knowledge-sharing and learning structure to support the exchange, replication, and scaling of climate adaptation solutions. This approach aligns with the Adaptation Fund's Monitoring and Tracking System (AF MTS), particularly Strategic Focus 3, which prioritizes knowledge sharing and guidance on adaptation action and finance.

AFCIA 2 will operationalize a structured Learning and Knowledge Management Framework that ensures systematic documentation, aggregation, and synthesis of evidence emerging from each innovative solution that is supported by the project. This framework will use harmonized templates, progress indicators, and reflection tools to ensure comparability across regions and thematic areas, while allowing flexibility for diverse local contexts. Lessons from grantee monitoring data, field missions, gender assessments, and community consultations will be consolidated into periodic learning summaries and thematic evidence notes. These insights will feed into adaptive management processes at both project and portfolio levels, enabling timely adjustments to technical support, partnership brokering, and investment-readiness interventions. Building on AF's requirement to identify effective and efficient adaptation practices, AFCIA 2 will prioritize the extraction of

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

practical, scalable, and gender-responsive solutions that demonstrate strong potential for replication and financing.

Key outcomes include the identification, codification, and dissemination of lessons learned; the development of replication toolkits and case studies; and the strengthening of learning networks at local, national, and global levels. Rather than building new systems, AFCIA 2 will leverage existing UNDP´s (and in particular UNDP AIM´s) platforms, and collaborate with the broader AFCIA community under UNEP-CTCN coordination services project, to ensure efficient and wide-reaching dissemination through existing communication channels, such as policy briefs, social media, webinars, and virtual communities of practice.

Coordination among AFCIA´s MIEs and RIEs will be strengthened through joint learning cycles, shared reporting structures, and co-curated knowledge products that synthesize results generated across the AFCIA portfolio to date. UNDP will collaborate closely with AFCIA implementing agencies including UNEP-CTCN, WFP, UNIDO, SPC as well as UNCDF, other AIM partners to avoid duplication and ensure that emerging lessons flow into regional exchanges, the Adaptation Fund Community of Practice, and global platforms.
Findings from AFCIA 1 will be systematically integrated into AFCIA 2's capacity-building and learning architecture to reinforce continuity and accelerate uptake of proven models. Cross-regional learning sessions, thematic deep-dives, and peer-to-peer clinics will further enable cross-fertilization of insights between countries and regions, supporting the identification of common barriers, shared opportunities, and emerging innovation pathways. These processes will ensure that learning from individual sub-projects is aggregated into portfolio-wide evidence that can inform policy, investment, and future adaptation innovation programming.

Knowledge exchange will also be deepened through South-South and South-North knowledge exchanges, cross-country peer learning events, and thematic learning series. A depository of knowledge/ communication products will host gender case studies, and field lessons to inform both policy and practice.
Knowledge exchange and ecosystem engagement will be advanced through global, regional, and thematic learning events, including innovation showcases, investor roundtables, replication clinics and alliance networking sessions, as well as through the Onboarding Learning Sprints, which will serve as a platform for peer learning and collaboration. Each event will incorporate gender-transformative and socially inclusive perspectives, ensuring balanced participation and equitable access to learning opportunities.

To further strengthen technical expertise and communication, the Project will coordinate with the UNDP Country Offices, on how to best connect grantees with academia, accelerators, incubators, and their local innovation ecosystems, integrating emerging insights from climate technology, adaptation finance, and social innovation. The AFCIA PMU will oversee the synthesis, validation, and dissemination of knowledge products, ensuring alignment with UNDP and Adaptation Fund standards.

With the aim of increasing visibility of community-driven adaptation, supporting knowledge sharing among grantees (internally) and with the global community (externally), and strengthening stakeholder engagement, coherent and consistent communication will overall serve the purpose of highlighting the importance and urgency of fostering innovation for climate adaptation.

Visibility and Branding of the Adaptation Fund

The Adaptation Fund's contribution will be visible at all key stages—sourcing, screening, grant administration, and knowledge dissemination. UNDP will produce branded knowledge products that highlight the Fund's impact and leadership in advancing locally led innovation for adaptation. Grantees will be encouraged to acknowledge both the Adaptation Fund and UNDP in their communications and visibility materials, ensuring appropriate recognition in line with the Adaptation Fund´s communication and visibility guidelines (including AFCIA´s specific ones).

A targeted communications and visibility strategy will highlight the Adaptation Fund's contribution through case studies, videos, and impact stories disseminated via regional and global platforms. Particular attention will be

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

given to documenting and showcasing women- and youth-led success stories, amplifying their visibility and positioning them as role models within the adaptation innovation landscape.

Through a comprehensive and inclusive learning ecosystem, AFCIA 2 ensures that knowledge is not only captured and shared, but actively translated into better design, stronger policies, and greater investment in adaptation innovation—ultimately strengthening resilience and fostering long-term sustainability across the Global South. A preliminary communications strategy for AFCIA 2, can be found in **Annex 11** for further reference.

J. Describe the consultative process that would take place, and how will it involve all key stakeholders, and vulnerable groups, including gender considerations.

Consultative Process and Stakeholder Engagement Approach

At the stage of the AFCIA 2 project´s proposal formulation, it was not yet feasible to conduct deeper consultations at the level of specific project sites or with stakeholders that will ultimately be engaged by the grantees. This is because the specific sub-projects and implementing partners (grantees) across the regions will be identified through a global open call for proposals, which will take place at the beginning of the implementation stage. As such, the project currently includes Unidentified Sub-Projects (USPs), consistent with the nature of the innovation process being supported and in line with guidance from the Adaptation Fund (Decision B.39/52).

Given this structure, UNDP´s approach to stakeholder consultation has been adapted accordingly in a two-phased approach to consultations: a) During project design and b) Once grantees are selected. In line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy (GP), initial virtual consultations with key stakeholders were undertaken by UNDP. These consultations include past grantees from AFCIA 1, grantees supported by other UNDP Programmes (that advance adaptation, local action or innovation acceleration), representatives from other UN partner agencies, civil society organizations, research centres and other relevant institutions. Consultations inside UNDP with the five Regional Bureous were also undertaken (mainly with the Environment Regional Technical Leads and additional teams which were brought in into these preliminary consultations) to strengthen the project design. These consultations inform the overall project framework, including implementation principles and safeguards. A full list of the stakeholders consulted is available in **Annex 6a. Stakeholder Consultations and Engagement during the Design Phase** and the results and notes from said consultations are available in **Annex 7. Minutes of the Stakeholder Consultations.**

While specific grantee-led activities cannot yet be defined, UNDP will ensure that stakeholder input shapes the overarching implementation approach and risk identification processes at the grantee level. Once grantees are selected and specific interventions are identified through the open call process, more detailed, locally grounded stakeholder consultations will be conducted. These will include consultations with vulnerable or marginalized groups, women, Indigenous Peoples, and other directly affected communities as relevant. At that stage, each grantee in collaboration with UNDP will also develop and disclose detailed risk assessments and management instruments—including gender action plans, stakeholder engagement plans, and environmental and social management plans—supported by the PMU's Gender and Safeguards Specialist as part of project support and quality assurance.

This phased approach allows each grantee and UNDP to manage stakeholder expectations responsibly and transparently, recognizing that not all organizations applying for the grants may ultimately be selected or have the capacity to implement. However, UNDP us fully committed to ensuring that, in line with Adaptation Fund guidance on USPs, risk identification, gender considerations, and stakeholder engagement are addressed at both the framework level (during proposal formulation) and the sub-project level (once grantees are known). These measures will ensure robust safeguards and inclusive engagement throughout the project lifecycle.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Further to this, **Annexes 6 and 7** outline the 2-phased consultation process that started during project design and proposal development, and that will further advance during implementation—to meet the requirements of the UNDP´s and the Adaptation Fund´s Environmental and Social Safeguards Policies and Gender Policies.

Initial Consultations with Key Stakeholders

The consultative process undertaken during the preparation of the AFCIA 2 proposal has been designed to ensure broad stakeholder engagement, with particular attention to vulnerable groups and gender considerations, in compliance with the Environmental and Social Policy (ESP) of the Adaptation Fund. The process has been structured in phases, enabling effective and local input integration throughout the project's development. The following table provides an overview of the stakeholders consulted and the main insights from the consultations. Detailed information can be found in the following annexes to this proposal **Annex 6a. Annex 6a. Stakeholder Consultations and Engagement during the Design Phase**, and **Annex 7. Minutes of Stakeholders Consultations**.

Stakeholder	Key takeaways
UNDP AFCIA grantees	- AFCIA's flexibility, experimentation space, and risk-tolerant approach were highly valued, distinguishing it from other funders. - AFCIA's holistic support package (financial resources + technical assistance + mentorship + organizational strengthening) was highlighted as a core strength. - Collaborations with MBA students and other forms of tailored technical assistance created impact beyond the project lifecycle. - In-person visits from AFCIA/UNDP staff were seen as critical for understanding grantee contexts and fostering stronger, ongoing engagement. - Peer-to-peer learning, capacity building, and technical support were highly appreciated; grantees recommended expanding these components in AFCIA 2. - Grantees emphasized the importance of thematic and cross-cutting collaboration (e.g., climate-smart agriculture, gender, finance) to deepen expertise and address shared challenges. - Feedback on reporting tools was mixed: some found them clear and manageable, while others requested improvements for AFCIA 2. - Key reporting improvements needed: clearer communication of the overall Theory of Change and indicator framework; co-defining indicators with grantees; and dedicating sessions to explain templates and expectations. - Need to better contextualize ESG metrics and provide dedicated sessions to explain their purpose, relevance, and practical application. - Grantees identified scaling and business model challenges, noting that innovations are impactful but often unattractive to investors due to low financial returns in climate-vulnerable contexts. - Highlighted the value of partnerships (CSO–SME consortiums, collaboration with UNDP country offices, linkages with other organizations) as essential for scaling, government engagement, and resource convergence. - Increasing engagement and visibility with local governments—along with recognition such as letters confirming collaboration with UNDP—can enhance grantee credibility and partnership opportunities. - UNDP's institutional credibility is an important asset that helps smaller organizations gain recognition, build networks, and access opportunities.
UNDP-funded challenge funds	- Grantees emphasized the importance of stage-appropriate capacity building, noting that early-stage organizations benefit from foundational training while growth-stage innovators require more advanced, specialized support.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

grantees	- Iterative feedback and coaching were highlighted as essential, with grantees stressing that learning is strengthened through regular review, adjustment, and practical guidance—not only through static deliverables. - Participants called for longer funding windows, particularly for organizations transitioning from pilot to scale, to enable sustained impact and stronger business development. - UNDP's convening power was consistently valued, with grantees crediting networking opportunities for expanded partnerships, visibility, and strategic collaboration. - Application processes can be challenging for smaller or women-led organizations due to extensive documentation requirements, limited access to formal financial records, and systemic barriers such as lack of land ownership. - Reporting requirements were seen as important but sometimes difficult to navigate; grantees requested clearer guidance, standardized tools, and more flexible expectations, particularly in contexts with data limitations. - Peer learning is considered highly beneficial, with demand for thematic cohorts, case study libraries, and simple communication channels (e.g., WhatsApp, Telegram) to support ongoing exchange. - On gender and inclusion, participants stressed the need for early planning, culturally sensitive approaches, and tailored capacity-building to ensure meaningful engagement of women, youth, and vulnerable groups. - Reaching women, especially in restrictive or fragile contexts, requires local partnerships, non-digital outreach strategies, and safe spaces for women to engage and share experiences. - Participants encouraged AFCIA to improve clarity, accessibility, and targeting of Calls for Proposals to ensure they reach relevant CSOs and MSMEs across diverse geographies and capacity levels.
Women-led Science, Technology, Engineering and Mathematics (STEM) organisations	- Women remain severely underrepresented in STEM and climate-related technical roles, particularly in agriculture, due to entrenched cultural norms and limited mobility. - Women face restricted access to technology, information, land, and finance, preventing them from benefitting from early-warning systems and digital advisory services, despite being primary agricultural workers. - Opportunities exist in vertical farming and climate-smart agriculture, but structural barriers (e.g., land ownership patterns) limit women's participation. - Effective engagement requires intentional, early planning, partnerships with women-led organizations, and non-digital outreach tools such as radio to reach rural women. - Participants valued UNDP's role in facilitating partnerships with ministries, universities, and research institutions, as well as providing cross-country knowledge exchange and case studies. - Short grant durations, complex application processes, and slow reporting and disbursement procedures hinder implementation and sustainability; participants called for longer funding windows and simpler, more accessible application processes. - Peer learning is highly beneficial, with demand for thematic groups, WhatsApp/Telegram channels, and practical case libraries to support continuous exchange and learning.
AFCIA-implementing agencies (UNEP,	- Generated impact need to be showcased more effectively to strengthen private-sector engagement and attract investment. - Harmonizing impact categories and standardizing tracking frameworks across agencies would help ensure portfolio diversity and minimize duplication of technologies and solutions. - Early coordination with key stakeholders, including implementing entities, UN country

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

UNIDO[187])	offices, and government bodies at local, regional, and national levels, is essential for coherent planning and implementation. - Implementing entities agreed on the need for stronger alignment across the AFCIA programme, including the potential for a shared M&E framework and indicators to enable collective measurement of adaptation impact. - Grantees should be directed to the implementing agency best suited to their technical needs, ensuring efficient access to specialized support and resources. Coordination among AFCIA implementing agencies will facilitate collabrations for smooth referral process. - Cross-agency collaboration was recommended to facilitate investment by pooling networks and providing grantees wider access to investors, partners, and complementary expertise. - When supporting SMEs, assistance should integrate both profitability and impact, helping businesses maintain financial sustainability while achieving measurable adaptation outcomes. - Knowledge sharing and communication products (e.g., videos, web stories, webinars) should be jointly planned under the coordination services of UNEP-CTCN, from the outset to ensure coherence and visibility across agencies. - Implementing entities should leverage communities of practice and jointly engage local media through country offices to enhance outreach and learning.
UNDP Regional Technical Leads	- Strong consensus on leveraging existing UNDP structures (Country Offices, SGP, Biodiversity Finance Initiative (BIOFIN), Climate Promise) to strengthen local presence, reduce duplication, and support robust pipeline development. - Regions stressed the importance of systematically monitoring grantees' progression from grant to scale, capturing and institutionalizing lessons from AFCIA 1, and prioritizing high-potential, innovative, and community-driven solutions—including those emerging from South–South collaboration. - Regional differences in adaptation ecosystems were highlighted: sectors, value chains, and types of target organizations vary significantly and must inform how AFCIA 2 tailors outreach and selection across regions. - AFCIA 2 should aim for exponential—not linear—impact by expanding pathways for private finance attraction, strengthening business model viability, and linking grantees to national and regional adaptation finance ecosystems. - Lessons from AFCIA 1 (e.g., growth from 20% to 59% revenue-generating grantees; 32% earning over USD 100,000 annually) were viewed as strong foundations for investment-readiness and scaling support in AFCIA 2. - Clear opportunities identified to link AFCIA 1 grantees with SGP and Western Balkans project portfolios for structured peer learning, knowledge exchange, and replication of proven models. - Regions emphasized the need to highlight AFCIA's support methodology (technical assistance, mentoring, pipeline development, investment-readiness) as a core value proposition that Country Offices see as equally important as financing. - Inputs emphasized articulating how AFCIA's support model can be replicated by Country Offices and how it strengthens local organizations' engagement with national systems and financing mechanisms. - Strong emphasis on maintaining community-embedded approaches, elevating Indigenous-led and women-led innovations, and ensuring grantees work within environments that can sustain scaling pathways.

[187] The WFP AFCIA focal points were contacted to carry out an interview, but at the time of submitting this proposal, the interview was not confirmed by WFP.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	- Regional Technical Leads emphasized the importance of strategic geographic prioritization, including consideration of whether to maintain a global call for proposals or narrow eligibility to countries with conducive enabling environments, more mature MSME ecosystems, and stronger potential for scalable outcomes. These insights will guide decisions on AFCIA 2's geographic focus, replication pathways, investment linkages, and technical support modalities. To ensure inclusive participation, the programme will apply targeted, context-specific outreach and communication efforts informed by regional and country contexts, thematic priorities, and stakeholder mapping. This will help increase the diversity and quality of applications and enable the programme to attract high-potential, locally led adaptation innovations from civil society organizations and MSMEs.
UNEP-CTCN AFCIA	- Need for early and continuous engagement with national focal points, governments, and implementing partners to ensure coherence from the design stage of AFCIA 2. - Stronger demonstration of concrete, measurable, and commercially relevant impacts is required to attract private-sector engagement and enhance the scalability of CSOs and MSMEs. - Under the coordination services of UNDP-CTCN function, a shared M&E framework with common indicators on innovation, adaptation, and resilience should be established across AFCIA implementing partners to ensure coherent reporting and comparability. - Establishing a repository of projects, stakeholders, and sectors would facilitate cross-country and cross-sector collaboration, reduce silos, and strengthen alignment among AFCIA implementers. - Joint learning and communication activities (e.g., videos, web stories, webinars, communities of practice) should be planned from the outset under a coordinated communications strategy. In addition, they stressed the importance of adopting a joint communications strategy from the outset—leveraging videos, web stories, local media engagement, and grantee-generated visual content—to improve visibility, support knowledge sharing, and help avoid siloed approaches across AFCIA implementers. - Grantees should be encouraged to budget for visibility materials (e.g., professional photography), while country offices and partners collaborate on broader communication products and local media engagement. - Establishing a shared M&E framework with common innovation- and resilience-focused indicators that can be used consistently across implementing partners is critical. UNEP-CTCN also highlighted the benefits of creating a consolidated repository of country and sector activities, strengthening communities of practice, and facilitating regular cross-partner exchanges to enhance coherence and collective learning. - It is advised to maintain the AFCIA dashboard that remains simple, practical, and comparable across the different Implementing Partners.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Impact investment networks (AVPA, AVPN, Latimpacto)	- Need for stronger multi-sectoral collaboration and inclusion of vulnerable and marginalised communities in adaptation efforts. - Persistent financing barriers highlight the importance of flexible, context-appropriate capital and complementary capacity building. - Investors stressed the value of community-driven, locally led solutions and clear pathways for long-term sustainability and ownership transfer. - Significant disconnect between small local projects and investor expectations, requiring reframing of risk perceptions and stronger business model support. - Grantees need enhanced investment-readiness skills, including clearer communication and pitching capacity. - Lack of standardized metrics for resilience underscores the need for adaptable, context-sensitive measurement frameworks. - Political, safety, and contextual factors challenge climate resilience financing and should be better accounted for in design and risk assessment.
Private Sector-Sector agnostic Impact investors (Global Innovation Fund, Acumen, Six Capital, SAB Foundation)	- Catalytic capital is most valuable as an early validator and pipeline builder: it reaches solutions few others will fund, lets locally rooted innovators test and refine models, and acts as an "institutional ambassador" that makes later investors take them seriously. - The deepest barriers to investability are weak financial management and governance: poor or non-existent financial records, informal structures, over-extraction by founders, valuation mismatches, and thin documentation make otherwise promising solutions very hard to back. - Investors and catalytic funders are looking for clear proof of concept and product–market fit: paying clients, real invoices, movement towards breakeven, simple ownership structures, committed founders, and alignment with investor values and mandates. - High-impact technical assistance clusters around four areas: strategic finance (realistic projections, cashflow and capital-raising plans), go-to-market (customer, pricing, distribution at margin-positive unit economics), governance and compliance (boards, ESG, audited accounts), and team/talent (senior capacity and incentives). - Across consultations, the most effective programme support has been very practical: producing strong investor materials and organised data rooms, coaching founders on how to engage with investors, and using showcases and peer-learning events to build networks and visibility. - Early-stage grants are often best used in sequenced, milestone-based ways: first to experiment and validate key assumptions, then to close specific investor-readiness gaps, ideally after or within a structured accelerator-style process rather than as stand-alone cheques. - Co-funding and risk-sharing structures (e.g. pairing AFCIA solutions with impact funds, blending international climate capital with local sources like Broad-Based Black Economic Empowerment (B-BBEE) are seen as powerful tools to move "borderline but promising" deals over the line, especially when combined with clearer geographic or thematic focus. - Funders place real weight on the programme's own credibility: a track record of "finding gems," transparent and cost-effective grant governance, clear outcomes and success metrics, and UNDP's ability to connect ventures into markets, large institutional partners and follow-on investors are all central to whether they engage with AFCIA 2.
MBA Fellows that participated MBA Fellowship	- AFCIA 1 TA was strongest because it was flexible, co-created and community-first, helping grantees with business plans, financial models, impact/data systems, localised marketing, digital literacy and linking to clear carbon and market pathways. - The hardest barriers to moving from pilots to investable scale were structural: insecure land tenure and control over natural resources in the case of indigenious communities,

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Programme in AFCIA 1	high verification/certification and due-diligence costs, weak supply chain and logistics, poor connectivity, and thin or poor-quality documentation and data - Many AFCIA 1 grantees had strong technical and impact foundations but were still clarifying their core model while being asked for "investor-ready" materials, with gaps in revenue strategies, basic financial projections, governance structures, outward communication and regular financial/impact reporting. - Stakeholders converged that AFCIA 2 should make matching and scoping more intentional: clearer project descriptions, categorisation by primary TA need and stage, preference matching, alignment calls, and time allocations calibrated to project maturity to avoid generic outputs. - Short but focused in-country or in-community engagement was repeatedly highlighted as critical for context, cultural fit and implementation, with physical visits producing more tailored and actionable outputs than purely remote support. - There is a clear need for simple, standard, but adaptable tools: step-by-step roadmaps from pilot to scale, shared templates and libraries, scenario-based financial models, and standard data-room structures that reduce duplication and transaction costs for both grantees and investors. - Fellows and grantees both asked for stronger peer learning and mentorship: thematic clusters for fellows, grantee-to-grantee exchanges, co-mentors with policy/market/technical expertise, structured orientation, continuity across cohorts and proper handover processes. - To better connect TA, financing and long-term sustainability, AFCIA 2 should help organisations shift from philanthropic NGO mindsets to revenue-generating social enterprises, build simple durable data/reporting systems (potentially supported by AI/automation), diversify revenue streams, and integrate governance strengthening and clearer career/visibility pathways for fellows.
Academia Partners (Professors – University of Oxford, University of Cape Town)	- Academic stakeholders see big untapped value in MSc/MBA fellows, but only if there is a dedicated "bridge" role that co-creates problem statements with grantees, turns them into clear briefs for students, and then ensures outputs are implemented rather than parked. - Grantees currently spend a lot of time explaining their context from scratch; short project videos, concise written cases and clear problem statements, prepared in advance, would let students arrive better oriented and free up time for real support. - Matching should be much more intentional: projects classified by primary need (finance, marketing, carbon/MRV, governance, etc.), students selected for relevant skills and interests, and early three-way alignment calls (grantee–student–programme) to agree scope, expectations and limits. Rather than only creating new tools, future student cohorts should help refine and implement existing tools, supported by stronger handover, shared repositories and staggered cohorts that build on each other's work over multiple years. - Knowledge and data management is a core bottleneck: organised folders, accessible documentation and common toolsets are essential if multiple cohorts are to work on the same organisations and if insights are to feed back into programme design and monitering, evaluation and learning. - For monitoring and quality assurance, self-reported grantee narratives and financials need to be complemented by light external evaluations, simple standardised Monitoring and Evaluation tools, and student projects that validate reported results in the field, with impact/ESG certifications or simplified "impact audits" used as higher-level quality signals where feasible.
Global Resilence Partnership	- Catalytic facilities like AFCIA create the most value when treated as structured learning engines rather than simple grant windows, using cohort-based cycles to surface what works, why, and under which conditions.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	- The biggest barrier to evaluating early-stage adaptation solutions is limited time and support to deeply understand the underlying problem and local context; once this clarity is achieved, assessing solution–fit becomes significantly easier. - The diversity of adaptation ventures—from tech-enabled tools to deeply community-rooted initiatives—requires experienced, hands-on mentors who can help organisations articulate the real problem and sharpen their models, rather than relying solely on generic TA or student projects. - The integrated package of grants, tailored technical assistance and intentional learning cycles is a clear strength; neither grants nor TA alone are sufficient without a strong learning loop that improves programme design over time. - Investor alignment depends as much on educating investors as preparing ventures; many capital providers struggle to clearly articulate expectations, so programmes need to shape investor understanding while maintaining a disciplined impact–scalability lens. - A persistent gap exists between proof of concept and early commercial viability; meaningful follow-on funding often takes several years, implying that AFCIA 2 should plan for longer-term support pathways rather than short project cycles. - For funders, the critical proof point remains evidence that “the model works”: credible resilience outcomes, combined with a business or community engine that generates more value than it costs and can be scaled or replicated. - Strong, science-informed resilience measurement is essential: starting from a clear conceptualisation of resilience, then using mixed methods and systematic field engagement to understand community-level effects and feed back into programme design.

Future Stakeholder Consultations and Detailed Risk Assessments

As the project progresses at the implementation stage, further consultations will be conducted at the grantee level and specific project sites, once specific grantees and interventions are identified through the global open calls for proposals. These consultations will focus on localized engagement across diverse geographical and cultural contexts, particularly with vulnerable groups, women, Indigenous Peoples, and vulnerable communities, ensuring that interventions are tailored to the specific needs and priorities of the communities they aim to serve.

Grantee-level consultation approaches will be adapted to local contexts, languages, and cultural practices, utilizing participatory methods that enable meaningful engagement of all stakeholders, including those who may face barriers to participation due to literacy, mobility, language, or other factors. Consultations will be consistent with the principle of Free, Prior and Informed Consent (FPIC). Detailed stakeholder meeting summaries, responses to stakeholder comments, and stakeholder engagement plans will be included in the application forms and made available in locally appropriate formats and languages where feasible.

Additionally, context-specific risk assessments, gender action plans, and environmental and social management plans will be further developed in more detailed and refined, in consultation with affected communities and disclosed in accordance with the Adaptation Fund's policies and UNDP's Social and Environmental Standards, ensuring the safeguarding of vulnerable groups across all participating countries.

This consultative process ensures that the voices of all stakeholders, particularly vulnerable groups and those historically excluded from decision-making processes, are actively heard and incorporated into the project's design and implementation across diverse regional contexts. The phased approach allows for continuous learning, adaptation, and responsiveness to emerging challenges and opportunities, ensuring that the project remains aligned with the principles of the Adaptation Fund's Environmental and Social Policy and Gender Policy throughout its lifecycle.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Annex 6b. Stakeholder Engagement Plan During the implementation Phase, presents a high level workplan for future consultations, with an estimated timeline and the means to be utilized for the consultations (e.g. who will carry the consultations, how, and when).

K. Describe how the project/programme draws on multiple perspectives on innovation from e.g., communities that are vulnerable to climate change, research organizations, or other partners in the innovation space, in the context in which the project/programme would take place.

Incorporating Diverse Perspectives on Innovation from Different Stakeholders

The project draws on multiple perspectives on innovation by actively engaging a diverse range of stakeholders across participating countries, including local communities, research organizations, academic institutions, and development partners. Building on learnings and best practices from AFCIA 1, the project incorporates proven approaches while adapting them to new geographical and cultural contexts.

Communities most affected by climate change—including Indigenous Peoples, local communities, marginalized groups, women, youth, persons with disabilities, rural and remote populations, small-scale farmers, and urban informal settlement residents—are central to the project's innovation process, as they bring valuable lived experiences and unique insights into context-specific adaptation challenges. Their participation ensures that the solutions developed are culturally appropriate, contextually relevant, and grounded in the real-world needs of those who are most impacted by climate change across diverse global settings.

In addition to local and traditional knowledge systems, the project incorporates expertise from research organizations, academic institutions, and think tanks, whose findings help shape the technical and scientific aspects of the adaptation solutions. These research entities provide evidence-based approaches, innovative methodologies, and a deeper understanding of regional and global climate trends, which are crucial for developing scalable and sustainable solutions that can be adapted across different contexts.

The project also benefits from the MBA Fellowship Programme, which connects EMBA/MBA students from leading global business schools with grantees participating in the AFCIA 2 project. Drawing on experience from the previous phase, this programme has been refined to better match student expertise with grantee needs and to provide culturally sensitive mentorship. These students provide valuable expertise in business strategy, financial planning, market analysis, and scaling pathways, helping to refine and strengthen the business models of local organizations. By integrating academic insights with local adaptation efforts, the MBA Fellowship Programme ensures that innovative solutions are not only technically feasible but also financially sustainable and scalable across different economic contexts.

The project will continue to collaborate with the UNDP Country Offices and as an extension, with their national innovation ecosystems, regional climate centers, private sector partners, impact investors, non-profits, social enterprises, and networks of local adaptation practitioners across multiple regions. Drawing on lessons learned from the AFCIA 1 regarding effective partnership models and knowledge exchange mechanisms, the project fosters a multi-stakeholder environment that spans diverse geographical, economic, and cultural contexts. Through AIM, AFCIA 1 harnessed a broad network of technical and strategic partners, including ICCCAD, CDKN, LUCCC, GRP, Climate KIC, and UNCDF, to support its work and collaborated with impact investment networks like AVPN, AVPA, and Latimpacto to build private sector finance capacity in Asia Pacific, Africa and Latin America and the Caribbean.

As part of the development of this proposal, the above mentioned partners have also provided inputs through a series of consultations. By integrating diverse perspectives from across these sectors and regions, the project ensures that adaptation solutions are not only innovative but also feasible, scalable, and adaptable to the changing realities of different countries and communities.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

This approach encourages cross-pollination of ideas across borders and sectors, strengthens South-South, South-North and triangular cooperation, and enhances the project's ability to identify and implement effective, locally driven, and globally informed climate adaptation strategies. The project establishes peer learning networks and knowledge exchange platforms that enable grantees from different regions to share experiences, challenges, and innovations, building on the successful knowledge-sharing mechanisms piloted in the previous phase.

Through this inclusive and globally informed process, the supported solutions not only address the immediate needs of vulnerable communities but also contribute to the broader global climate resilience agenda, fostering long-term sustainability, innovation, and transformative change across participating countries and regions.

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

Justification for Funding Requested: Addressing the Full Cost of Climate Adaptation

When it comes to climate resilience, the economics are clear: acting early is far cheaper than responding late. The cost of rebuilding after extreme weather events is often several times higher than the cost of investing in adaptive measures beforehand. According to the Global Commission on Adaptation, investing $1.8 trillion in climate adaptation globally between 2020 and 2030 could generate $7.1 trillion in total net benefits, a return of nearly 4 to 1[188]. For vulnerable communities already on the frontlines of climate disruption, even modest improvements in preparedness can significantly reduce future fiscal, social, and environmental burdens. AFCIA 2 presents a timely opportunity to direct resources toward locally led solutions that offer far greater returns than waiting to pick up the pieces after disaster strikes.

AFCIA 2 has been designed to extend well beyond the scope of a standard grant initiative, but instead aims to act as a transformational mechanism. The funding request represents the comprehensive cost of generating adaptation impact through using a pipeline model strengthening and validating context-specific, growth-stage solutions, and positioning them for scale, investment and policy uptake. This approach is essential to closing the adaptation gap not only in volume, but in structure, equity and long-term impact.

Ensuring Sustainability of Project Outcomes in the Design Process

188 Global Commission on Adaptation Report ADAPT NOW: A GLOBAL CALL FOR LEADERSHIP ON CLIMATE RESILIENCE #AdaptOurWorld. (2019). page 3.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

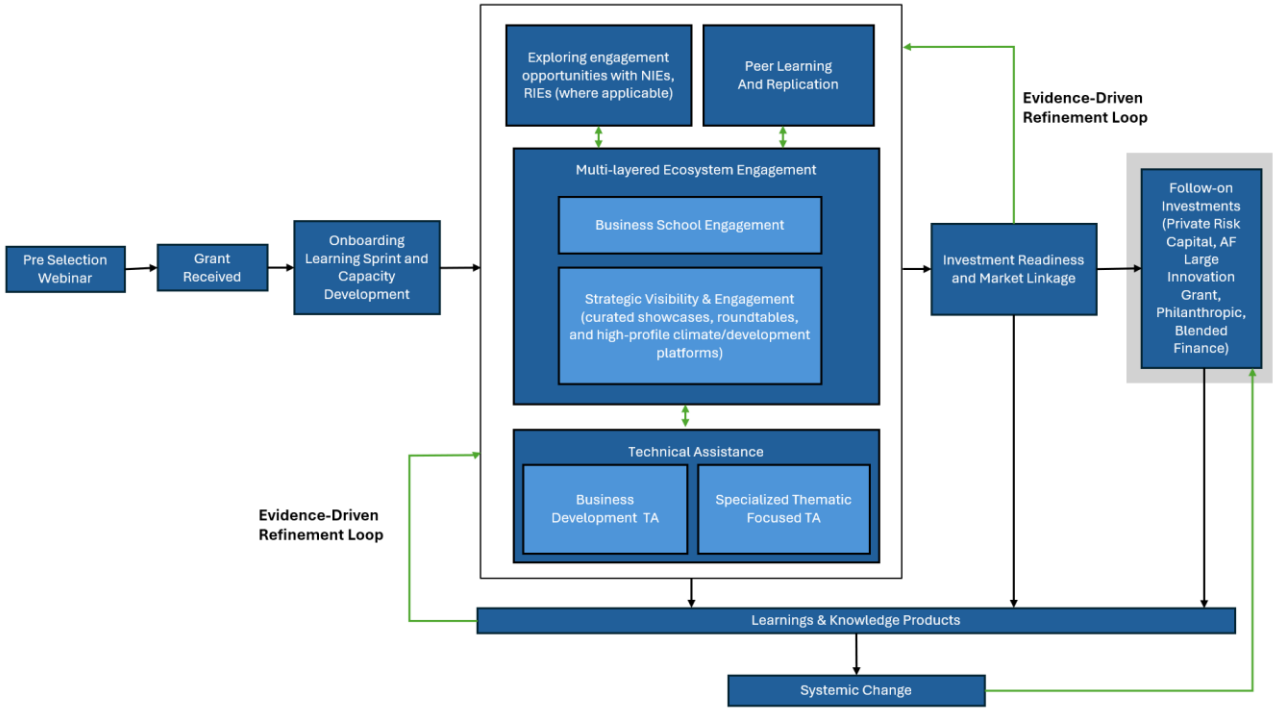


Figure 3: AFCIA 2's approach to sustaining grantee outcomes

Long-term dependence on grants is a significant risk for climate resilience initiatives, particularly those implemented by NGOs, CSOs and hybrid organizations, due to a lack of availability in follow-on funding. This is compounded by other structural vulnerabilities that due to their nature, are often felt more by local, smaller projects, including weak financial management systems and unclear unit economics; exposure to foreign exchange losses for models reliant on imported inputs; over-reliance on a small number of buyers or suppliers; policy and public-procurement delays; fragile supply chains; and the absence of a clear, time-bound sustainability or transition plans.

Long-term sustainability is a core pillar of the AFCIA 2 design, helping to shift local innovative projects from being grant reliant, to more self-sustaining and market friendly business models. This helps ensure that AFCIA 2 is an effective catalyst for durable, scalable climate resilience. The project "doubles-down" on sustainability from the outset by integrating forward-looking sustainability planning, strengthened financial governance, and deliberate, targeted support for institutional and organisational development.

Finally, AFCIA 2 seeks to extend the boundaries of a grant provider, to learn from lessons gained in AFCIA 1, and also to respond to system dynamics that place increasing pressure on the concessional funders to be even more innovative, catalytic and effective in the use of grant finance. Therefore, AFCIA 2 will consider the unlocking role of a grant provider within this lens, and will necessarily cascade this dual role (bridge between grant/development and the private sector) down to its local grantees (NGOs and CSOs that are aiming to scale into market friendly solutions). The sustainability strategy and expected outcomes will therefore reflect the duality of the funding landscape. Figure 3 illustrates AFCIA 2's end-to-end approach to sustaining grantee outcomes beyond the grant period, by combining tailored technical assistance and ecosystem engagement with structured investment readiness and market linkage. The approach is designed not only to strengthen each grantee's organizational and financial capacity, but also to translate implementation evidence into replicable learning and knowledge products that inform broader practice.

Crucially, AFCIA 2 positions these learnings as an enabling mechanism for system-level change—shaping how private and institutional capital identifies, assesses, and engages with climate adaptation innovations.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Through the evidence-driven refinement loops shown in Figure 3, lessons from delivery are continuously fed back into programme support and market engagement, improving the quality of the investment pipeline and reducing friction for follow-on financing (including DFI, impact, philanthropic, and blended finance pathways).

The AFCIA 2 will ensure the sustainability of project outcomes using the following approaches:

Sustainability of project outcomes: AFCIA 2 will help communities adopt and sustain their initiatives over time beyond the life of the project through drawing on the strengths of locally led adaptation by focusing on community ownership and employing flexibility with the project to respond to local needs.

Through flexible programming, the use of community-defined indicators shall help to foster local ownership, creating more relevant, effective and impactful solutions for the local context

Fostering relationships with innovative partners, while aiding in the testing and refinement of solutions as part of the innovation and learning process to ensure the long-term effectiveness, resilience and sustainability of solutions.

To support the transition from testing to replication and scaling, AFCIA 2 will provide sequenced, hands-on support that enables successful grantee solutions to validate their models, strengthen the evidence base, and develop replicable approaches. This will allow innovations that have demonstrated results in one context to be adapted and applied across new geographic and sectoral settings, expanding their reach and impact.

Policy and institutional mechanisms will further sustain innovation ecosystems beyond the programme's lifetime. By ensuring alignment with NAPs, NDCs, TNAs and TAPs, facilitating engagement with NIEs (where applicable), and connecting innovators to public-sector pipelines, AFCIA 2 will help embed validated models into long-term national systems. As indicated before, through AIM and the AFCIA Partnership platforms and mechanisms, and UNDP’s existing networks of multiple stakeholders (including governments, investors and knowledge partners), the AFCIA 2grantees will continue to access, adopt, and scale proven models long after project closure.

Impact on the grantee: **Capacity Building for Institutional and Financial Sustainability:**
AFCIA 2 places sustainability at the core of its support model, aiming to ensure that climate resilience initiatives are impactful in the short term and structurally equipped to endure, grow, and mobilise resources beyond the grant period. The project adopts a capacity-building approach that seeks to embed practical systems, sound financial governance, and disciplined sustainability planning from the outset. This ensures that grantees develop the institutional strength, financial resilience, and strategic clarity required to sustain and scale their impact over time. To translate this vision into practice, AFCIA 2 establishes clear sustainability requirements and provides structured support to help grantees meet them. The following elements ensure that partners build strong foundations for long-term institutional and financial resilience:

a. **Upfront Sustainability Planning and Financial Integrity**: All successful grantees must have shown a clear and credible pathway for technical, financial, and operational sustainability. including evidence of either potential co-financing or self-sustainability, a fundraising strategy, and identification of relevant long-term partners. Furthermore, financial integrity and institutional transparency are ensured through strict compliance with UNDP’s financial management regulations. Financial audits will be conducted in accordance with UNDP Programme and Project Management Policies, ensuring the institutional trust necessary for future investment.

b. **Mandatory Exit Strategy and Risk Mitigation**: An exit strategy and risk mitigation strategy will be required for each grantee. In this context, the exit strategy is a pre-defined plan outlining how the grantee will achieve full or partial financial and operational independence and sustained impact after AFCIA 2 support ends, focusing on clear pathways for scaling and securing subsequent funding (from either public or private sources). This requirement ensures that the support provided to each grantee leads to long-term self-reliance; this transition is actively supported by dedicated technical assistance

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

that guides the grantees toward their best position to secure follow-on capital and achieve self-sustainability and reliance. Identified risks will be fully integrated into the TA support to develop and implement proactive mitigation strategies. AFCIA 2 will support grantees operating under a purely NGO/CSO model to transition toward a hybrid structure (non-profit plus social enterprise spin-offs). This model has been proven to enhance long-term sustainability and create a crucial pathway for attracting private risk capital, as successfully demonstrated by SAMPLE Uganda Aquaculture Association, AFCIA 1 grantee. AFCIA 2 grantees will also support few MSMEs through innovation challenges or grants, as a main differential to AFCIA 1 (which only focused on NGOs and CSOs).

Strengthening the Feedback Loop: AFCIA 2 reinforces a culture of accountability, adaptive learning, and continuous performance improvement across its portfolio. By embedding structured feedback mechanisms, the project ensures grantees evolve into stronger, more resilient and investment-ready organisations over time. More information can be found in section I of the proposal.

Failure Learning Protocol: AFCIA 2 will establish a safe mechanism for grantees to confidentially share lessons from technical setbacks, market rejections, or unsuccessful pilots. Insights gathered through this Failure Learning Protocol will be anonymised and synthesised into practical guidance for the entire portfolio, accelerating collective learning and enabling rapid course-correction. This approach fosters a culture of transparency, innovation, and adaptive management—ensuring that challenges become shared assets rather than isolated setbacks.

Multi-layered Ecosystem Engagement for Long-Term Systemic Change: MBA Fellowship Programme and AFCIA 2's engagement with leading GNAM business schools and with broader innovation ecosystems will further enhance sustainability by facilitating continuous cross-sector collaboration and the showcasing of successful scaling. This is particularly important for the catalysing and influencing of currently unlocked capital: many funders have the desire to invest in resilience, but lack the pathways, knowledge and importantly the successful case studies and examples on how to do this. AFCIA 2 aims to support in this bridging in several ways:

a. **Safe Space and Knowledge Dissemination to interested funders:** Universities provide a safe space for dialogues and discussions around climate resilience models that might be too sensitive or nascent for public policy debate, accelerating idea refinement. They also act as a channel to spread the word and conduct research on scaling mechanisms.

b. **Building Future Levers of Change:** Through AFCIA 2, EMBA/ MBA fellows gain hands-on exposure to locally led adaptation models, community priorities, and the practical realities of delivering climate resilience on the ground, The AFCIA 2 MBA Fellowship Program allows them to take this learning into their places of work and influence, to better assign and allocate capital based on a more nuanced and deeper grasp of local adaptation.

- **Pathways to Scaling Up**: Securing the Systemic Foothold to Scale AFCIA 2 goes beyond strengthening individual organisations and enterprises—it embeds locally led innovations into the wider policy, market, and institutional systems needed for long-term scale and durability (Figure 4 illustrates the ecosystem linkages). PMU, in coordination with UNDP Country Offices will support the identification and assessment of potential scaling pathways at local, regional, and global levels. This will include context-specific ecosystem mapping and, where relevant, engagement with national institutions such as Designated Authorities (DAs), National Implementing Entities (NIEs), alongside other public, private, and development partners, to inform opportunities for scaling and sustainability. AFCIA 2 supports grantees to secure legitimacy, demand, and integration into national adaptation, innovation and financial priorities, while also preparing their leadership to manage growth and navigate complex ecosystems.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

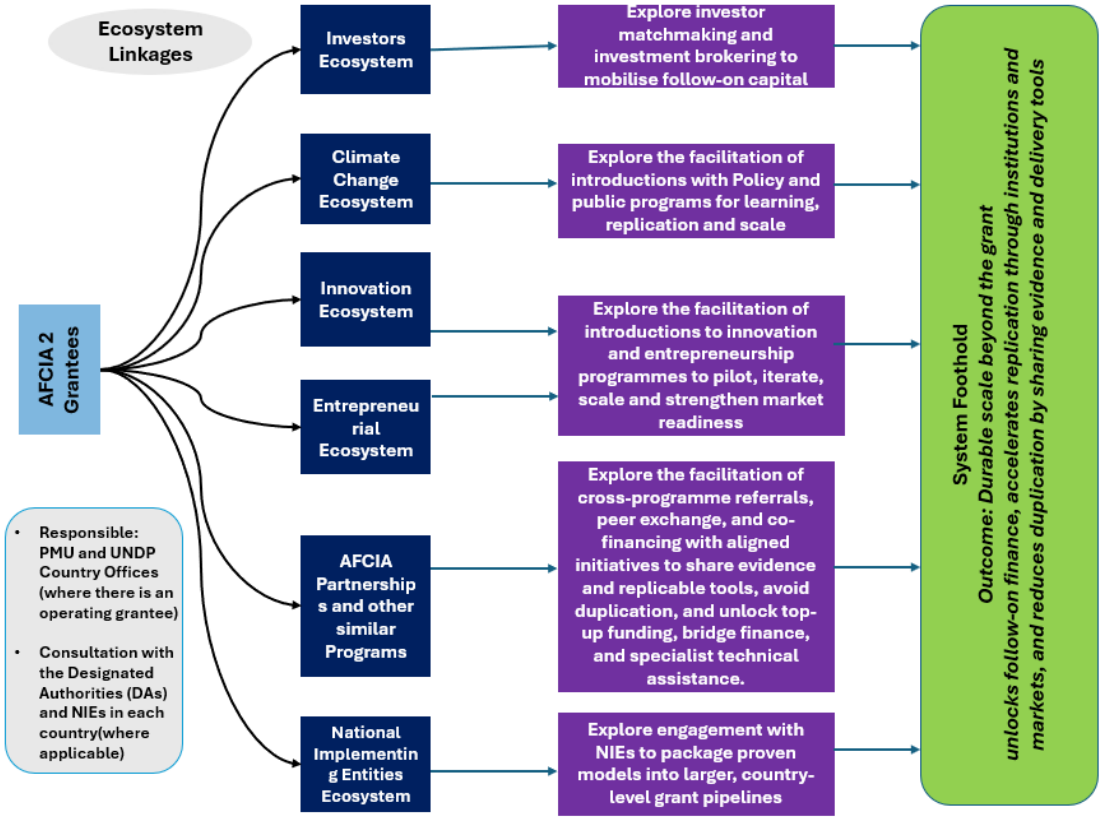


Figure 4: Ecosystem Mapping for Scaling Pathways

a. **Identifying the "right" enabling environments:** AFCIA 2 prioritizes early alignment with national and regional climate adaptation priorities, ensuring solutions are not developed in isolation but aligned with relevant policy and institutional frameworks. Working closely with UNDP Country Offices and their associated adaptation, innovation, entrepreneurship and climate finance ecosystem actors, AFCIA 2 will explore ways to transition successful models from "project status" into broader public or private sector, through learning and information-sharing processes. This could be done, for example, by documenting in detail and showcasing successful grantee case studies that scaled or replicated thanks to appropriate enabling environments in a particular country.

b. **Engagements with National Implementing Entities (NIEs):** As another pathway for scaling up, AFCIA 2 will actively work on identifying and supporting engagements between NIEs and grantees. Building on the partnerships and lessons from AFCIA 1 and other multilateral agencies implementing the AFCIA Partnership and other AF-Innovation or LLA Grants, the project will also explore opportunities to aggregate promising solutions and pursue engagements with NIEs for larger, country-level grants to help unlock further resources from the Adaptation Fund or other potential funding sources. Where innovations demonstrate strong performance and clear potential for scale, AFCIA 2 will *selectively* operationalize engagements with relevant National Implementing Entities (NIEs through a structured and time-bound process facilitated by the PMU in collaboration with UNDP Country Offices). During the final year of the grant implementation cycle, the PMU may identify a small number of scale-ready

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

innovations and, on an indicative basis, support initial dialogue between grantees and interested NIEs. Subject to mutual interest and alignment with NIE priorities and Adaptation Fund programming cycles, this support may include facilitating exploratory discussions, sharing lessons and evidence generated, and providing light-touch assistance toward the development of concept ideas or potential integration into existing or pipeline projects. This piloting approach ensures that successful innovations are anchored within national and Adaptation Fund delivery mechanisms, thereby strengthening the long-term sustainability and scaling potential of programme outcomes beyond the duration of the small grants. These engagements will be intended to strengthen learning, readiness, and visibility of high-potential solutions, rather than to predetermine specific scaling or financing outcomes.

c. **Investment Readiness and Market Linkage:** As illustrated in Figure 5, AFCIA 2 embeds investment readiness and market linkage within the broader technical assistance (TA) pathway to help grantees scale. AFCIA 2 will provide tailored brokering and facilitation of connections with Development Finance Institutions (DFIs), impact investors, and other relevant financial actors, helping to showcase grantees and support their transition from grant reliance to more diversified funding pathways.

Investment readiness will be accelerated through targeted, hands-on TA that strengthens the practical capabilities required to engage confidently with external capital providers—such as business model refinement, governance and operational readiness, financial management and reporting, impact evidence and results articulation, and investor-facing materials. This support aims to “exit” the grantees with high-quality skillsets, as well as financial and organizational documentation that enables them to meet and withstand rigorous investor due diligence processes of a range of funders.

At the mid-point of the TA phase, the PMU will undertake a structured maturity and readiness assessment to segment grantees into one of three pathways (Figure 4), enabling differentiated support that is fit for purpose and appropriate to grantee life stage, and the most viable route to follow-on resources:

- Category 1 – Market-ready innovations: demonstrated demand and revenue or cost recovery, with a market-facing delivery model in place and readiness for follow-on capital.
- Category 2 – Scale-ready innovations: a credible pathway towards partial cost recovery, but requiring additional technical and/or financial support to scale and qualify for market-ready investment.
- Category 3 – Public-good anchored innovations: high social returns with limited monetisation potential, yet essential context-specific solutions that are best sustained through public finance and grant-based mechanisms.

This segmentation will directly shape the PMU’s follow-on TA and investment brokering approach. Category 1 will receive targeted introductions and deal support with private and commercial financiers (including blended finance facilities and larger grant windows). Category 2 will be prioritized for intensified TA alongside linkages to concessional and blended finance options and small-to-medium grant pipelines. Category 3 will be supported through tailored capacity building, strategic visibility, and linkage to public funding channels and institutional adoption pathways. Overall, by matching support to readiness (Figure 5), AFCIA 2 strengthens the investable pipeline, reduces transaction costs for both innovators and financiers, and increases the likelihood that proven solutions transition beyond grant dependency ensures long-term sustainability and sustained scale.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

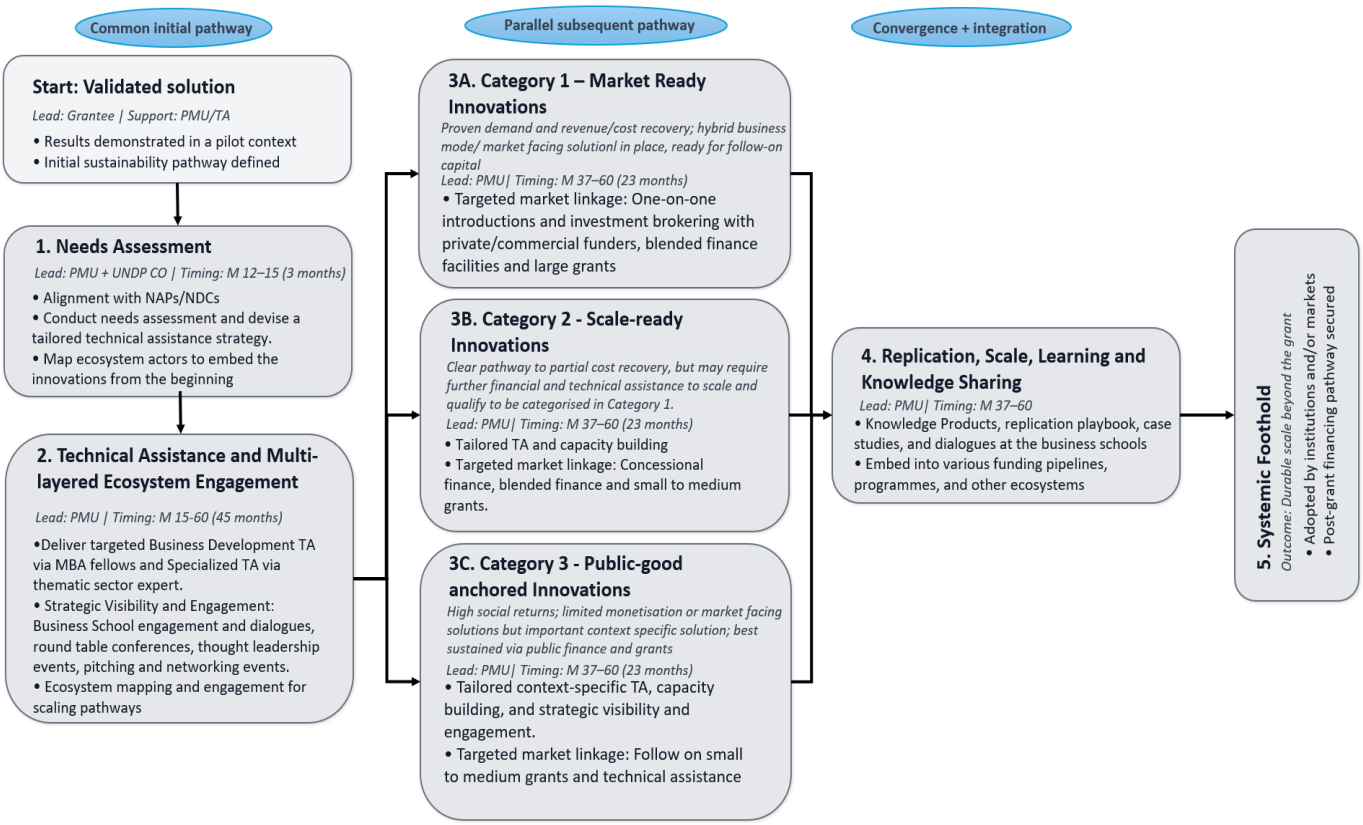


Figure 5: Scaling Pathways: Investment readiness operational flow

d. **Operational Longevity through Organizational Capacity Building:** Long-term sustainability is supported by ensuring the leadership team can effectively scale the organization itself. AFCIA 2's expanded TA, through its relationship with business schools, will focus on strengthening the executive board's ca

e. Capacity to manage rapid growth, specifically aiding in the implementation of hybrid governance structures. This includes supporting the leadership in developing internal structures for talent retention and succession planning around key operational and financial roles, securing the organization's future capacity.

By combining upfront sustainability planning, rigorous financial governance, and targeted post-grant support throughout the grant window, AFCIA 2 ensures that the innovations it funds are not one-off interventions but catalysts for long-term, scalable climate resilience.

AFCIA 2 is not just a grant project; it is a transformation mechanism. It addresses the full cost of adaptation by integrating capital, capacity, and connectivity. Without this intervention, high-impact innovations, especially from marginalised actors, will remain underdeveloped and invisible to financiers and policymakers. The USD 15 million request reflects the full cost of delivering adaptation impact through a pipeline approach: from strengthening and validating context-specific, growth-stage solutions to positioning them for scale, investment, and policy integration. This is the only viable way to close the adaptation gap, not just in volume, but in structure, equity, and impact.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Alignment and collaboration with NIEs, RIEs and MIEs: As outlined under the project components, AFCIA 2 will organize innovation showcases, solution fairs, regional dialogues and investment roundtables, and will generate knowledge and communication products that will be shared with MIEs, RIEs and NIEs (as applicable) through AFCIA collaboration and coordination mechanisms led by the UNEP-CTCN Coordination Project. These efforts will elevate grantee solutions across global and regional platforms—including the AFCIA coordination platform—expand their visibility within the wider AFCIA ecosystem, and strengthen pathways for integration into national systems and policy processes.

This multi-layered collaboration across different entities working in the innovation for adaptation space, will serve as a strategic catalyst for embedding tested innovations into policy frameworks and investment pipelines, ultimately magnifying the programme's contribution to long-term, systemic climate resilience.

Connection and synergies with appropriate innovation, adaptation and financing national ecosystems:

In addition, AFCIA 2 will reinforce long-term sustainability by strengthening deliberate connections and synergies with appropriate national innovation, adaptation, and financing ecosystems. The programme will work closely with UNDP Country Offices, Small Grants Programme (SGP) Coordinators through "national support focal points" to ensure that grantees are effectively positioned within the institutional and market environments most relevant to their growth. These focal points will play a catalytic role in guiding grantees toward national platforms, networks, and financing pathways that extend beyond the project's lifecycle. At the local level, AFCIA 2 will foster linkages with community structures, cooperatives, local authorities, and civil-society partners to ensure that project learnings, evidence, and tested models inform broader government-supported programmes and can be absorbed into ongoing initiatives. By embedding grantees within these interconnected ecosystems, AFCIA 2 strengthens the prospects for replication, enhances demand for successful solutions, and supports their transition into durable, nationally anchored adaptation and innovation pathways.

M. Provide an overview of the environmental and social impact and risk screening process that will be put in place for the subgrant project.

Overview of Environmental and Social Impact and Risk Screening Process

As the specific small-grant activities under AFCIA 2 will be identified only during implementation, all sub-grants will be treated as Unidentified Sub-Projects (USPs) in line with the Adaptation Fund's *Updated Guidance for Implementing Entities on the Use of USPs*. The project has developed an Environmental and Social Management Framework (ESMF) and uses UNDP's Social and Environmental Screening Procedure (SESP) to operationalize the project-level Environmental and Social Management System (ESMS). These instruments define the procedures for screening, categorizing, approving, and monitoring all sub-projects once selected.

Screening and Categorization Process

Once a grant proposal is submitted, UNDP as Implementing and Executing Entity will apply the following steps:

1. **Initial Eligibility Screening:**
   Submissions are reviewed against AFCIA 2 eligibility criteria, including thematic relevance, innovation potential, and compliance with the Adaptation Fund's policies on safeguards and gender.

2. **Environmental and Social Screening (SESP):**
   Each USP will undergo a structured SESP screening to identify potential environmental and social risks. The results will assign the USP to a risk category (low/moderate/substantial/high) as per AF and UNDP standards.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

3. **Determination of Required Safeguard Instruments:**
   Grantees will be required to prepare simplified specific instruments (e.g., ESMP, Gender Action Plan, stakeholder engagement plan). Depending on the categorization, they may be required to develop more detailed and targeted risk mitigation frameworks, ESMPs, and GAPs, with technical support from the PMU and safeguard experts.

4. **Review and Approval:**
   The PMU reviews all safeguard instruments for quality and compliance before approving the USP. Higher-risk sub-projects will undergo an additional peer review and clearance by UNDP safeguard specialists.

Selection and approval mechanism of grants

A transparent, competitive, and inclusive selection process will be used, consisting of:

- **Open call for proposals**, with outreach to NGOs and CSOs working or led by women, youth, Indigenous Peoples, people with disabilities and other vulnerable groups. MSMEs will also be invited to apply for a smaller, specific windows of the AFCIA 2 call for proposals.
- **Clear evaluation criteria** published in advance (innovation potential, climate rationale, feasibility, Environmental and Social risk acceptability).
- **Independent review panel** comprising the AFCIA PMU, and the Gender and Safeguards specialist.
- **Approval thresholds** based on grant size and Environmental and Social Risk category, with upper moderate (e.g. Moderate risk with heightened impact likelihood, sensitivity, or migration complexity) proposals requiring additional clearance.
- **Onboarding Learning Sprint** which includes essential training on safeguards and gender-responsive approaches to enhance grantees' proposals before implementation.

Roles and Responsibilities

- **Implementing Entity (UNDP):**
  Leads Environmental and Social screening, provides technical support to grantees, approves categorization and safeguard instruments, ensures disclosure, and follows up with each grantee and ensures comprehensive reporting to the Adaptation Fund.

- **National Support Focal points (in UNDP Country Offices where there is an AFCIA grantee):**
  Facilitate outreach, support grantees in completing screening tools, support with specific aspects of implementation and troubleshooting, and flag any changes in risk profile.

- **Grantees:**
  Prepare required documentation (simplified SESP, ESMP, and GAAP formats to be provided by the AFCIA PMU), implement mitigation measures, and report on compliance.

Monitoring, Reporting, and Learning Across USPs

All USPs will be monitored through:

- **Periodic safeguard compliance checks** using tools in the ESMF
- **Site visits** by the AFCIA PMU or National Support Focal points (in UNDP Country Offices)
- **Annual reporting** on implementation of mitigation measures
- **Adaptive management**, updating safeguard plans as needed

The lessons that emerge from the environmental and social risk management across all projects will be documented and shared across the AFCIA network through regional learning events and knowledge products.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Overview of Environmental and Social Impacts and Risks Relevant to the Project

(further detailed in Annex 4)

While the project is expected to have mainly positive social and environmental impacts and integrates social and environmental standards in its design, a number of risks were identified as per UNDP's Social and Environmental Screening Procedure. As per UNDP's Social and Environmental Standards policy and the AF's Environmental and Social Policy, the principles outlined in the table below are triggered. Potential adverse social and environmental risks and impacts are few in number, limited in scale, largely reversible and can be identified with a reasonable degree of certainty and readily addressed through application of recognized good international practice, mitigation measures and stakeholder engagement during project design and implementation. The overall project risk category is Moderate as per UNDP's Social and Environmental Standards policy and B as per the AF's Environmental and Social Policy. A description of planned screenings, assessments and management measures is provided in the relevant sections of this document including the annexed Environmental and Social Management Framework.

Checklist of environmental and social principles	**No further assessment required for compliance**	**Potential impacts and risks – further assessment and management required for compliance**
Compliance with the Law *UNDP SES Accountability Principle*		Low risk: All supported activities will be required to comply with applicable domestic law and relevant international obligations. Compliance will be verified through UNDP's environmental and social screening process prior to grant award and will be embedded as an obligation in each grant agreement, with ongoing monitoring through grantee reporting and PMU oversight. Any activity that cannot demonstrate legal compliance will be redesigned, deferred, or excluded from support in line with the programme's screening and categorization procedures
Access and Equity *UNDP SES Human Rights Principle*		**Moderate risk** The project will operate in a broad range of socio-economic contexts and there is some risk of unequitable access to project benefits if grants are insufficiently screened for this risk. In response, all project-supported activities shall be screened in order to ensure that provide fair and equitable access to benefits in a manner that is inclusive for potentially affected populations, including marginalized individuals and persons with disabilities, and not exacerbate existing inequities, particularly with respect to marginalised or vulnerable people who live in extreme poverty or face disadvantage(s) that limit their choices and opportunities relative to others in society.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		Equal access to project benefits will be further promoted by requiring inclusive design, meaningful consultations, and transparent information sharing through grantee stakeholder engagement processes. Where access barriers are identified, grantees will be required to integrate practical mitigation measures into their implementation plans and budgets, and implementation will be monitored through reporting, spot checks where relevant, and the project-level grievance redress mechanism.
Marginalized and Vulnerable Groups *UNDP SES Human Rights Principle*		Moderate risk: The project may exclude potentially affected stakeholders, particularly marginalized groups, from fully participating in grant selection and decision-making processes. It is expected that this risk has a high probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector). This risk is partly managed through project design as all innovations supported by the project will be required to integrate gender-responsive and inclusive approaches, ensuring measurable benefits for vulnerable communities. Furthermore, all project-supported activities shall be screened to ensure that they do not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups. Where risks of potential risks to access and equity arise, the supported actions shall be required to: • identify potential impact of the proposed activities on the potentially affected individuals and groups, including those who have lesser access to its benefits and/or marginalised or vulnerable groups, • Identify practical measures that avoid, reduce or offset such adverse impacts, and • uphold the principles of accountability, inclusion, non-discrimination, and participation and increase the inclusion of potentially affected groups in decision-making processes that may impact them (consistent with the non-discrimination and equality human rights principle). The programme will prevent disproportionate adverse impacts on marginalized and vulnerable groups by integrating inclusion requirements into the grant screening and selection process and by requiring grantees to identify who may be excluded and how barriers will be addressed. Each supported action will be required to prepare customized stakeholder engagement arrangements and—where risks are identified—apply avoidance and mitigation measures that uphold non-

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		discrimination, participation, and equitable benefit sharing. These requirements will be reinforced through onboarding safeguards guidance and PMU quality assurance, with implementation tracked through periodic progress reporting and an accessible grievance mechanism designed to remove barriers to reporting and resolution for marginalized groups
Human Rights *UNDP SES Human Rights Principle*		Moderate risk: The project ensures the mainstreaming of a human-rights based approach and the Sustainable Development Goal (SDGs) commitment to “leave no one behind” through its design. By working with supporting NGOs/CSOs at local level on building resilience and finding innovative solutions for climate change adaptation; the project aims to increase the overall resilience and social and economic status for the communities and frequently excluded population groups. Small grants will be provided to NGOs/CSOs and community-based organizations involved with local environmental protection and poverty eradication activities; and/or climate change adaptation challenges that still require some level of experimentation to identify possible solutions. This project is a new way to develop climate change resilience at the local level. The expected overarching development outcome is innovation for effective, long-term adaptation to climate change accelerated promoted and enabled with particular emphasis on supporting vulnerable groups and gender equality. The human rights principle is still triggered out of precaution, as the project operates in a range of countries and sectors. In particular, there is a risk that if stakeholder engagement is not sufficiently inclusive, project activities could contribute to (exacerbating) conflicts among communities due to business expansion. In response, al project-supported activities shall be screened for potential Human Rights risks. Where related risks are identified, the project shall duly consider any such risks and assist the grant applicants in adequately addressing them based on standards set in international law or national law (whichever is more stringent). The programme will require transparent stakeholder engagement and disclosure so affected people can understand potential impacts and participate in decisions that affect them, and will maintain accessible grievance channels for project-affected people, including escalation pathways through UNDP’s accountability mechanisms where concerns are not resolved through the project GRM.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Gender Equity and Women's Empowerment *UNDP SES Gender Equality and Women's Empowerment Principle*		Moderate risk: The project is expected to have mainly positive effects on gender equity and women's empowerment. Still, it recognizes that if GAPs are insufficiently developed and/or implemented GAPs at grantee level, the grant recipient NGOs/CSOs may limit women's ability to use, develop and protect natural resources, taking into account different roles and positions given the employment choice and local culture. If this were to happen, the project could potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits through grant selection. In response, the project will work with grantees to integrate rigorous gender analysis to understand and meaningfully address the particular needs, priorities, structural and systemic barriers, status and roles of men and women in their business. The grantee will work with the project team to develop a business plan to advance gender equality and women's empowerment. All grantees must adhere to UNDP and AF policies and requirements on gender. Gender equality is imbedded in the project design, consultation, implementation, monitoring, reporting, and evaluation. The Grant committee will also ensure existing gender inequalities are not be exacerbated by any activities or innovative solutions of grantee. Overall, the project will provide technical assistance to potential grantees to expand their innovative solutions that could advance social and economic status for women; either from a business perspective of from their customers' perspective. Project-supported activities shall be screened to ensure that they are gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them. The project will (where relevant) promote women-led initiatives. To proactively manage and mitigate any potential gender-related risks, this project has embedded a robust gender-responsive strategy throughout the entire project cycle, from design and grantee selection to implementation and evaluation. This strategy ensures that project activities will not exacerbate existing gender inequalities but will instead actively advance gender equality and women's empowerment.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		Grantees will be required to integrate gender considerations into design, implementation, and monitoring, including through proportionate Gender Action Plans and gender-responsive stakeholder engagement, with technical guidance provided through onboarding and ongoing PMU support. Progress on gender commitments will be monitored through regular reporting and compliance review, and the grievance mechanism will be available to capture and address gender-related concerns safely and confidentially where needed. To proactively manage gender-related risks, a robust, gender-responsive strategy is embedded throughout the entire project cycle. The process begins with the Grant Committee, which will screen all potential activities to ensure they do not exacerbate existing gender inequalities but instead actively promote them. Upon selection, the project will provide grantees with technical assistance to integrate a rigorous gender analysis into their work. This analysis will identify the particular needs, priorities, and systemic barriers faced by both men and women. Based on this, each grantee will be required to develop a proportionate Gender Action Plan (GAP) to advance gender equality and women's empowerment. This process will be supported by dedicated technical guidance from the Project Management Unit (PMU), delivered through initial onboarding sessions and continuous support. Throughout implementation, these GAPs will guide efforts to ensure meaningful and equitable participation of all genders in decision-making. The goal is to ensure both women and men obtain comparable social and economic benefits from all supported actions, with a specific focus on promoting women-led initiatives where relevant. Progress on gender commitments will be systematically monitored through regular grantee reporting and compliance reviews, and all grantees must adhere to the gender policies of both the Adaptation Fund and UNDP. To ensure full accountability, the project's grievance mechanism will be available to all stakeholders to safely and confidentially capture and address any gender-related concerns.
Core Labour Rights *UNDP SES Standard 7 Labour and Working Conditions*		Moderate risk: Labour and working condition risks will be managed by requiring grantees to comply with national labour laws and core labour standards, including fair terms of employment, fair payment conditions, limited working hours and paid leave, clear employment terms, non-discrimination, abolition from child or forced labour, and

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		prevention of violence and harassment, including GBV. In response, all project-supported activities shall be screened for the potential labor risk violations. Likewise, occupational health and safety requirements will be integrated into screening and grant conditions. Still, there is a chance that NGOs/CSOs receiving grants would insufficiently implement and monitor occupational health and safety guidelines or human resource policies in line with national legislation and international standards. In that case, the grant recipient NGOs/CSOs might fail to comply with national and international good practices on Occupational Health and Safety for workers engaged in the project activities. In this scenario, employment with the NGOs/CSOs could pose a potential risk to health and safety of individuals employed by grantees during project implementation. Grantees will be expected to implement proportionate OHS measures and incident reporting procedures. Worker access to grievance channels will be ensured in line with UNDP guidance, and compliance will be monitored through reporting, oversight, and corrective actions where gaps are identified. Specifically the supported organizations will be required to: • Provide project workers with clear and understandable information on terms and conditions of their employment (e.g. payment in a timely manner, written notice of termination, and payment of all wages and benefits on termination, etc.). • Prevent and address violence, harassment, intimidation, or exploitation, including any form of gender-based violence. • Ensure that workers engaged have appropriate health and social insurance. Exclude unsafe working practices and implement relevant occupational health and safety measures, such as: • Provide workers with introductory job- focused safety trainings before starting work; training event is properly registered in the instructions' book. • Ensure that workers' protective equipment based on the local requirements and international good practice (e.g. hardhats, masks, safety glasses, harnesses, safety boots, etc.) • Make first aid kits available on site and fire-extinguisher easily accessible in all sections of the site. • Introduce appropriate signposting of the sites will

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		inform workers of key rules and regulations to follow. • Record and report health & safety incidents to UNDP.
Indigenous Peoples *UNDP SES Standard 6 Indigenous Peoples*		Moderate risk: It is highly likely that the project will affect Indigenous Peoples, either as grantees, customers of grantees or suppliers of grantees. This is expected to lead to positive outcomes for Indigenous Peoples, but could entail adverse outcomes if free, prior and informed consent processes are not duly followed. In that case, the project could lead to exclusion of Indigenous Peoples from fully participating in decisions that may affect their lands, natural resources, territories, traditional livelihoods, and cultural heritage, entailing inequitable or discriminatory impacts or their access to rights, resources and livelihoods; and/or lack of access to project benefits. In response, all project-supported activities shall be screened for potential risks to Indigenous Peoples. Where such risks are identified, the following measures shall be applied: • Undertake meaningful, inclusive, and culturally appropriate consultations with Indigenous Peoples, consistent with the principle of Free, Prior, and Informed Consent (FPIC), to ensure their effective participation in project design and implementation. • Identify and assess potential impacts on Indigenous Peoples' rights, lands, resources, cultural heritage, and traditional livelihoods. • Avoid adverse impacts where possible. Where avoidance is not possible, minimize, mitigate, or compensate for such impacts in a manner agreed upon with affected Indigenous Peoples. • Ensure Indigenous Peoples share equitably in project benefits, respecting their rights, dignity, and cultural identity. • Support Indigenous Peoples in strengthening their adaptive capacities and traditional knowledge systems relevant to climate resilience.
Involuntary Resettlement *UNDP SES Standard 5 Displacement and Resettlement*		Low risk: While likelihood is assessed to be low, there is some chance that grant recipient businesses and social enterprises expansion limit community access to land and/or natural resources. In that case, communities in the project area (including ethnic minorities) could face economic displacement, changes to land rights and/or restricted access to resources. All project-supported activities shall be screened for potential displacement risks. Where such risks would

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		arise, the actions seeking project support shall be required to conduct a dedicated due diligence of any displacement activities before they take place to: • Identify and assess any potential physical and economic displacement risks • Prohibit any forced evictions. • Include measures for avoiding, or, when avoidance is not possible, minimizing any potential displacement risks and their adverse social and economic impacts. • Consult the potentially affected stakeholders (with specific attention to poor and marginalized groups) on the proposed measures and opportunities for improving their living standards and the overall socioeconomic status through the project interventions. Any required design changes and mitigation measures, will be documented in project instruments prior to grant signature. Compliance will be monitored through PMU review and periodic reporting, and any emerging issues can be raised through the GRM for timely resolution.
Protection of Natural Habitats *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to habitats, e.g. associated with harvesting of natural forests or harvesting of fish populations or other aquatic species. Grantees might have business activities within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities. They may have business activities that result in secondary or consequential development activities which could lead to adverse environmental effects, or generate cumulative impacts with other known existing or planned activities in the area. All project-supported activities shall be screened for risks related to natural Habitats. They shall be generally required to: • as far as possible, conduct the proposed activities in areas where natural habitats have already been converted to other land uses or that have low value for biodiversity and ecosystem services, and low sensitivity to the anticipated impacts, • keep interventions in natural and semi-natural habitats to minimum in order not to disturb the existing flora and fauna, degrade the habitat and resident species populations • where possible avoid interventions that would

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		reduce ecological connectivity in the ecosystem (e.g. restricting the free movement of species between important habitats) or changes in the important ecosystem processes (e.g. hydrological regimes and nutrient flows) that support ecosystems and their services. • assess and manage the impacts of proposed interventions on critical, natural and modified habitats and their ecosystem services in accordance with the UNDP SES 1 requirements, • use cost-effective opportunities to enhance the existing habitats and ecosystem services as part of the proposed interventions. The exclusion list to prevent Substantial/High-risk activities will be applied. Supported actions will be required to prioritize work in already-modified or lower-sensitivity areas where feasible, minimize interventions in natural and semi-natural habitats, and avoid actions that reduce ecological connectivity or disrupt key ecosystem processes. Where habitat-related risks are identified, proportionate environmental management measures will be required and reviewed by the PMU prior to approval, with ongoing monitoring during implementation
Conservation of Biological Diversity *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to biological diversity, e.g. associated with introduction of invasive alien species or through promoting monoculture. All project-supported activities shall be screened for biodiversity risks. They shall be generally required to consider the presence of any endangered species and any potentially significant adverse impacts on their habitats, breeding grounds, free movement, and migration needs and will be optimised to ensure that they: • do not cause any reduction of any recognized Vulnerable, Endangered, or Critically Endangered species, • avoid adverse impacts on endemic species, restricted-range species, and migratory species, and • minimize unwarranted impacts on resident species populations. They shall also be required to: • not introduce species known to be invasive into new environments, • promote the use of native species or more resilient varieties of native species as a priority, and • use any potentially suitable alien species (e.g.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		climate resilient crop seed varieties) only if they were duly approved as posing no risks of potential invasive behaviour by the relevant authorities. Where biodiversity risks are present, measures will be reflected in management instruments and monitored through implementation reporting and oversight.
Climate Change *UNDP SES Standard 2 Climate Change and Disaster Risks*		Moderate risk: The project is expected to have a positive effect on adaptive capacity of communities and is not expected to pose significant risks related to climate change and disaster risks. Any risks are expected to be addressed through stakeholder engagement and good practices. It is recognized that grantees may propose activities: • within or adjacent to habitats that are especially sensitive to impacts of climate change, • that could cause GHG emissions, • that could positively or negatively affect the adaptive capacity of communities/community members to the effects of climate change. Potential impacts on communities will be mainly assessed and avoided through the required stakeholder engagement. Negative impacts on communities will be part of the grant-level screening. Furthermore, the supported actions shall be screened for any potential project-related increases in emissions that may exacerbate climate change, such as GHG emissions and black carbon emissions. Where any such risks would arise (e.g. the use of cooling systems), the action shall be asked to consider and adopt technically and financially feasible alternatives for reducing proposal-related greenhouse gas emissions. Such options may include, but are not limited to: • alternative project locations, • adoption of renewable or low-carbon energy sources, or energy efficiency measures • use of low-global-warming-potential coolants for air-conditioning and refrigeration, • promote climate-smart agricultural, forestry, and livestock management practices, and ecosystem-based adaptation and mitigation measures (including potential integration of carbon sinks). In parallel, the programme's risk management approach recognizes the operating context of climate vulnerability and therefore strengthens resilience through design requirements, technical assistance, and adaptive management, including updates to screening as grantees and locations are identified. Progress and emerging risks will be monitored through periodic reporting, and

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		mitigation measures adjusted where needed to maintain risk at acceptable levels.
Pollution Prevention and Resource Efficiency *UNDP SES Standard 8 Pollution Prevention and Resource Efficiency*		Low Risk: While impact and likelihood are assessed to be at the lower-moderate end, there is a chance that if NGOs/CSOs receiving grants are insufficiently informed of pollution/waste management risks and/or fail to identify appropriate management measures, activities could lead to pollution/inadequate waste management. The supported actions shall be screened for pollution prevention and resource efficiency risks. They will be required to avoid, minimize, and mitigate environmental and related public health risks associated with the potential release of pollutants in routine and non-routine circumstances in accordance with the national law and international best practices used in the region. Where risks of pollution release would arise, the project will: • require operators to conduct orientation training addressing relevant environmental and occupational health and safety issues prior commencement of the relevant operations, • conduct regular surveillance is conducted to avoid leaks, spills, incidents or accidents occurring during the use of equipment and during storage, • monitor, manage and remediate any chemical oil leaks or spills, and incidents/accidents occurring during the use of equipment and their effects, and undertake all necessary immediate actions to ensure they do not adversely affect water bodies/sources. Where the risks of inadequate waste management would arise, the supported actions shall be required to: • reduce the generation of any generated waste • separate waste at the source (where possible) • reuse waste in a manner that is safe for human health and the environment. • transport all waste that cannot be reused to an appropriate waste recovery-or-treatment facility that appropriately controls its emissions and residues in accordance with the national law and international best practices used in the region.
Public Health *UNDP SES Standard 3 Community Health, Safety and Security*		Moderate Risk *Project-supported activities are not expected to pose significant risks to community health, safety and security. However, if NGOs/CSOs receiving grants do not sufficiently implement and monitor occupational health and safety guidelines in line with national*

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		legislation and international standards, then project-funded activities may create certain health and safety risks or construction-related risks to communities. The supported actions shall be screened for public health and safety risks. They will be required to be designed, implemented, and operated in accordance with the national law and will also respect the following UNDP requirements for construction process management: • have design and management plans which were: i) prepared by suitably qualified and experienced professionals who are certified for such design process, and ii) cleared by the competent authorities for construction process management. Low-risk designs will require at least a peer-review by qualified professionals. • be constructed and operated by the experienced contractor(s) having relevant certifications and permits for the relevant works, • implement preventive/protective measures to avoid/minimize the relevant health and safety risks for the construction workers and the surrounding communities based on the national law and international good practice, and • be before the beginning of their actual use/operation approved (and where needed certified) by either competent authorities or independent professionals not involved in their design and construction. Where potential impacts on public health arise, the supported actions shall be required to: • use qualified health and safety experts to assess the risks to, and potential impacts on, the safety of affected communities during the project design, construction, operation, and decommissioning, • adopt preventive measures and plans to address any identified risks in a manner commensurate with their potential impacts based on good practices and standards used by the international organizations working in the region, • prepare, implement, and monitor emergency preparedness plans in collaboration with stakeholders and relevant authorities, where relevant, and require periodic safety inspections and monitoring, and report to UNDP should any issue be found.
Physical and Cultural Heritage *UNDP SES Standard 4 Cultural Heritage*		Moderate risk: NGOs/CSOs grantees will share their lessons learned in their innovative approach to climate change adaptation. This may include references to traditional knowledge. While the project itself will not commercialize traditional knowledge, UNDP is expected to act as a facilitator to find potential commercial investors to invest commercially

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		in scalable grantees. If Indigenous Peoples and/or local communities are not sufficiently engaged through the principles of free, prior, informed consent, commercialization of traditional knowledge without consent and/or agreed benefit-sharing and/or do not obtain an equitable share of benefits derived from any commercial development of their traditional knowledge, they would face adverse impacts. The supported actions shall be screened for risks related to cultural heritage. They will be required to: • comply with the local requirements for their protection and preservation and fully respect the requirements of the World Heritage Convention (if they might affect the World Heritage sites). • Where moderate risks arise, consult the relevant authorities and explore all viable and feasible alternatives for the reduction of these risks (including changes in the planned activities, in situ conservation and rehabilitation, etc.) to avoid, minimize, or offset such risks, and apply "chance finds" procedures and documentation practices consistent with recognized good practice. • Ensure that it does not lead to the destruction of unknown cultural heritage and follow national requirements and/or globally recognized good practices for field study, inventorying, and documentation of archaeological heritage Management measures will be documented in safeguard instruments where required, quality-assured by the PMU, and monitored through implementation reporting and grievance channels.
Lands and Soil Conservation *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: See risks of impacts on habitats. The supported actions shall be screened for risks related to impacts on lands and soil. They will be required to: • avoid conversion of productive lands or lands that provide valuable ecosystem services • avoid, and where avoidance is not possible, minimize adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity • adopt appropriate measures to ensure that the supported activities promote soil conservation support. They will also be used as a reference during the review process of the project application. Where land-based activities intersect with biodiversity-sensitive areas, the programme will apply the same mandatory screening criteria for sustainable natural

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		resource management, including requirements to minimize interventions in natural and semi-natural habitats, protect ecological connectivity and key ecosystem processes, and promote cost-effective enhancement of habitats and ecosystem services where relevant. Compliance will be verified through PMU safeguards clearance prior to signature and monitored through periodic reporting, with corrective actions required where needed to maintain soil and ecosystem service functions.

(Table 3: Overview of Environmental and Social Impacts and Risks Relevant to the Project)

PART III: IMPLEMENTATION ARRANGEMENTS

A.Describe the arrangements for project / programme management at the regional and multi-regional level, including coordination arrangements within countries and among them. Describe how the potential to partner with national institutions, and when possible, national implementing entities (NIEs), has been considered, and included in the management arrangements.

1. Project Management and Oversight Arrangements

1.1. UNDP as Implementing Entity (IE) and as Executing Entity (EE)

UNDP will serve as the Implementing Entity (IE) for AFCIA 2 bearing responsibility for the oversight of the project in full compliance with the AF and UNDP policies, regulations and procedures. UNDP shall ensure compliance with fiduciary, procurement, legal, gender, and safeguard standards throughout the project cycle, and will serve as the project assurance function within the project governance structure.

As a Multilateral Implementing Entity, UNDP provides also end-to-end project oversight services, including specialized technical advice through the Regional Technical Specialist (RTA) and Head of Climate Change Adaptation (PTA) for the executing team, financial, legal, safeguards and gender oversight services, the Mid-term evaluation (MTR)189, the Terminal Evaluation costs and the Baseline/Inception Report costs, allowing the project to fully comply with UNDP's rules and regulations and AF's policies and standards. These oversight services will be covered by the IE fee of 10%, permitted for Global Projects. The IE fee will also cover the oversight required for the preparation of the annual project reports and project evaluation reports, steering committee supervision meetings, and ensuring compliance with audit requirements. A detailed breakdown of the IE costs is presented in **Annex 8.**

UNDP shall also serve as the Executing Entity (EE) for this project, drawing upon the expertise and operational reach of global and regional teams, including UNDP´s Local Action Team, UNDP Innovation Facility, SDG Finance Hub, the five UNDP Regional Bureaus (for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and Central Asia) and will leverage as needed the existing network of over 150 country offices, to ensure alignment with national priorities, identify synergies and facilitate integration with

189 According to the Adaptation Fund Evaluation Framework "Projects and programmes that have more than four years of implementation will conduct a mid-term evaluation after completing the second year of implementation", which means that for AFCIA Phase 2 an MTR will be mandatory. Available: https://www.adaptation-fund.org/wp-content/uploads/2023/11/AFBEFC.318Add.8-09.15.23.pdf

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

existing adaptation, innovation and finance ecosystems. Building upon UNDP' s existing networks, the project will be structured to promote cross coordination across grantees, engagement with key stakeholders in country, to help foster knowledge sharing, peer learning, and the transfer of innovative practices across regions.

As the Executing Entity under the DIM modality, UNDP is directly responsible for the execution of the project. Thereby, the Project Execution Costs include expenditures to be incurred by UNDP directly in the provision of services related to operational and administrative support activities carried out. The global project proposal provides a detailed estimation and description of the project execution costs, at the level of 3% of the total project budget (kindly refer to **Annex 8**). While this exceeds the 1.5% cap set by the Adaptation Fund Board for initiatives implemented and executed by the same Implementing Entity, the request is made on an exceptional basis in line with item (b) iii of Decision B.38/42.

The higher execution costs are justified by the programmes´ operational requirements and covers essential administrative and project management support personnel needed to administer a large-scale, global project, with multiple grants and transactional services across numerous small organizations (NGOs/CSOs and MSMEs). Consequently, the operational burden is greater in ensuring robust coordination, transparency, and accountability. Operational demands are further heightened by the project's design, which necessitates the provision of support at both global, regional and national levels, as well as sustained engagement with community organizations across multiple countries. To ensure effective implementation, this structure requires operational and administrative backstopping, and real-time, in-country problem-solving all requiring a significant operational budget.

The higher execution costs ensure that project activities are implemented efficiently, accurately, and in compliance with operational standards, while remaining responsive to the specific needs of each grantee and maintaining sufficient flexibility to provide tailored support which may have greater implications for administrative and project management costs. This one-on-one dedicated administrative and operational support was one of the most valued characteristics during the implementation of UNDP-AFCIA 1 as expressed by the participating grantees, because it allowed them to conclude their LVGA´s implementation with following an adaptative management process throughout the process.

1.2. General Implementation Arrangements

As part of this project, UNDP shall establish a Global Project Management Unit (PMU) (Refer to Organigram below and in **Annex 10**) to serve as the central coordination and support hub that will directly execute the project using a global Direct Implementation Modality (DIM). The PMU will be in charge of project implementation, ensuring project coherence and providing comprehensive management support. The global PMU will be based in UNDP's Office in Bonn with key managerial and operational positions, to optimize cost-efficiency, facilitate engagement with stakeholders and support streamlined delivery across geographies. The PMU will be integrated by a Project Manager, a Finance and Operations Analyst, a Procurement Analyst, and a Project Associate as the core operational personnel to be placed in UNDP´s Bonn Office.

To support the achievement of the three Outcomes (1, 2, and 3), the project will draw on the expertise of specialized professionals across key technical and operational domains. The project will establish in-house technical expertise that will consist of specialists in Investment and Partnership Development, Grant Coordination and Data Analysis, Learning and Knowledge Management Coordinator, Communications, Business Development, Safeguards and Gender. This structure builds on the successful approach implemented under AFCIA 1.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

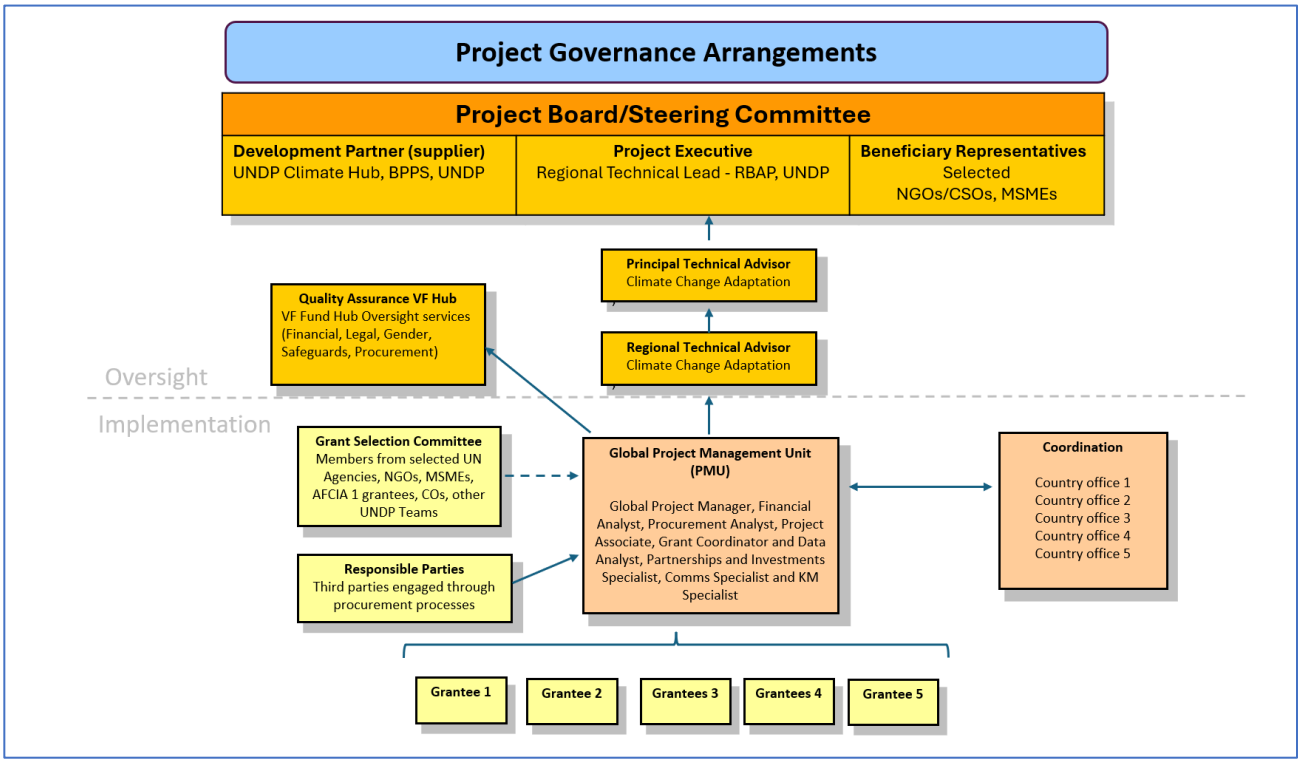


Figure 6 : Project Organigram

The experts will contribute directly to the delivery of each outcome:

- Outcome 1, selected experts will strengthen systems for identifying and supporting high-potential, locally led adaptation innovations.
- Outcome 2, they will facilitate investment readiness, foster strategic partnerships, and enhance integration into adaptation finance ecosystems;
- Outcome 3, they will ensure that evidence, lessons, and knowledge generated from implementation are effectively documented, communicated, and leveraged to inform replication, government programmes, and investment practices.

Due to the non-core operational nature of these roles, some positions may be home-based to optimize efficiency, minimize project overhead costs, and ensure cost-effective delivery of high-quality support to the project. This hybrid model of having key positions based in a selected duty station, plus remote specialists, proved to work well in AFCIA 1 and reduce costs.

UNDP will ensure consistent application of the project-level ESMS by using standardized screening tools, review procedures, and safeguard requirements outlined in the ESMF and SESP. A central registry of all approved USPs will be maintained by the Project Team, capturing screening outcomes, risk categorizations, required safeguard instruments, disclosure actions, and monitoring updates. To ensure quality and compliance, a dedicated Gender and Safeguard Expert will provide ongoing guidance to grantees. In addition, all selected innovations will participate in a tailored onboarding learning sprint, which includes essential training on monitoring, evaluation and reporting, gender-responsive approaches, and lite business development. The sprint serves as the primary entry point for establishing core operational disciplines across the portfolio, including articulation of a clear outcomes model, development of basic unit economics, and the early adoption

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

of systematic data-capture practices covering financial, operational, impact, and gender-related information.

As a Multilateral Implementing Entity, UNDP provides also end-to-end project oversight services, including specialized technical advice through the Regional Technical Specialist (RTA) and Head of Climate Change Adaptation (PTA) for the executing team, financial, legal, safeguards and gender oversight services, the Mid-term evaluation (MTR)[190], the Terminal Evaluation costs and the Baseline/Inception Report costs, allowing the project to fully comply with UNDP's rules and regulations and AF's policies and standards. These oversight services will be covered by the IE fee of 10%, permitted for Global Projects. The IE fee will also cover the oversight required for the preparation of the annual project reports and project evaluation reports, steering committee supervision meetings, and ensuring compliance with audit requirements. A detailed breakdown of the IE costs is presented in **Annex 8.**

2. Detailed Governance Arrangements, Roles and Responsibilities

a) Roles of the Project Management Unit (PMU)

The PMU will be responsible for day-to-day operations, overall management, ensuring project coherence, the preparation and implementation of work plans and annual audit plans; preparation and operation of budgets and budget revisions; disbursement and administration of funds; recruitment of national and international consultants and personnel; financial and progress reporting; and monitoring and evaluation.

Specific tasks of the PMU include:

- Procurement of goods and services, including human resources;
- Financial management and reporting, including ensuring that financial expenditures are aligned against project budgets;
- Approving and signing the multiyear work plan;
- Approving and signing the combined delivery report at the end of the year;
- Signing the financial report or the funding authorization and certificate of expenditures.:
- Manage the overall conduct of the project.
- Plan the activities of the project and monitor progress against the approved workplan.
- Execute activities by managing personnel, goods and services, training and low-value grants, including drafting terms of reference and work specifications, and overseeing all contractors' work.
- Monitor events as determined in the project monitoring plan, and update the plan as required.
- Provide support for completion of assessments required by UNDP, spot checks and audits.
- Manage requests for the provision of UNDP financial resources through funding advances, direct payments or reimbursement.
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports.
- Monitor progress, watch for plan deviations and make course corrections when needed within project board-agreed tolerances to achieve results.
- Ensure that changes are controlled and problems addressed.
- Ensure the communication and visbility plan is implemented accordingly.
- Perform regular progress reporting to the project board as agreed with the board, including measures to address challenges and opportunities.
- Prepare and submit financial reports to UNDP on a regular basis (milestone-bound).
- Manage and follow up the project risks – including social and environmental risks - initially identified and submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learned during project implementation.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- Prepare revisions to the multi-year workplan, as needed, as well as annual and quarterly plans if required.
- Prepare the inception report no later than one month after the inception workshop.
- Assess major and minor amendments to the project within the parameters set by UNDP & AF
- Monitor implementation plans including the gender action plan, stakeholder engagement plan, and any environmental and social management plans;
- Monitor and track progress against the donors' required result framework.
- Provide information as required by the MTR and TE Evaluation process, facilitate coordination of field visits and interviews as required.

b) Project Board

The Project Board is the governing body of the project. It is responsible for the overall strategic steering of the project activities. The Board takes corrective action as needed to ensure the project achieves the expected results. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition.

In case consensus cannot be reached within the Project Board, UNDP senior management (or their designated) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board include:

- Approve the TORs for the Governance Arrangements of the Project and the SOPs
- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Agree on project manager's tolerances as required, within the parameters set by UNDP and AF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP and AF;
- Ensure coordination with various government agencies and their participation in project activities;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
- Address project-level grievances when escalated at the Project Board level;
- Approve the project Inception Report, Mid Term Evaluation Report, Terminal Evaluation reports and corresponding management responses;
- Review the final project report package during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

c) Grant Selection Committee:

UNDP will invite 5 to 7 experts in fields that are relevant to this project to be part of the Grant Selection Committee. Grant Selection Committee member will be responsible for providing grant selection function and grantee implementation recommendation to the Project Board. In addition, the committee will be responsible for the selection of project grantees supported by the PMU (longlisting conducted by PMU, shortlisting and by Committee, final selection will be approved by the Project Board), provide guidance and suggestion to grant

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

selection criteria designed by the PMU. Final grantee recommendation and grant selection criteria will be submitted to Project Board for approval. Based on member's expertise, they will be providing advisory and guidance to grantees' acceleration plan; supported by the PMU, the experts will assist each individual grantees to provide guidance on business development, climate change risks planning, safeguard risks planning and gender mainstreaming (depends on the needs from each grantee). Performance will be tracked by the PMU and report back to committee for any actions/changes.

Members of grant selection committee will be nominated by the project board based on their specific technical expertise, provided however that:

- ✓ No individual or entity (including, if applicable, members of the technical advisory committee) shall be nominated to be part of the Grant Selection Committee for funding windows in which such individual or entity also intends to provide any technical assistance
- ✓ in relation to advising on or setting the grant award criteria and/or assessing proposals submitted in response to these funding windows
- ✓ Grant Selection Committee members cannot be an organization, be affiliated to an organization, or have ownership in an organization that might apply for a grant from the project. Grant Selection Committee member will meet virtually after a funding window is opened.

Specific responsibilities of the Grant Selection Committee include:

- Advise technical issues raised by the PMU in the selection process;
- Provide guidance and advise on member's area of expertise;
- Working with the project team and following instructions from the Project Board, advise on the final design of the grant selection criteria;
- Approve and select shortlisted grantees; provide recommendation the Project Board on the selected grantees;
- Provide high-level strategy and guidance to grantees' acceleration plan;
- Serve as a "second layer" in the selection process to help identify any potential concern regarding the shortlisted applicants, related to their project design, legal entity status, gender or safeguard related aspects.

d) UNDP and UNDP Country Offices and Bureaus

The Project shall actively engage the UNDP Regional Bureaus and the UNDP Country Offices at multiple stages of the project to leverage localized expertise, networks and contextual knowledge throughout the project life cycle. This collaboration will enhance the project's local relevance and ensure that grantee support is responsive to local contexts. During the initial stages of the project, the PMU shall involve the UNDP Regional Bureaus and the UNDP Country Offices in the grantee selection phase. This process will involve mapping proposed solutions to national objectives.

Beyond selection, the UNDP Regional Bureaus and the UNDP Country Offices shall be involved in compliance monitoring and oversight of grantee activities. Further, to help strengthen technical capacity and local relevance, Country Offices will play a key role in facilitating connections with local innovation ecosystems through local networks (internal and external to UNDP). To facilitate these activities, the project will allocate funds to UNDP Country Offices where grantees are located, to support with specific follow up (in situ), verify safeguard and gender related matters in situ, help identify national scaling pathways, as well as learning and showcasing opportunities for the AFCIA 2 grantees operating in their countries.

B. Describe the measures for financial and project / programme risk management.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Financial and Project / Programme Risk Management

AFCIA 2 adopts a proactive, multi-layered approach to financial and operational risk management, building on lessons from AFCIA 1 and aligning with UNDP's fiduciary standards and the Adaptation Fund's Environmental and Social Policy. Financial integrity is ensured through performance-based disbursement, where catalytic grants are released in tranches tied to verified milestones rather than upfront lump sums. All grantees undergo due diligence and are subject to compliance with UNDP programmatic and financial regulations, while still allowing flexibility to the grantees to implement their grants.

To mitigate implementation delays, the project embeds a structured Onboarding Learning Sprint at inception and provides continuous technical assistance, business development support, and adaptive management through a robust Monitoring, Evaluation, and Learning (MEL) system. Milestone-bound progress and financial reporting enable early identification of bottlenecks and corrective action.

Environmental and social safeguards, including Gender Action Plans and Environmental, Social and Management Plans, are mandatory for all grantee sub-projects. All grantees will need to prepare a simplified GAP and ESMF after screening and identifying all risks (high, medium, low). They must also propose how these risks will be managed during implementation within their specified budget as part of the total grant. Screening under UNDP Social and Environmental Standards and the Adaptation Fund's ESP ensure compliance, while a grievance redress mechanism (GRM) provides transparency and accountability. Gender equality and social inclusion are mainstreamed across all stages, with capacity-building to meet Gender Marker 2 requirements.

This integrated risk management framework ensures fiduciary assurance, operational efficiency, and compliance with environmental, social, and gender standards, while enabling innovation to scale responsibly and sustainably.

Measures for Financial and Project Risk Management

Potential Risk	Risk Level	Risk Management Strategy
Misappropriation of the grant funding	Low	Performance based disbursement will be used instead of providing the total grant amount at the grant signing stage. Grantees may be asked to get an agreement from UNDP (with advise from UNDP country office) if procurement of goods/services exceeds a certain threshold. Financial audit is required as a part of the annual progress report.
Lack of participation at the regional call for proposals across the four targeted Western Balkan countries	Low	During the regional call for proposals, UNDP will also actively source innovation ideas from the network of development partners who are working on innovation, incubation, and acceleration as well as climate adaptation and resilience topics. With the extensive network of UNDP Innovation team and BOOST network, Accelerator Labs in the Country Offices, Country Office ecosystem and detailed stakeholder mapping that will be developed the risk of lacking participation is relatively low.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Delays in Project implementation and delivery	Medium	To mitigate this risk, the project embeds a structured Onboarding Learning Sprint at inception; and during implementation phase, project will provide ongoing technical and business development support and apply its standard Monitoring and Evaluation (MEL) processes, including: • **Milestone-bound reporting:** Grantees will submit progress and financial reports each milestone throughout the implementation period. • **Ongoing Support:** Continuous technical and business acceleration support will help identify and address potential implementation challenges early on. • **Timely Issue Resolution:** Any barriers to timely completion will be monitored and addressed through tailored mitigation strategies. This approach will ensure proactive oversight and supports effective and timely project delivery
Imbalanced Reporting of Success vs. Challenges and Lessons Learned	Medium	To ensure accurate and balanced reporting, grantees will be encouraged to document both successes and challenges as part of their regular progress updates. Lessons learned—particularly from challenges—are essential for continuous improvement, knowledge sharing, and the replication or scaling of effective practices. This expectation will be clearly communicated throughout the project implementation cycle and reinforced during regular monitoring. Project implementation will also be guided by the Impact Report and documented lessons learned from UNDP-AFCIA 1 implementation. These insights will inform best practices and support adaptive learning. All relevant lessons from the project will be captured to contribute to broader institutional learning and future project design.
Grantees fail in securing scale up and replication support and funding from other sources after the completion of the project	Medium/High	While it is common for only a portion of innovative or early-stage initiatives to secure follow-on funding the project is designed to improve these odds by strengthening grantees' capacity for long-term sustainability. Through targeted technical assistance, the project will help grantees enhance their financial planning, develop robust business models, and strengthen partnerships. This support aims to make initiatives more 'investment-

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

		ready', enabling them to attract additional funding and diversify income streams. By addressing core barriers such as limited access to finance, technical know-how, and strategic networks, the project aims to bridge the gap between promising community-led adaptation initiatives and the resources needed for sustained impact. Based on comparable experience, it is anticipated that approximately 20–30% of supported initiatives may successfully secure follow-on investment or replication support.
Environmental, social and governance risk not managed, triggering risk events	Medium	UNDP has strong safeguard systems, but decentralized implementation and innovation pilots increase exposure. In order to address these risks following action will be taken. **Environmental, Social, and Governance (ESG) Criteria Embedded Throughout:** ESG considerations will be integrated at every stage of the programme under UNDP guidance. **Mandatory Screening & Safeguard Instruments:** All Unidentified Sub-Projects (USPs) will undergo screening under UNDP Social and Environmental Standards (SES) and Adaptation Fund Environmental and Social Policy (ESP). Each grantee must prepare simplified **Environmental and Social Management Plan (ESMP)** and **Gender Action Plan (GAP)** prior to implementation. **Call for Proposals & Selection Process:** The call for proposals will explicitly highlight ESG requirements. The selection template will include ESG risk identification questions, and an ESG expert will participate in the technical review panel. **Capacity Building:** An ESG expert will be hired to build grantees' capacity in understanding, managing, and reporting ESG risks. Training will be delivered during the Onboarding Learning Sprint and throughout implementation. **Monitoring & Reporting:** MEL reporting will include a dedicated ESG section. Milestones-bound reports will track compliance with safeguards and gender commitments. **Grievance Redress Mechanism:** Accessible channels will be established for communities to report concerns. **Gender Marker Compliance:** All projects will meet Gender Marker 2 standards.

C. Describe the measures for environmental and social risk management, in line with the Environmental and

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Social Policy of the Adaptation Fund.

Environmental and Social Risk Management Measures

A detailed Social and Environmental Screening Procedure (SESP) and Environmental and Social Management Framework (ESFM), that complies with the Adaptation Fund´s Safeguards Policy and UNDP´s Safeguard policy is presented in **Annex 3 and 4 respectively.**

The project is fully aligned with the Environmental and Social Policy (ESP) of the Adaptation Fund and UNDP's Social and Environmental Standards (SES). It incorporates a comprehensive, phased approach to environmental and social risk management, ensuring that all activities are implemented responsibly and inclusively across diverse national and cultural contexts.

1. Preliminary Risk Screening

- Grantees will be requested to consider - using the guidance proposed in the AFCIA ESMF - the main risks that their solution/project could potentially generate in the environment and the communities where they plan to operate.
- Based on this, all grantee proposals will submit their own initial environmental and social risk screening that will be reviewed during the selection process, by UNDP´s safeguard and gender experts associated to the AFCIA PMU and in collaboration with the Grant Coordinator and Data Analyst.

2. Integration of mitigation measures into final design of the supported actions

- If this screening identifies potential risks, the applicants will be asked to explore measures to avoid, minimize, or offset any potentially significant risks in order to comply with the minimum legal requirements in each of their countries and the requirements stipulated in UNDP´s Social and Environmental Standards and the Adaptation Fund´s Environmental and Social Policy.
- Mitigation measures will be tailored to local regulatory frameworks, cultural contexts, and the specific vulnerabilities of affected communities, with particular attention to transboundary impacts where relevant.

3. Ongoing Monitoring and Support

- Grantees will report regularly on safeguard implementation and will be required to undertake appropriate corrective actions as needed.
- The Grant Coordinator and Data Analyst will, in coordination with the Safeguards and Gender Analyst, provide technical support and quality assurance on social and environmental risk management throughout the project lifecycle.

4. Grievance Redress and Transparency

- In addition, a web-based Grievance Redress Mechanism (GRM) system will be established and made publicly known and accessible to each of the participating grantees/countries. This platform will enable stakeholders to submit concerns, or complaints —anonymously if they wish— about any potential violation of environmental and social standards during the project implementation. A dedicated email address will also be provided through the project website to facilitate GRM submissions.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- The PMU will regularly monitor and respond to the GRM submissions to ensure timely resolution and continuous improvement, in alignment with the Environmental and Social Policy of the Adaptation Fund and UNDP.

5. Gender equality and social inclusion are central to the project's safeguards approach:

- Proposals must demonstrate how they will **mainstream gender**, empower women, and address differentiated vulnerabilities.
- Gender equality must be embedded across all stages—design, consultation, implementation, monitoring, and evaluation—with approaches adapted to local gender norms and power dynamics.
- All projects must meet Gender Marker 2, indicating gender equality as a significant objective.
- Special attention will be given to ensuring the meaningful participation and protection of Indigenous Peoples, ethnic and religious minorities, persons with disabilities, and other marginalized groups, in accordance with international human rights standards and national legislation.

This integrated safeguard framework ensures that all supported innovations are effective, inclusive, and environmentally and socially responsible. Its structured and participatory approach proactively manages environmental and social risks, contributing to sustainable, inclusive, and equitable climate adaptation outcomes, while respecting local priorities.

D.Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.

Monitoring and Evaluation Arrangements and Budgeted MEL Plan

The AFCIA-2 Monitoring and Evaluation (M&E) system is designed to promote accountability, learning, and adaptive management throughout the project lifecycle. It adheres to the Adaptation Fund's Evaluation Policy (2022) and the AF-TERG Guidance Note on Evaluation in Project Design, while fully mainstreaming AF's and UNDP's Gender and the Safeguards Policies across all levels. In addition, the system is firmly grounded in UNDP's Results-Based Management (RBM) principles, ensuring that monitoring processes are results-oriented, evidence-based, and aligned with global best practices.

1. M&E Objectives and Governance

The M&E system will:

- Track progress toward outputs, outcomes, and the project objective.
- Ensure compliance with environmental and social safeguards and gender commitments.
- Generate evidence and learning to inform scaling, replication, and policy engagement.
- Enable adaptive management through real-time feedback loops.

UNDP, as the Implementing Entity (IE), will oversee the M&E system. The Project Management Unit (PMU) will lead day-to-day implementation, supported by a dedicated Grant Coordinator and Data Analyst. Quality assurance will be provided by UNDP's Principal Technical Advisor (Climate Change Adaptation Team), a dedicated Regional Technical Advisor, Oversight specialists on different matters (Safeguards, Gender, Finance, Legal, Evaluation) and the Independent Evaluation Office (IEO). For more details on the implementation arrangements kindly refer to **Annex 10. Organigram.**

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Role of the Implementing Entity and Use of IE Fees for M&E Supervision

As the Implementing Entity, UNDP is responsible for the independent supervision, quality assurance, and fiduciary oversight of the project's Monitoring and Evaluation (M&E) system. Implementing Entity (IE) fees will be use to finance these supervisory M&E functions, ensuring compliance with the Adaptation Fund's Evaluation Policy, Results Framework, and fiduciary standards.

IE-supported M&E supervision includes: (i) technical oversight and quality assurance of monitoring systems, indicators, and reporting through UNDP's Regional Technical Advisor (RTA) and Principal Technical Advisor (PTA); (ii) validation of results and data quality assurance, including verification of gender equality and environmental and social safeguards compliance; (iii) participation in supervision missions and risk-based monitoring at grant and portfolio levels; (iv) review, clearance, and submission of Annual Project Performance Reports (PPRs) to the Adaptation Fund; and (v) commissioning, management, and quality assurance of the independent Mid-Term Review and Terminal Evaluation in accordance with AF-TERG guidance.

These supervisory functions are distinct from day-to-day implementation and are designed to ensure the independence, credibility, and integrity of project monitoring, evaluation, and reporting.

2. Key M&E Milestones

Milestone	**Timeline**
Project Inception	Q1 2027
Baseline Data Collection	Q3–Q4 2027
Grantee Technical and Financial Progress Reports	Every milestone as per the LVGA (6 months for MSMEs and 9 months for NGOs-CSOs) (2028-2031)
Annual Project Performance Reports (PPRs)	Annually (2027–2031)
Mid-Term Review (MTR)	Q3 2029
Terminal Evaluation (TE)	Q3-Q4 2031
Final Project Summary Report and Audited Financial statement [191]	Q2 2032

(Table 4: Key M&E Milestones)

3. Evaluation Products

- **Mid-Term Review (MTR):** Conducted by an independent evaluator, the MTR will assess progress, effectiveness, efficiency, gender and environmental/social performance, and course-correction needs.
- **Terminal Evaluation (TE):** An independent assessment of project achievements, sustainability, and lessons learned overall contribution of the project, including contributions to the Adaptation Fund's Strategic Results Framework (SRF) and the National Adaptation Plans.

[191] Mandatory AF requirement for financial closure and project completion summary

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- **Evaluation Use:** Findings will be shared through workshops, peer learning events, and knowledge products to inform adaptive management and future programming.

4. Monitoring Systems and Data Management

The project will establish a comprehensive monitoring and data management system grounded in UNDP's Results-Based Management (RBM) principles to ensure accountability, transparency, and adaptive learning throughout the project lifecycle. This system will operate at both project and portfolio levels, leveraging digital tools and decentralized support for effective implementation.

Project-Level Monitoring System

A dedicated Management Information System (MIS) will be developed to track progress against the project's results framework. The MIS will capture data disaggregated by gender, stakeholder type, and vulnerable groups, enabling inclusive monitoring and reporting. Automated dashboards will provide real-time visualization of progress and facilitate evidence-based decision-making.

Data Quality Assurance (DQA)

To maintain data integrity, the project will implement robust DQA protocols, including:

- Validation visits on a needs basis to verify reported data.
- Triangulation of grantee reports with field observations and secondary sources.
- Ad hoc data audits to identify inconsistencies and strengthen reliability.

Grantee Capacity Building and Reporting

Grantees will receive structured training on Monitoring, Evaluation, and Learning (MEL) fundamentals during the Onboarding Learning Sprint. This will include guidance on developing context-appropriate MEL systems, defining SMART indicators, applying gender-sensitive approaches and managing environmental and social safeguard risks.

A digital results-based monitoring and reporting framework will be introduced, requiring grantees to submit milestone-bound technical and financial reports through the system. Continuous capacity-building sessions and on-demand support will be provided to strengthen grantee skills in data collection, indicator tracking, and reporting.

Annual Performance Reporting

The project will submit Annual Adaptation Fund Project Performance Reports (PPRs), providing comprehensive updates on:

- Progress against the Results Framework
- Gender mainstreaming achievements
- Key lessons learned and adaptive management actions
- Financial status and procurement updates
- Compliance with environmental and social safeguards

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Portfolio-Level Monitoring and Aggregation

At the portfolio level, AFCIA 2 will develop an interactive dashboard serving two core purposes:

1. Monitoring and tracking the implementation status of all 26 grants on regular basis.

2. Aggregating results to demonstrate overall project impact, contribution to the Adaptation Fund's core indicators, key achievements, and lessons learned. This dashboard will provide a consolidated view of progress, enabling strategic communication with stakeholders. This dashboard will also demonstrate overall project impact and contribution to the broader Climate Change Adaptation portfolio in UNDP.

Country-Level Monitoring Support

UNDP Country Offices will play a critical role in ensuring compliance and contextual relevance within the project's monitoring framework. They will support the PMU by validating grantee activities against national priorities and project safeguards, including gender and environmental standards. In addition, Country Offices will strengthen data credibility through validation visits, review of grantee reports, and triangulation with local sources. Their involvement will also facilitate the integration of national datasets and context-specific indicators into the Management Information System (MIS), ensuring alignment with country-level adaptation priorities.

5. Gender and Social Inclusion Monitoring

The project will embed gender equality and social inclusion as core elements of its monitoring framework. All grantees will be required to achieve Gender Marker 2, ensuring that gender considerations are fully integrated into project design and implementation. Each grantee will develop a simplified Gender Action Plan, and progress will be tracked through sex-disaggregated indicators reported in milestone-bound technical submissions. These data will be aggregated regularly and reflected in the annual progress reports (PPRs) to the Adaptation Fund. Monitoring will go beyond numerical indicators to assess the quality of participation, equitable distribution of benefits, augmentation in capacities and skillsets, and leadership roles of women, youth, Indigenous Peoples, and other marginalized groups, ensuring that adaptation actions are inclusive and transformative.

6. Learning and Knowledge Integration

The project's Monitoring and Evaluation system will serve as a key input to the Learning and Knowledge Management Framework, enabling the aggregation and analysis of innovation outcomes across all sub-projects. Insights and lessons learned will be systematically captured and synthesized into practical knowledge products such as blogs, articles, and policy briefs. These resources will be disseminated through South–South exchanges, webinars, and regional learning events, fostering peer learning and supporting the scaling and replication of successful adaptation solutions.

Table: Budgeted MEL Plan			
Monitoring Activity	**Frequency/Timeframe**	**Responsible Parties**	**Indicative Cost (USD) (for the 4 years)**

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Inception Workshop and Report	Inception Workshop within 2 months of the First Disbursement	EE, Project Manager	10,000 (See Annex 8, Budget Note 1)
Baseline data collection and drafting of the Baseline Report. (Budget covers the cost of hiring an independent consultant/firm only. All IE oversight, review, and quality assurance are covered separately by the IE fee)	Baseline report with in first year of implementation not later than submission of annual PPR	IE, Grant Coordinator and Data Analyst, Finance Officer	16,000 (See Annex 8 IE fee breakdown, Budget Notes 1 and 3)
Progress Reporting Support (technical & financial)	Through the milestone-bound reports (every 6 months for MSMEs and 9 months for NGOs-CSOs)	EE, Grant Coordinator and Data Analyst, Finance Officer	100,000 (See Annex 8, Budget Notes 1 and 3)
Grantee MEL Onboarding	Y1 (core), refreshers Y2–Y4	EE, Grant Coordinator and Data Analyst	5,000 (See Annex 8, Budget Note 3)
MIS & Project Dashboard (build, hosting, maintenance)	Y1–Y4	EE, Grant Coordinator and Data Analyst	10,000 (See Annex 8, Budget Note 3)
Monitor and Manage Risk (at grant level)	Through the milestone-bound reports (every 6 months for MSMEs and 9 months for NGOs-CSOs)	EE, Grant Coordinator and Data Analyst, Gender and Safeguard Specialist	178,000 (See Annex 8, Budget Notes 2 and 3)
Monitor Gender Action Plan and ESMF (at grant and project level)	Through milestone-bound reports (at the grant level- every 6 or 9 months) and annual reports (at the project level)	EE, Grant Coordinator and Data Analyst, Gender and Safeguards Specialist	36,000 (See Annex 8, Budget Notes 2 and 3)
Monitoring visits	Annually/ need base	EE, Local Action support (COs), Grant Coordinator and Data Analyst and/ or Project Manager	100,000 (See Annex 8, Budget Notes 1 and 3)
Regular project progress review	Weekly, monthly and annual	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer	80,000 (See Annex 8, Budget Notes 1 and 3)

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Learning & Knowledge Integration	Annual	EE, Learning and KM Specialist	60,000 (See Annex 8, Budget Note 10)
Annual AF Project Performance Report (PPR)	Annually	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer, Project Associate	30,000 (See Annex 8, Budget Notes 1, 3 and 13)
Project Board Meeting preparation and progress update	At least annually and need base	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer, Project Associate	30,000 (See Annex 8, Budget Notes 1, 3 and
Independent Mid-Term Review (MTR)/Evaluation Professional fees and associated costs for contracting Independent External Evaluators to conduct the Midterm Evaluation. (IE supervision, TOR development, validation, and QA are covered by the IE fee seperately)	End of Year 2	IE , Contracting and independent evaluator	40,000 (See Annex 8 IE fee breakdown)
Independent Terminal Evaluation (TE)/Final Evaluation Terminal Evaluation Professional fees and associated costs for contracting Independent External Evaluators to conduct the and Terminal Evaluation. (IE supervision, TOR development, validation, and QA are covered separately by the IE fee	End of Year 5	IE, Contracting and independent evaluator	55,000 (See Annex 8 IE fee breakdown)
Impact and Knowledge Reporting Consultant: Under the guidance of the		EE, Contracting Individual Consultant	95,000 (See Annex 8 Budget Note 26)

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Data Analyst and Performance Coordinator and the Knowledge and Learning Coordinator, this consultancy will lead the synthesis of project achievements into structured, high-visibility knowledge products. Key responsibilities include consolidating qualitative and quantitative impact results to draft comprehensive multi-year Impact Reports and compelling human-interest success stories. Furthermore, the consultant will execute the full professional graphic design and layout of these deliverables, translating complex portfolio data into visually engaging assets that strengthen organizational learning and external donor visibility.			
TOTAL			**845,000 (including the Midterm and Terminal evaluation costs that are covered under IE fee)**

(Table 5: Monitoring and Evaluation Arrangements and Budgeted MEL Plan)

E. Include a results framework for the project / programme proposal, including milestones, targets, and indicators.

Results framework for the Project

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Project Objective: To accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance (via competitive grants and innovation challenges), technical assistance, and integration into innovation and adaptation financing ecosystems – enabling high-potential solutions to enhance climate resilience and benefit vulnerable populations.

Project Objective	Objective Level Indicators	Baseline	Target at Project Completion	Means of Verification	Risks and Assumptions
Project Objective To accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance (via competitive grants and innovation challenges), technical assistance, and integration into innovation and adaptation financing ecosystems – enabling high-potential solutions to enhance climate resilience and benefit vulnerable populations.	1. Number of innovations successfully scaled and built resilience at local level.	**0**	At least 10 innovations successfully scaled	Grantee reports, scaling evidence; low value grant agreements.	**Assumptions:** Continued interest and engagement from adaptation, innovation or climate finance ecosystems actors. Innovations remain relevant and technically feasible. Political and economic stability in target regions and countries where grantees operate. Innovators operating in the adaptation, innovation or climate finance ecosystems have capacity and willingness to learn and support innovations to scale and replicate. **Risks:** Limited absorption capacity of grantees. External shocks (e.g. climate disasters, conflict) which could disrupt scaling pathways.
	2. Aggregate number of people benefitted through the supported innovations[192] supported.	**0**	Total no of beneficiaries[193]: 215,096 (direct: 53,774;indirect: 161,322; Youth: 64,528)		

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

					Funding delays in the project cycle.
Outcome	**Outcome Indicators**	**Baseline**	**Target at Project Completion[193]**	**Means of Verification**	**Risks and Assumptions**
Outcome 1: High potential, locally led adaptation innovations, (NGOs/CSOs & SMEs) are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	O1.1: Number of beneficiaries reached through supported innovations[194] (a) Direct beneficiaries (male and female) (b) Indirect beneficiaries (male and female) GAP indicator 1.1.3)	**0** **0**	(a) Direct Beneficiaries: Total: (estimated):53,774 Female:26,887 Male:26,887 Youth: 16,132 (b) Indirect Beneficiaries: Total:161,322 Female:80,661 Male: 80,661 Youth: 64,528	Grantee reports, beneficiary surveys, MEL system aggregation, selection records, grant agreements, mapping sheets, proposals, selection criteria.	**Assumptions** Sufficient pool of high-potential, locally led innovations exists in target regions. Baseline data on beneficiaries will be available or collected early in the project. **Risks:** Limited number of eligible innovations meeting selection criteria.

[192]Disaggregated data will be collected and reported under outcome 1

[193] The beneficiary numbers presented at this stage are indicative and based on approval-stage planning assumptions. Exact figures will be calculated once grantees and their intervention footprints are confirmed during inception. These numbers will be validated and updated in the Results Framework and reported in the first Project Performance Report (PPR) in line with Adaptation Fund guidance. Please note that youth figures represent a subset of the total male and female beneficiaries, not an additional category. For detailed methodology and assumptions, including youth disaggregation, refer to the Annex 13 on Beneficiary Estimation.

[194] For alignment with GAP): Disaggregate beneficiary data by sex, age (including youth), and disability status at grantee level will be collected

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	O1.2: Number of high potential, locally led innovations identified and supported (disaggregated by women led/co led (GAP indicator: 1.2.3)	0	26 total; 20% women led/co-led		Grantees may have limited or no capacity to write strong proposals without technical support. Resistance to gender and social inclusion integration in some contexts.
	O1.3c) Number of supported innovations demonstrating meaningful integration of gender equality and social inclusion (GESI), including adaptation/implementatio of gender responsive approaches in design, implementation, or governance (GAP indicator: 1.2.3)	0	*26*		
Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through	O2.1. No of supported innovations achieving investment readiness benchmarks through technical support and investment brokering packages. (GAP 2.1.1)	0	*10*	Technical assistance completion reports; Business model documentation; Evidence of Pitch Decks and Business Plans	**Assumptions:** Innovators are willing and able to adopt investment readiness standards and learnings**.** Technical assistance providers have expertise in climate

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

tailored technical assistance, business development, and strategic partnerships.	O2.2. No of innovations with gender responsive business model enabled to lead adaptation for innovation (GAP indicator 2.1.1. and (GAP 2.1.2)	0	*26*	submitted to investors;Business Model Documentation showing gender-responsive strategies (e.g., inclusive hiring, women-led governance)	finance and gender-responsive business models. Adaptation finance ecosystems remain active and accessible for integration. **Risks:** Limited investor interest in adaptation innovations supported by the project. Economic or market downturns reduce financing opportunities.
Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	O3.1. No of innovation for adaptation-focused knowledge products disseminated.	0	*4 (1 per year, starting in year 2)*	Reports, technical briefs, policy briefs, factsheets and dashboards with knowledge emerging from the solutions	**Assumptions:** Evidence from supported innovations will be ready and of sufficient quality by Year 2 to inform knowledge and communication products. Grantees submit timely reports content, visuals, data and agree to share materials for dissemination. Partners and grantees remain available and willing to participate in learning and showcasing events, including virtual or hybrid formats. **Risks:**
	O3.2. No of innovation for adaptation-focused communication products disseminated.	0	*20 (4 per year, starting in year 1)*	Stories, videos, news, promotion of the innovators work and the AFCIA project in social media	

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	O3.3:No of supported innovations whose evidence products are referenced/ presented for investment proposals.	0	10	Workshop reports, news of the events, sessions concept notes and recordings, etc….	Grantees may face delays in submitting reports or providing complete data, affecting the production of knowledge and communication products. Travel and visa challenges could limit participation in in-person showcasing events, reducing diversity and regional representation. Low interest or participation from women and marginalized groups in events may undermine gender and inclusion targets.
Outputs	**Output Indicators**	**Baseline**	**Target at Project Completion**	**Means of Verification**	**Risks and Assumptions**
Corresponding Outcome (Outcome 1) **Output 1.1:** High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.	O1.1.1:Number of innovations identified through the global call for proposals, aligned with NAPs/NDCs and priority thematic areas.	0	26	Call for proposals documentation and selection criteria; Innovation application database; Screening and scoring sheets, Project Board endorsement minutes; Annex 2a/2b/2c and Annex B	**Assumptions:** Sufficient number of eligible proposals submitted globally; Gender criteria are clearly communicated and applied during selection; Gender-responsive approaches are understood and accepted by applicants. **Risks**: Low submission rates
	O1.1.2:% of innovations identified that demonstrate gender-responsive design in adaptation innovation[195]. (GAP indicator 1.1.1)	0	100%		

[195] Gender-responsive design is applied as a minimum eligibility standard at selection (screening criterion), not only as an endline performance target.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	O1.1.3: % of LVGA that include explicit GESI criteria selection instruments (application templates, scoring rubrics, safeguards screening tools)[196] (GAP 1.1.2)	0	70%		Limited number of gender-responsive proposals submitted;
Output 1.2: Selected innovations receive catalytic grants (up to USD 200K) and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.	O1.2.1:Number of selected innovations receiving catalytic grants and tailored technical support.	0	26		
	O1.2.2: % of supported innovations that integrate gender equality and social inclusion measures in their work plans and result framework.(GAP indicator: 1.1.2)	0	100%		
	O1.2.3: % of supported innovations where GESI is a core design objective (i.e., GESI outcomes are explicit in the results framework and at least one key	0	70%		

[196] LVGA selection instruments are the official tools used to screen and score applicants, including the online application form, detailed proposal format, selection/scoring rubric, and safeguards screening template (Annex 2a/2b/2c and Annex B). Calculated as (# LVGA selection instruments with at least one explicit GESI and/or scored criterion ÷ total # official LVGA selection instruments) × 100.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	milestone/indicator measures GESI results) (GAP 1.2.2)				
Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact.	O1.3.1:Number of high-impact adaptation innovations from AFCIA 1 that receive follow-on catalytic support and technical assistance for scaling proven models.	0	4		
Corresponding Outcome (Outcome 2) Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, gender-responsive design, MEL systems, financial planning and safeguard risk management.	O2.1.1: Percentage of supported innovators that have received tailored technical assistance across all five areas (business model refinement, gender-responsive design, MEL systems, financial planning, and safeguard risk management).	0	100%	Customized support package documentation for women-led enterprises. Post-training surveys and satisfaction scorecards. MEL system integration checklists	**Assumptions:** High level technical assistance and expertise in all five areas. Innovators are willing and able to engage in capacity-building activities. Gender-responsive design principles are accepted and integrated. **Risks:** Limited availability of qualified technical assistance providers. Innovators face time/resource constraints to participate fully.
	O2.1.2: Percentage of supported innovators that have received tailored technical assistance in gender-responsive project design and implementation. (GAP indicator 2.1.1 and 1.2.2	0	100%		

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	O2.1.3:Average satisfaction score of supported innovators on the relevance and quality of technical assistance received (scale 1–5)	0	**Target:** *4.0 out of 5*		Resistance to safeguard or gender-responsive measures in some contexts.
Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school partners.	O2.2.1:Number of supported innovators that have identified and initiated engagement with at least one financing pathway. (GAP 2.2.1 and (GAP 2.2.2)	0	26		
	O2.2.2:Number of supported innovators that have mobilized or unlocked external financing for scaling and replication	0	10		
Corresponding Outcome (Outcome 3) **Output 3.1:** Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting	O3.1.1:Number of knowledge products (case studies, evidence briefs, reports, factsheets) developed and disseminated.	0	*26 factsheets (7 per year, starting in year 2)* *1 knowledge product per year (starting in year 2)* *1 Dashboard (year 2)*	Published knowledge products (case studies, briefs, reports). Dissemination records (websites, mailing lists, event materials). Annual synthesis reports and	**Assumptions:** Stakeholders (policymakers, investors, practitioners) are receptive to knowledge products. Stakeholders are willing and able to participate in learning events.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

policymakers, investors, and adaptation practitioners.				documentation of lessons learned. Event reports and feedback forms. Webinar recordings and dissemination analytics.	Project generate sufficient evidence and lessons for documentation. Gender and social inclusion data is available and captured effectively. Risks: Limited uptake of knowledge products by target audiences. Inadequate documentation of lessons due to poor reporting from grantees
	O3.1.2:Percentage of knowledge and communication products incorporating gender and social inclusion lessons in adaptation innovation.(GAP indicator 3.1.1 and 3.1.2)	0	50%		
	O3.1.3:No of Reports produced summarizing insights, stories, challenges and stories of change of women and other beneficiaries with intersecting vulnerabilities. (GAP indicator 3.1.1)	0	4 (at least 1 per year, starting in year 2)		
Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organised to promote south-south collaboration, uptake of good practices, and cross-sectoral learning	O3,2,1: No of in person/online learning and showcasing events organized, supported and facilitated by the PMU; % female participants.	0	*3: At least 1 event per year (starting in year 2); with 40% women presentation*		

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

among innovators, governments, investors, and UNDP partners	O3.2.2: Number of participants attending peer learning events, global webinars, and cross-country exchanges, disaggregated by gender and stakeholder group with content explicitly addressing gender and social inclusion in adaptation.(GAP indicator 3.2.1, 2.2.3 and 3.2.2)	0	60% men and 40% women participants		
	O3.2.3:Percentage of events highlighting women-led adaptation innovations facilitated.(GAP indicator 3.2.3)	0	50%		

Adaptation Fund Core Impact Indicator "Number of Beneficiaries"	
Date of Report	**Proposal submission date**
Project Title	**UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2**
Country	**Global**
Implementing Agency	**UNDP**
Project Duration	**5 years**

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	Baseline *(absolutenumber)*	Target at project approval *(absolute number)*	Adjusted target first year of implementation*(absolute number)*	Actual at completion[7] *(absolute number)*
Direct beneficiaries supported by the project	0	53,774		
Female direct beneficiaries	0	26,887		
Youth direct beneficiaries	0	16,132		
Indirect beneficiaries supported by the project	0	161,322		
Female indirect beneficiaries	0	80,661		
Youth indirect beneficiaries	0	64,528		

Adaptation Fund Impact Indicator "Increased income, or avoided decrease in income"	
Date of Report	Proposal submission date
Project Title	UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2
Country	Global
Implementing Agency	UNDP

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Project Duration	5 years			
	Baseline	Target at project approval[197]	Adjusted target first year of implementation	Actual at completion
Income Source[198] *(name)*	0	10,800 (households)		
Income Source	Climate-resilient food systems livelihoods (smallholder farming, processing, storage, climate-smart inputs/services) Nature-based livelihoods (eco-restoration jobs, sustainable fisheries/aquaculture, agroforestry, ecosystem-based enterprises) DRR / risk reduction-linked livelihoods (avoided income losses through reduced disruption, resilient local services, post-disaster livelihood continuity)			
Income level *(USD)*	TBD(to be established by grantee baseline surveys in Year 1)			
Number of households *(total number in the project area)* *(report for each project component)*	TBD (to be established by grantee baseline surveys in Year 1)			

F. Demonstrate how the project / programme aligns with the Results Framework of the Adaptation Fund

[197] Households at project approval are estimated by converting the proposal's direct beneficiary target (53,774 people) into households using an assumed average household size of 5 persons/household (53,774 ÷ 5 = 10,755; rounded to 10,800). This portfolio-level assumption will be validated and revised in Year 1 once grantees/subprojects are selected and baseline household data are collected

[198] When the numbers of livelihoods go through significant changes, such as when sources of income are diversified, it may be useful to illustrate the changes by primary livelihoods.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Alignment of the Project with the Adaptation Fund's Results Framework

Outcome-Level Alignment (As Per Table 2. SRF Alignment Table Template)

Project Outcomes	Project Outcome Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Outcome 1: High potential, locally led adaptation innovations, (NGOs/CSOs & SMEs) are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	O1.1: Number of beneficiaries reached through supported innovations O1.2: Number of high potential, locally led innovations identified and supported O1.3) Number of supported innovations demonstrating meaningful integration of gender equality and social inclusion (GESI)…	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$7,137,709
Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.	O2.1. No of supported innovations achieving investment readiness benchmarks through technical support and investment brokering packages. O2.2. No of innovations with gender responsive business model enabled to lead adaptation for innovation	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$2,987,994

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Project Outcomes	Project Outcome Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	O3.1. No of innovation for adaptation-focused knowledge products disseminated. O3.2. No of innovation for adaptation-focused communication products disseminated. O3.3:No of supported innovations whose evidence products are referenced/ presented for investment proposals.	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$3,101,571
Total outcome-level grant amount				**$13,227,274**

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Output-Level Alignment (As Per Table 2. SRF Alignment Table Template)

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.	O1.1.1:Number of innovations identified through the global call for proposals, aligned with NAPs/NDCs and priority thematic areas. O1.1.2:% of innovations identified demonstrate gender-responsive design in adaptation innovation . (GAP indicator 1.1.1) O1.1.3: % of LVGA that include explicit GESI criteria selection instruments (application templates, scoring rubrics, safeguards screening tools) (GAP 1.1.2)	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1A: Innovations identified that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$550,083
Output 1.2: Selected innovations receive catalytic grants (up to USD 200K) and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.	O1.2.1: Number of selected innovations receiving catalytic grants and tailored technical support. O1.2.2: % of supported innovations that integrate gender equality and social inclusion measures in their work plans and result framework.(GAP indicator: 1.1.2) O1.2.3: % of supported innovations where GESI is a core design objective (i.e., GESI outcomes are explicit in the results framework and at least one key milestone/indicator measures GESI results) (GAP 1.2.2)	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$3,910,608

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact.	O1.3.1:Number of high-impact adaptation innovations from AFCIA 1 that receive follow-on catalytic support and technical assistance for scaling proven models.	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$2,677,018
Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, gender-responsive design, MEL systems, financial planning and safeguard risk management.	O2.1.1: Percentage of supported innovators that have received tailored technical assistance across all five areas (business model refinement, gender-responsive design, MEL systems, financial planning, and safeguard risk management). O2.1.2: Percentage of supported innovators that have received tailored technical assistance in gender-responsive project design and implementation. (GAP indicator 2.1.1 and 1.2.2 O2.1.3:Average satisfaction score of supported innovators on the relevance and quality of technical assistance received (scale 1–5)	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience [# of institutions, disaggregated by scale, by sector, and by type of institution]	$2,223,678

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school partners.	O2.2.1:Number of supported innovators that have identified and initiated engagement with at least one financing pathway. (GAP 2.2.1 and (GAP 2.2.2 O2.2.2:Number of supported innovators that have mobilized or unlocked external financing for scaling and replication	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience [# of institutions, disaggregated by scale, by sector, and by type of institution]	$764,316
Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting policymakers, investors, and adaptation practitioners.	O3.1.1:Number of knowledge products (case studies, evidence briefs, reports, factsheets) developed and disseminated. O3.1.2:Percentage of knowledge and communication products incorporating gender and social inclusion lessons in adaptation innovation.(GAP indicator 3.1.1 and 3.1.2) O3.1.3:No of Reports produced summarizing insights, stories, challenges and stories of change of women and other beneficiaries with intersecting vulnerabilities. (GAP indicator 3.1.1)	Output 8.2: Innovations identified and piloted which build the adaptation innovation evidence base and institutional capacity	Indicator 8.2: Innovation-focused knowledge products disseminated and/or learning events facilitated that support and enable innovation capacity at a local, national, and/or regional level [# of knowledge products disseminated and/or learning events facilitated)	$1,069,759

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organised to promote south-south collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners	O3.2.1: No of in person/online learning and showcasing events organized, supported and facilitated by the PMU; % female participants. O3.2.2: Number of participants attending peer learning events, global webinars, and cross-country exchanges, disaggregated by gender and stakeholder group with content explicitly addressing gender and social inclusion in adaptation.(GAP indicator 3.2.1, 2.2.3 and 3.2.2) O3.2.3:Percentage of events highlighting women-led adaptation innovations facilitated.(GAP indicator 3.2.3)	Output 8.2: Innovations identified and piloted which build the adaptation innovation evidence base and institutional capacity	Indicator 8.2: Innovation-focused knowledge products disseminated and/or learning events facilitated that support and enable innovation capacity at a local, national, and/or regional level [# of knowledge products disseminated and/or learning events facilitated)	$2,031,812
Total output-level grant amount				**$13,227,274**

G. Include a detailed budget with budget notes, broken down by country as applicable, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

Detailed Budget Breakdown

The detailed budget breakdown and the IE fee, is presented as a separate file in **Annex 8** (as an Excel file). The same budget tables are found below in this proposal.

Budget for the Project

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Quantum Outcome (AF Component)	Quantum Output (AF Outcome)	Quantum Activity (AF Output)		Quantum Responsible Party	Quantum Fund ID	Quantum Donor ID	Quantum Budgetary Account Code	Quantum Budget Account Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)	Budget Note No.
Component 1. Catalytic grants to implement and accelerate innovative adaptation solutions with potential to scale	*Outcome 1: High potential, locally led adaptation innovations, including non for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance,*	*Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/ NDCs) and priority thematic areas.*	*Activity 1.1.1 Design and launch inclusive and competitive global calls for proposals*	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	2,618	2,945	3,004	3,064	3,125	**14,756**	**1**
							71400	*Contractual Services-Individuals*	12,752	21,548	21,548	21,548	21,548	**98,944**	**3**
							72100	*Contractual Services-Companies*	50,000	0	0	0	0	**50,000**	**5**
							73100	*Rental & Maintenance-Premises*	264	264	264	264	264	**1,320**	**7**
			Activity 1.1.2: Screen, select, and contract high-potential adaptation innovations	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	8,766	9,858	10,055	10,257	10,462	**49,398**	**1**
							71400	*Contractual Services-Individuals*	42,690	72,138	72,138	72,138	72,138	**331,242**	**3**
							73100	*Rental & Maintenance-Premises*	885	885	885	884	884	**4,423**	**7**
		Total Output 1.1							**117,975**	**107,638**	**107,894**	**108,155**	**108,421**	**550,083**	
		Output 1.2:	*Activity 1.2.1:*	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	4,379	4,924	5,023	5,123	5,226	**24,675**	**1**

	improving their readiness for scale and alignment with natio@al adaptation priorities (NAPs/ NDCs).	*Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.*	*Establish and manage performance-based grant agreements*				*71200*	*International Consultants*	6,563	13,125	13,125	13,125	13,125	**59,063**	**2**
							71400	*Contractual Services-Individuals*	21,324	36,033	36,033	36,033	36,033	**165,456**	**3**
							72600	*Grants*	0	700,000	700,000	700,000	700,000	**2,800,000**	**6**
							73100	*Rental & Maintenance-Premises*	440	442	442	442	442	**2,208**	**7**
			Activity 1.2.2: Disburse and manage performance-based grant tranches, monitor performance, and implementation progress	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,135	14,773	15,069	15,370	15,677	**74,024**	**1**
							71200	*International Consultants*	19,688	39,375	39,375	39,375	39,375	**177,188**	**2**
							71400	*Contractual Services-Individuals*	63,972	108,100	108,099	108,099	108,099	**496,369**	**3**
							71600	*Travel*	0	26,250	26,250	26,250	26,250	**105,000**	**4**
							73100	*Rental & Maintenance-Premises*	1,325	1,325	1,325	1,325	1,325	**6,625**	**7**
		Total Output 1.2							**130,826**	**944,347**	**944,741**	**945,142**	**945,552**	**3,910,608**	
			Activity 1.3.1: Identify and select high-performing AFCIA 1 innovations for follow-on support	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	1,708	1,920	1,959	1,998	2,038	**9,623**	**1**
							71400	*Contractual Services-Individuals*	8,316	14,053	14,053	14,053	14,053	**64,528**	**3**
							72600	*Grants*	0	68,250	68,250	68,250	68,250	**273,000**	**6**
							73100	*Rental & Maintenance-Premises*	172	172	172	172	172	**860**	**7**

			Activity 1.3.2: Establish and manage performance-based grant agreements for AFCIA 1 grantees, which provide follow-on catalytic grants to consolidate and scale proven adaptation models	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	2,627	2,955	3,014	3,074	3,135	**14,805**	**1**
							71400	*Contractual Services-Individuals*	12,794	21,620	21,620	21,620	21,620	**99,274**	**3**
							72600	*Grants*	0	105,000	105,000	105,000	105,000	**420,000**	**6**
							73100	*Rental & Maintenance-Premises*	265	265	265	265	265	**1,325**	**7**
			Activity 1.3.3: Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	8,801	9,898	10,096	10,298	10,504	**49,597**	**1**
							71400	*Contractual Services-Individuals*	42,861	72,426	72,426	72,427	72,427	**332,567**	**3**
							72600	*Grants*	0	351,750	351,750	351,750	351,750	**1,407,000**	**6**
							73100	*Rental & Maintenance-Premises*	888	888	888	887	888	**4,439**	**7**
		Total Output 1.3							**78,432**	**649,197**	**649,493**	**649,794**	**650,102**	**2,677,018**	

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	Total Outcome 1							**327,233**	**1,701,182**	**1,702,128**	**1,703,091**	**1,704,075**	**7,137,709**	
Total Component 1								**327,233**	**1,701,182**	**1,702,128**	**1,703,091**	**1,704,075**	**7,137,709**	
			Activity 2.1.1: Deliver an 8–10-week onboarding sprint for selected innovators	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	31,946	35,928	36,646	37,380	38,127	**180,027**	**8**
							71200	*International Consultants*	0	25,935	25,935	0	0	**51,870**	**9**
							71400	*Contractual Services-Individuals*	15,738	26,034	26,233	26,434	26,638	**121,077**	**10**
							71600	*Travel*	270	1,122	1,077	1,078	1,078	**4,625**	**11**
							72100	*Contractual Services-Companies*	0	0	25,881	25,881	9,705	**61,467**	**12**
							73100	*Rental & Maintenance-Premises*	686	686	686	686	686	**3,430**	**13**
			Activity 2.1.2: Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	119,377	134,258	136,943	139,681	142,475	**672,734**	**8**
							71200	*International Consultants*	0	96,915	96,915	0	0	**193,830**	**9**
							71400	*Contractual Services-Individuals*	58,811	97,287	98,028	98,780	99,543	**452,449**	**10**
							71600	*Travel*	1,149	4,783	4,597	4,597	4,597	**19,723**	**11**
							72100	*Contractual Services-Companies*	0	0	96,714	96,714	36,268	**229,696**	**12**
							73100	*Rental & Maintenance-Premises*	2,563	2,563	2,563	2,563	2,563	**12,815**	**13**
			Activity 2.1.3: Assist selected grantees to prepare Gender Action	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	16,814	18,910	19,288	19,673	20,067	**94,752**	**8**
							71200	*International Consultants*	0	13,650	13,650	0	0	**27,300**	**9**
							71400	*Contractual Services-Individuals*	8,283	13,702	13,807	13,913	14,020	**63,725**	**10**
							72100	*Contractual Services-Companies*	0	0	13,622	13,622	5,108	**32,352**	**12**

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

			Plans and ESMPs				*73100*	*Rental & Maintenance-Premises*	361	361	361	361	362	**1,806**	**13**
		Total Output 2.1							**255,998**	**472,134**	**612,946**	**481,363**	**401,237**	**2,223,678**	
			Activity 2.2.1: Support innovators to identify and access appropriate financing pathways	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*	31,555	52,199	52,598	53,001	53,410	**242,763**	**10**
							71600	*Travel*	541	2,250	2,162	2,162	2,162	**9,277**	**11**
							72100	*Contractual Services-Companies*	0	0	103,784	103,784	38,918	246,486	**12**
							73100	*Rental & Maintenance-Premises*	2,750	2,750	2,750	2,750	2,751	13,751	**13**
			Activity 2.2.2: Generate and consolidate evidence of impact, scale, and systemic influence	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*	31,555	52,199	52,597	53,001	53,410	**242,762**	**10**
							71600	*Travel*	541	2,250	2,162	2,162	2,162	**9,277**	**11**
									66,942	**111,648**	**216,053**	**216,860**	**152,813**	**764,316**	
	Total Outcome 2								**322,940**	**583,782**	**828,999**	**698,223**	**554,050**	**2,987,994**	
Total Component 2									**322,940**	**583,782**	**828,999**	**698,223**	**554,050**	**2,987,994**	
			Activity 3.1.1: Design and implement a structured learning and knowledg	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	9,022	10,147	10,350	10,556	10,768	**50,843**	**14**
							71400	*Contractual Services-Individuals*	8,607	16,365	16,436	16,508	16,581	**74,497**	**15**
							73100	*Rental & Maintenance-Premises*	232	232	232	232	232	**1,160**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	1,805	1,805	1,805	1,805	**7,220**	**19**

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

			e management architecture												
			Activity 3.1.2: Develop, maintain, and operationalise a digital knowledge platform	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	9,022	10,147	10,350	10,556	10,768	**50,843**	**14**
							71400	*Contractual Services-Individuals*	8,607	16,365	16,436	16,508	16,581	**74,497**	**15**
							73100	*Rental & Maintenance-Premises*	232	232	232	232	232	**1,160**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	1,805	1,805	1,805	1,805	**7,220**	**19**
			Activity 3.1.3: Produce, quality-assure, and disseminate innovation-focused knowledge products	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	18,044	20,293	20,699	21,113	21,535	**101,684**	**14**
							71400	*Contractual Services-Individuals*	17,213	32,731	32,872	33,016	33,163	**148,995**	**15**
							73100	*Rental & Maintenance-Premises*	464	464	464	464	464	**2,320**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	3,610	3,610	3,610	3,610	**14,440**	**19**
			Activity 3.1.4: Operationalize the MBA Fellowship Programme and failure-learning protocol	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	36,088	40,586	41,398	42,226	43,070	**203,368**	**14**
							71400	*Contractual Services-Individuals*	34,426	65,461	65,745	66,034	66,326	**297,992**	**15**
							73100	*Rental & Maintenance-Premises*	928	928	928	928	928	**4,640**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	7,220	7,220	7,220	7,220	**28,880**	**19**
		Total Output 3.1							**142,885**	**228,391**	**230,582**	**232,813**	**235,088**	**1,069,759**	
			Activity 3.2.1:	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	27,548	28,099	28,661	29,234	**127,105**	**14**

			Organise and facilitate structured peer-learning and knowledge exchange activities				*71400*	*Contractual Services-Individuals*	17,540	40,913	41,090	41,270	41,454	**182,267**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.2: Deliver targeted learning modules and peer exchanges to strengthen grantee capacities	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	25,366	30,325	30,931	31,549	**131,734**	**14**
							71400	*Contractual Services-Individuals*	17,540	40,913	41,090	41,270	41,454	**182,267**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.3: Facilitate cross-country and cross-regional learning exchanges	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	29,730	25,874	26,391	26,919	**122,477**	**14**
							71400	*Contractual Services-Individuals*	25,494	40,913	41,090	41,270	41,454	**190,221**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.4: Implement coordinated communi	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	34,777	50,733	51,748	52,782	53,838	**243,878**	**14**
							71400	*Contractual Services-Individuals*	47,010	84,410	84,764	85,124	85,490	**386,798**	**15**
							71600	*Travel*	2,800	10,000	10,007	10,538	10,583	**43,928**	**16**

			cation, visibility, and dissemination activities				74200	Audio Visual&Print Prod Costs	0	22,561	22,561	22,561	22,562	**90,245**	**18**
							74200	Translation Costs	2,000	0	0	0	0	**2,000**	**19**
							75700	Training, Workshops and Confer	0	52,000	0	0	52,000	**104,000**	**20**
		Total Output 3.2							**195,050**	**518,087**	**391,657**	**396,605**	**530,413**	**2,031,812**	
	Total Outcome 3								**337,935**	**746,478**	**622,239**	**629,418**	**765,501**	**3,101,571**	
Total Component 3									**337,935**	**746,478**	**622,239**	**629,418**	**765,501**	**3,101,571**	
Project Execution Costs	*Project Management Cost (PMC)*		*PMC*	*UNDP*	*62040*	*011602*	61300	Salary & Post Adj Cst-IP Staff	19,400	21,819	22,256	22,701	23,155	**109,331**	**21**
							71400	Contractual Services-Individuals	2,172	17,178	17,339	17,505	17,677	**71,871**	**22**
							71600	Travel	0	3,512	5,200	5,200	5,200	**19,112**	**23**
							72800	Information Technology Equipmt	8,000					**8,000**	**24**
							73100	Rental & Maintenance-Premises	8,743	8,743	8,743	8,743	8,743	**43,715**	**25**
							71200	International Consultants	0	23,750	23,750	23,750	23,750	**95,000**	**26**
							64300	Direct Project Cost-Staff	2,061	15,000	15,000	15,000	15,000	**62,061**	**27**
Total Project Management Cost (3%)									**40,376**	**90,002**	**92,288**	**92,899**	**93,525**	**409,090**	
Total Project Cost									**1,028,484**	**3,121,444**	**3,245,654**	**3,123,631**	**3,117,151**	**13,636,364**	
Implementing Entity Fee (10%)									**102,848**	**312,144**	**324,565**	**312,363**	**311,715**	**1,363,636**	
Total Project Grant									**1,131,332**	**3,433,588**	**3,570,219**	**3,435,995**	**3,428,866**	**15,000,000**	

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Executing Entity (EE) cost breakdown

Cost Item	Description / Basis of Calculation	Total Cost (USD)
Salary & Post Adj Cst-IP Staff	6% Project Manager (P3) (part of the PMU): 1 person @ $1,065.25/month for 60 months	63,915.00
Salary & Post Adj Cst-IP Staff	6% Procurement Analyst (P2) (part of the PMU): 50% time 1 person @ $351.18/month for 60 months	21,071.00
Salary & Post Adj Cst-IP Staff	6% Finance and Operations Analyst (P2) (part of the PMU): (1 person @ $450.85/month for 54 months)	24,345.00
Contractual Services-Individuals	15% Project Analyst (IPSA 9) (part of the PMU): 1 person @ $1,197.85/month for 60 months	71,871.00
Travel	1 Grantee Site Visit per year: $3,822.40 per trip x 5 years	19,112.00
Rental & Maintenance-Premises	41.24% Rental and Maintenance: Office space for PMU @ $728.58/month for 60 months	43,715.00
Equipment	Laptops, Monitors, Software: For Project Manager, Finance Analyst, Procurement Analyst, and Project Analyst @ $2,000	8,000.00
International Consultant	Impact and knowledge Reporting Consultant(including consultancy honoraries)	95,000.00
Direct Project Cost-Staff	UNDP Operational Support Services: Recruitment, contract management, travel, approvals, and grants management @ $ 13,791.23 per year for 4.5 years	62,061.00
TOTAL EE COSTS		**409,090.00**

Justification: AFCIA Phase 2 has higher execution costs cover essential administrative and project management support personnel needed to administer a large-scale, global project, with multiple grants and transactional services across numerous small organizations (NGOs/CSOs and MSMEs). Operational demands are further heightened by the project's design, which necessitates the provision of support at both global, regional and national levels, as well as sustained engagement with community organizations across multiple countries. To ensure effective implementation, this structure requires operational and administrative implementation support for each grantee, and real-time, in-country problem-solving all requiring a significant operational budget.

The higher execution costs of 3% ensure that project activities are implemented efficiently and accurately, while remaining responsive to the specific needs of each grantee and maintaining sufficient flexibility to provide tailored support which may have greater implications for administrative and project management costs. This one-on-one dedicated administrative and operational support was one of the most valued characteristics during the implementation of UNDP-AFCIA Phase 1 as expressed by the participating grantees, because it allowed them to conclude their LVGA´s implementation with following an adaptative management process throughout the process.

The additional 1.5% requested relates exclusively to execution-level responsibilities that UNDP will deliver as an Executing Entity (EE), more specifically:

- Global grant administration.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

- Management of specific project components;
- Managing two competitive grant windows and administering at least 26 LVGAs issued to NGOs/CSOs and MSMEs;
- Providing direct operational support to grantees;
- Carrying out the due diligence before by the PMU before signing the LVGAs with grantees;
- Engaging/procuring consultants or companies to deliver technical assistance.
- Undertaking travel directly related to execution-level functions.
- Setting up an online platform/website for data collection linked to specific performance indicators;

The above costs are demonstrably distinct from IE oversight or corporate functions which are itemized and costed under the "IE fee breakdown" table below – and clearly separated.

Implementing Entity (IE) fee breakdown

Category	Services Provided by UNDP	IE fee (USD) AFCIA 2
Identification, Sourcing and Screening of Ideas	Provide information on substantive issues in adaptation and innovation associated with the purpose of the Adaptation Fund (AF).	68,182
	Engage in upstream policy dialogue related to a potential application to the AF.	
	Verify soundness & potential eligibility of identified ideas for AF.	
Feasibility Assessment / Due Diligence Review	Provide up-front guidance on converting general idea into a feasible project/programme.	204,545
	Source technical expertise in line with the scope of the project/programme.	
	Verify technical reports and project conceptualization.	
	Provide detailed screening against technical, financial, social and risk criteria and provide statement of likely eligibility against AF requirements.	
	Determination of execution modality and local capacity assessment of the executing entity.	
	Assist in identifying technical partners. Validate partner technical abilities. Obtain clearances from AF.	

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Development & Preparation	Provide technical support, backstopping and troubleshooting to convert the idea into a technically feasible and operationally viable project/programme.	272,727
	Source technical expertise in line with the scope of the project/programme needs.	
	Verify technical reports and project conceptualization.	
	Verify technical soundness, quality of preparation, and match with AF expectations.	
	Negotiate and obtain clearances by AF. Respond to information requests, arrange revisions etc.	
Implementation	Technical support in preparing TORs and verifying expertise for technical positions.	613,637
	Provide technical and operational guidance to project team. - Verification of technical validity / match with AF expectations of inception report/baseline report.	
	Provide technical information as needed to facilitate implementation of the project activities.	
	Prepare Project Baseline Report	
	Provide advisory services as required.	

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	Provide technical support, participation as necessary during project activities.	
	Provide troubleshooting support if needed. Provide support and oversight missions as necessary.	
	Provide technical monitoring, progress monitoring, validation and quality assurance throughout.	
	Allocate and monitor Annual Spending Limits based on agreed work plans.	
	Receipt, allocation and reporting to the AFB of financial resources.	
	Oversight and monitoring of AF funds, including audit.	
	Return unspent funds to AF.	
Evaluation and Reporting	Provide technical support in preparing TOR and verify expertise for technical positions involving evaluation and reporting (including for the Mid-Term- and Terminal Evaluations).	204,545
	Participate in briefing / debriefing (including for the Mid-Term and Terminal Evaluations).	
	Verify technical validity / match with AF expectations of all evaluation and other reports (including supervision/development of the Baseline Data Report, Project Performance Report, and Project Completion Report, the Mid-Term and Terminal Evaluations).	
	Undertake technical analysis and validate results.	

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

	Disseminate technical findings	
Total		**1,363,636**

H.Include a disbursement schedule with time-bound milestones.

Disbursement Schedule with Time-Bound Milestones

	Upon Agreement signature (Year 1)	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Total**
Scheduled Date	1-Jan-2027	1-Jan-2028	1-Jan-2029	1-Jan-2030	1-Jan-2031	
Project Funds	1,089,482	6,808,130	2,303,778	1,839,350	1,595,624	13,636,364
Implementing Entity Fees	610,823	408,488	138,227	110,361	95,737	1,363,636
Total	1,700,305	7,216,618	2,442,005	1,949,711	1,691,361	15,000,000

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

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

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

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans 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.	
Implementing Entity Coordinator DocuSigned by: Nancy Bennet 4EEADA5A5FE9433... *Nancy Bennet* *Director, Quality and Impact Hub and* *Executive Coordinator, Vertical Funds* *Bureau for Policy and Programme Support (BPPS)* *United Nations Development Programme*	
Date: 19-Aug-2026	Tel. and email: nancy.bennet@undp.org
Project Contact Person: Radhika Dave, Senior Technical Advisor, Climate Change Adaptation, BPPS	
Tel. And Email: Radhika.dave@undp.org	

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

PART V: ANNEXES

Annex 1: Lessons Learnt compilation from AFCIA 1

Included as a separate file in this proposal.

Annex 2a: Preliminary online application format
Included as a separate file in this proposal.

Annex 2b. Preliminary Detailed Proposal Application Format
Included as a separate file in this proposal.

Annex 2c. Selection Process and Evaluation Criteria
Included as a separate file in this proposal

Annex 3: Social and Environmental Screening Procedure (SESP)
Included as a separate file in this proposal.

Annex 4. Social and Environmental Management Framework (ESFM)
Included as a separate file in this proposal.

Annex 5: Gender Assessment and Action Plan
Included as a separate file in this proposal.

Annex 5a. GAP and Results Framework Crosswalk Indicator Table
Included as a separate file in this proposal.

Annex 6a: Stakeholder Consultations and Engagement during the Design Phase
Included as a separate file in this proposal.

Annex 6b: Stakeholder Engagement Plan during the Implementation Phase
Included as a separate file in this proposal.

Annex 7: Minutes from the Stakeholder Consultations
Included as a separate file in this proposal.

Annex 8: Detailed Budget and Breakdown of the IE Management Fee
Included as a separate file in this proposal.

Annex 9: Detailed Multi Annual Workplan
Included as a separate file in this proposal.

Annex 10: Organigram
Included as a separate file in this proposal.

Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

Annex 11: Communications and visibility strategy
Included as a separate file in this proposal.

Annex 12: Detailed background information
Included as a separate file in this proposal.

Annex 13: Methodology for estimating the AFCIA 2 beneficiaries
Included as a separate file in this proposal.

This is not applicable for this project

Annex 1: Lessons Learned from AFCIA 1

Introduction

Annex 1 consolidates the key lessons learned over the full lifecycle of AFCIA 1, drawing on evidence and reflections from the UNDP-AFCIA Impact Report, external academic reviews by partner universities, formal progress reports to the Adaptation Fund and the EU, GRP's Business School Initiative synthesis, and the UNDP-AFCIA Knowledge Management close-out report. Together, these sources capture what has worked, where systemic bottlenecks remain, and how locally led adaptation can be better supported through patient finance, tailored technical assistance, stronger organisational capacity, and more deliberate investment pathways. The lessons summarised here provide the learning backbone for the design of AFCIA 2, ensuring that the next phase builds directly on the practical experience, evidence, and insights generated by AFCIA 1.

Key Lessons Learned from AFCIA 1

Lessons Learned from the UNDP-AFCIA Impact Report (October 2025)	
#	**Lessons**
1	Sustained, long-term partnerships are critical for scaling impact: Addressing complex, systemic issues such as climate adaptation requires sustained collaboration. Long-term partnerships, both at the local and international levels, are essential to expand the scope and impact of interventions. These enduring relationships enable continuous trust-building, knowledge sharing, and scaling of innovative solutions across regions, ensuring that progress is both sustainable and contextually relevant. AFCIA 2 embeds long-term, sequenced engagement as a core design feature. Building on AFCIA 1's multi-stage model, AFCIA 2 formalises multi-year accompaniment, strengthens PMU continuity, and deepens partnerships with Country Offices, universities, and knowledge partners. This ensures that local innovators receive predictable, trust-based support across technical assistance, investment readiness, and market integration—allowing solutions to evolve steadily toward scale while safeguarding contextual relevance.
2	Culturally tailored communication strategies are paramount for fostering resilience: Effective communication is foundational to the success of adaptation efforts. It is essential to design culturally sensitive, context-specific communication strategies that resonate with local communities. Such approaches ensure meaningful engagement, enhance understanding, and secure long-term community buy-in, thus ensuring that adaptation measures are not only effective but also sustainable over time. AFCIA 2 integrates culturally grounded communication as a mandatory design component. Through the Learning Sprint, enhanced TA, and country-level facilitation, AFCIA 2 ensures adaptation messages align with community norms, strengthen social acceptance, and sustain long-term adoption of climate-resilient practices.
3	Empowering local actors through direct funding mechanisms enhances relevance and effectiveness: Providing direct funding to local organizations and stakeholders enables them to design and implement climate solutions that are context-specific and aligned with local needs. This approach fosters local ownership, improves responsiveness, and ensures that adaptation efforts are both relevant and impactful, thereby enhancing the overall effectiveness of interventions. AFCIA 2 maintains and expands the direct LVGA-style financing model, coupled with enhanced oversight through Country Offices. By pairing direct funding with tailored TA, light-touch compliance, and participatory milestone-setting, AFCIA 2 strengthens local autonomy while ensuring that partners can access the flexible, context-driven finance required to design and implement their own climate solutions.

4	Adaptive management approaches are crucial for ensuring the flexibility and scalability of climate adaptation efforts: Climate change is dynamic, and adaptation strategies must remain flexible to respond to evolving local needs and environmental challenges. Adaptive management practices allow for continuous learning, reflection, and adjustment of strategies, ensuring that interventions remain relevant, responsive, and scalable over time. This approach supports the iterative development of solutions that meet both current and future demands. AFCIA 2 institutionalises adaptive management through rolling workplans, flexible disbursements, and rapid-response TA adjustments. The programme's expanded 8–12 month TA window ensures real-time course correction, while the Failure Learning Protocol promotes structured reflection, allowing partners to iterate solutions as climate shocks, market dynamics, or institutional realities evolve.
5	Phased funding models are essential for scaling and sustaining innovation: Phased funding allows for a gradual scale-up of adaptation initiatives, providing the necessary financial resources and technical support at different stages of development. This model enables local actors to refine, test, and scale their solutions while ensuring financial sustainability. By providing continued support, phased funding ensures that innovative approaches can evolve in line with emerging needs, fostering long-term success. AFCIA 2 formalises a multi-stage capital pathway—initial grants, performance-linked follow-on tranches, and targeted preparation for blended finance. By sequencing financial support in alignment with organisational maturity, AFCIA 2 reduces grant dependency, promotes early revenue modelling, and connects high-performing grantees to DFIs, impact investors, and catalytic capital providers.
6	Innovation must prioritize practicality and integration into existing systems: While novel solutions are important, they must be practical, adaptable, and seamlessly integrated into local systems. Innovations should be designed to meet the needs of communities, ensuring that they are cost-effective, low-maintenance, and culturally appropriate. This approach increases the likelihood of adoption and ensures the long-term sustainability of solutions, enabling them to effectively address the challenges posed by climate change. AFCIA 2 prioritises feasibility, cost-effectiveness, and system integration through structured TA on value chain design, unit economics, policy alignment, and maintenance planning. PMU screening and early-stage diagnostics ensure that proposed innovations can be absorbed by local ecosystems, strengthening replicability, long-term adoption, and system-wide resilience.
7	Failure must be recognized as an integral part of the innovation process: Innovation involves an iterative process that often includes setbacks and "failures." These challenges provide valuable learning opportunities and should be viewed as a necessary part of the development process. By fostering a culture of learning from failures, we create an environment where innovation can thrive, and solutions can be refined to better meet the needs of local communities. AFCIA 2 embeds a structured Failure Learning Protocol, creating safe spaces for grantees to surface setbacks and extract insights. These learnings feed into adaptive TA delivery, portfolio-wide knowledge synthesis, and peer learning cycles—normalising experimentation and enabling innovations to mature through iteration rather than linear delivery pressures.
8	Local ownership and participation are fundamental to the success of locally led adaptation (LLA): Ensuring that communities take ownership of adaptation initiatives is critical for their success and sustainability. When communities set their own priorities and actively participate in decision-making processes, they are more likely to embrace and sustain the interventions. Utilizing community-defined indicators and participatory planning processes ensures that solutions are aligned with local needs, promoting greater impact and long-term success. AFCIA 2 reinforces community ownership by requiring participatory planning, community-defined indicators, and locally driven prioritisation during both design and implementation. AFCIA 2's Monitoring, Evaluation, and Learning framework ensures that evidence systems elevate community voice and reflect local definitions of success, strengthening long-term adoption and accountability.
9	Building strong, functional networks within local communities supports long-term resilience: Developing robust networks of local stakeholders, including community-based organizations, NGOs, and private sector actors, is essential for fostering resilience. These networks facilitate collaboration, knowledge exchange, and resource mobilization, enabling communities to better respond to climate risks and build long-term adaptive capacity. Capacity-building initiatives should focus on strengthening these networks to ensure that they remain functional and effective over time. AFCIA 2 deepens network-building through structured peer learning, community-of-practice spaces, and ecosystem

	convenings with various stakeholders. In addition, the programme expands its collaboration with leading business schools, leveraging Fellows to produce high-quality knowledge products, market analyses, and investment-readiness tools that strengthen grantee visibility and credibility. Through curated roundtables with funders, investor-facing showcases, and a more deliberate investment-brokering mechanism, AFCIA 2 enables grantees to engage directly with DFIs, impact investors, banks, and ecosystem actors. Strengthened PMU facilitation—supported by academic partners and financial intermediaries—helps grantees mobilise resources, deepen partnerships, and build the horizontal and vertical networks required for durable, scalable resilience.
10	Leadership by women and youth strengthens resilience to climate change: Empowering women and youth in leadership roles within climate adaptation initiatives significantly enhances the resilience of communities. Their involvement in decision-making processes ensures that adaptation efforts are inclusive, equitable, and reflective of the needs of diverse community members. When women and youth are given leadership opportunities, they bring unique perspectives that drive more effective, sustainable solutions. AFCIA 2 requires grantees to adopt gender- and youth-responsive leadership structures, supported by dedicated TA for inclusive governance, workforce pathways, and participatory decision-making processes. The AFCIA 2's selection and due-diligence processes are aligned with UNDP's Gender Marker 2 standards, ensuring that all funded interventions demonstrate a clear, intentional focus on advancing gender equality and youth empowerment across design, implementation, and monitoring. At the beneficiary level, AFCIA 2 prioritises interventions that meaningfully involve women and young people in planning, implementation, and benefits-sharing, ensuring that adaptation models strengthen their agency, economic opportunities, and social resilience. Portfolio-wide evidence systems highlight these contributions, enabling the leadership of women and youth to be recognised, legitimised, and institutionalised within locally led adaptation approaches.
11	Targeted interventions for women and youth improve their economic and social resilience: Programs that specifically target the empowerment of women and youth—through training, employment, and leadership opportunities—strengthen their ability to contribute to climate adaptation efforts. These interventions help reduce vulnerability, enhance social inclusion, and increase economic resilience, contributing to broader community resilience in the face of climate change.
12	Gender-sensitive knowledge sharing is essential for embedding gender equality in adaptation strategies: The integration of gender considerations into climate adaptation efforts requires the establishment of gender-sensitive knowledge-sharing platforms. These platforms ensure that women's roles are recognized and supported, and promote the exchange of best practices for gender equality. By elevating the voices of women and marginalized groups, we ensure that gender equality is embedded throughout adaptation activities.
13	Diversified revenue streams and unlocking private investment are key to the financial sustainability of adaptation initiatives: Ensuring the financial sustainability of climate adaptation projects requires the exploration of alternative revenue streams, including blended finance mechanisms and private sector investment. By reducing dependency on donor funding and exploring innovative financial models, adaptation initiatives can become more resilient and sustainable over time, allowing them to scale and reach more communities. AFCIA 2 embeds financial sustainability diagnostics, market-access strengthening, and early exploration of revenue-generation pathways—including ecosystem service monetisation, enterprise spin-offs, and service contracting. The programme's investment brokerage mechanism aims to connects grantees to investors and blended capital opportunities, reducing donor dependence and enabling scalable financial models.
14	Clear, transparent business models are crucial for attracting investment and ensuring scalability: A well-defined business model with a clear risk-return profile is essential to attract investment and ensure the long-term sustainability of climate adaptation solutions. Business models must demonstrate how investments will generate both financial returns and measurable impact, providing investors with the confidence to support scaling and replication efforts. AFCIA 2 expands investment-readiness support through tailored technical assistance delivered through PMU and Fellows. Fellows and PMU specialists help grantees articulate credible, investor-aligned models that combine commercial logic with measurable climate adaptation impact.

15	High-quality, consistent data and documentation are essential for building investor confidence: Robust, transparent financial and impact data is critical to reducing investor risk and facilitating the rapid scaling of adaptation solutions. By maintaining up-to-date documentation and data, including financial plans, impact metrics, and verification procedures, projects can accelerate due diligence processes, improve investor confidence, and make scaling efforts more predictable. AFCIA 2 introduces strengthened documentation standards, Monitoring, Evaluation, and Learning digitalisation, and portfolio-wide evidence templates, enabling grantees to present reliable financial and impact data. These structured data flows accelerate due diligence, reduce investor risk perceptions, and support scalable replication of proven models.
16	Strategic partnerships at local and international levels are critical for scaling impact: Strong partnerships with local organizations, international institutions, and the private sector enable adaptation projects to leverage additional resources, increase visibility, and expand their impact. By forming and nurturing these partnerships, projects can ensure that they have the support and resources necessary to achieve long-term success and scale their efforts effectively. AFCIA 2 invests in deeper partnerships with UNDP Country Offices, GRP, ICCCAD, CDKN, DFIs, and specialised business schools. These partnerships deliver multi-disciplinary support—from governance to finance to ecosystem positioning—while amplifying grantee visibility across global platforms such as COPs, Climate Weeks, and investor forums.
17	Supporting local stakeholders through targeted capacity-building ensures the sustainability of adaptation efforts: Capacity-building initiatives that focus on enhancing local skills and knowledge are fundamental to ensuring the long-term success of adaptation projects. By investing in local stakeholders, we empower communities to take ownership of adaptation efforts and continue driving resilience, even after external support has ended. AFCIA 2 elevates capacity-building through hands-on TA, structured Learning Sprints, applied coaching, peer exchanges, and long-cycle accompaniment. By sequencing capacity-building to organisational readiness and contextual needs, AFCIA 2 strengthens governance, financial systems, M&E, and market-facing capabilities critical for long-term resilience.
18	Incorporating Indigenous knowledge into adaptation solutions enhances cultural relevance and ownership: Indigenous knowledge offers valuable insights into sustainable practices that are closely aligned with local ecosystems and cultural contexts. By integrating Indigenous knowledge into climate adaptation strategies, we ensure that solutions are not only environmentally sustainable but also culturally appropriate, fostering local ownership and pride in the interventions. AFCIA 2 institutionalises the integration of Indigenous and traditional knowledge by embedding culturally grounded design principles, participatory value-chain diagnostics, and community-led MEL narratives. This ensures that adaptation solutions build on local ecological wisdom, reinforce cultural identity, and strengthen community pride and ownership.

Lessons Learned from the Reports of Professors of the University of Oxford and the University of Cape Town (September 2025)	
#	**Lessons**
1	Building Organisational Capacity as a Foundation for Growth: Many partner organisations, especially those in resource-constrained environments, were at an early stage of development. AFCIA Fellows (hereafter referred to as Fellows) contributed to strengthening organisational capacity through the creation of strategic business plans, financial models, and scaling strategies. However, some organisations struggled with limited human resources, weak governance structures, and informal financial data. Therefore, AFCIA 2 will integrate organisational development more systematically to build a stable foundation for growth, risk management, and scaling.
2	The Importance of Relational Engagement and Co-Creation: Successful outcomes in the fellowship were most often achieved when students engaged with partners in a relational and adaptive manner. The iterative process of building trust, adjusting assumptions, and refining deliverables based on evolving grantees' needs and capacities proved to be critical. Therefore, AFCIA 2 will continue to foster this iterative process of building trust, adjusting assumptions, and refining deliverables.

3	Systemic Thinking is Crucial for Climate Resilience: Effective climate resilience strategies must not only address individual interventions, but also integrate financial, environmental, and social objectives into a cohesive strategy. AFCIA Fellows helped grantees design models that advanced income generation, social inclusion, and ecological regeneration simultaneously. AFCIA 2 will continue to foster this systems-based approach, which proved to be essential for building holistic, durable resilience that can navigate interconnected risks in climate-vulnerable contexts.
4	Addressing the early-stage finance gap and providing tailored and long-term support is critical for scaling innovations: One of the key challenges identified was the persistent funding gap for early-stage climate innovation. Many grassroots organisations lacked the necessary internal systems (e.g., financial literacy, compliance, credible impact metrics) to engage with investors, especially in blended finance models combining grants, debt, and equity. Additionally, the lack of sustained, flexible support was a key challenge for scaling many innovations. Grassroots organisations often face unpredictable funding cycles, limited access to finance, and complex operational needs. Extending the support period and offering staged financial assistance tailored to the capacity and growth trajectory of each organisation is necessary for ensuring long-term success and scalability of climate-resilient enterprises. Building on this learning, AFCIA 2 aims to extend its technical assistance (TA) coverage to 8–12 months per year by staggering the business school cohorts on a rotating calendar with overlapping terms, so when one cohort rolls off, the next rolls on—delivering continuous, year-round support without significant gaps. Additionally, building on our existing relationship with the leading universities, we aim to engage other specialised schools to augment and strengthen thematic-focused specialised TA. Additionally, AFCIA 2 will provide performance-linked grants in stages and aims to actively connect grantees to the finance ecosystem, including Development Finance Institutions (DFIs), impact investors, and local banks, through a sustained facilitation effort focused on showcasing solutions and maximising visibility.
5	Market Access and Ecosystem Service Monetisation Are Key to Financial Sustainability: In several projects, fellows identified market access as a critical barrier to resilience. Strategies to strengthen market linkages, secure certifications, and develop buyer relationships were central to the success of these projects. Additionally, several fellows explored the potential of monetising ecosystem services (e.g., carbon credits, biodiversity credits) to secure long-term financing for climate resilience. While still complex, these models offer new financial pathways for grassroots organisations engaged in environmental restoration. Therefore, AFCIA 2 will specifically target these interventions from the early stage of engagement for which the required capacity and connections have already been built by the project management unit (hereafter referred to as PMU) of AFCIA during the implementation phase of AFCIA 1.
6	Clear and Actionable Impact Measurement Systems Are Needed: As organisations scale their efforts, they require robust monitoring and evaluation (M&E) systems to track progress, adjust strategies, and report outcomes to donors and investors. AFCIA 2 aims to address this issue from the beginning via various interventions, such as an 8-10 week learning sprint and dedicated PMU resources for business and investment-readiness support. Furthermore, the future cohorts of fellows will also help grantees develop simple, practical M&E tools that align with their operational capacity and needs. This assistance and tools can strengthen organisational development, increase donor confidence, and improve the quality of reporting for climate finance providers.
7	Capacity-Building Through Hands-On Learning Drives Long-Term Resilience: Effective capacity-building efforts were most impactful when they were co-designed with communities, adapted to local knowledge and needs, and involved applied, hands-on learning. These approaches empowered local actors and increased ownership of climate adaptation strategies, making them more likely to be sustained over time. Additionally, mentorship and peer learning enhanced the ability of communities to take leadership in climate resilience efforts. Building on its existing capabilities, AFCIA 2 will continue to support the peer-to-peer learning and knowledge exchange.

Lessons Learned from 4th Progress Report (for the AF and the EU), 2024	
#	**Lessons**
1	Direct funding to local actors is highly effective for LLA. The direct LVGA mechanism empowered NGOs, CSOs, and cooperatives to take ownership, tailor interventions to community needs, and deliver adaptation results efficiently. Therefore, AFCIA 2 will follow the same direct approach of providing funding and TA.
2	Adaptive management is essential for effective implementation. Under AFCIA 1, providing no-cost extensions, adjusting technical support, and adapting workplans to reflect grantee realities proved crucial for maintaining momentum and upholding LLA principles. Actively listening to grantees, recognising local constraints, and allowing flexibility strengthened trust, supported continuity, and ensured more meaningful results. In line with this observation, AFCIA 2 will continue to apply an adaptive management approach, ensuring that programme delivery remains responsive, context-sensitive, and aligned with the needs and capacities of locally led partners.
3	Sustainability requires business model strengthening and reduced grant dependency. The programme learned that grantees must be supported to build revenue models, explore non-grant finance, and reduce long-term reliance on grants as the programme approaches its final years. Building on this, AFCIA 2 will intentionally embed business model strengthening and de-risking of non-grant finance into its core design. In practical terms, AFCIA 2 will pair grants with structured investment-readiness support (TA), helping grantees clarify their value proposition, develop robust revenue models, improve unit economics and strengthen financial management systems. AFCIA 2 will also work with partners to identify and crowd in appropriate non-grant instruments—such as concessional debt, guarantees, revenue-based finance or outcomes-based contracts—so that promising solutions can gradually transition from grant dependence to more diversified, sustainable capital structures. This will be sequenced over the programme cycle, with a clear expectation that, as AFCIA 2 progresses, a growing share of portfolio organisations will be able to access follow-on, non-grant finance and operate with significantly reduced reliance on grants.
5	Phased and multi-stage funding significantly improves scaling. Therefore, AFCIA 2 will continue to provide the performance-linked grants along with the TA that will help build grantees' capacity to attract follow-on investments.
6	A sequenced approach—initial grants followed by larger scaling investments—supports deeper engagement, stronger community connections, and higher sustainability of innovations.
7	Local ownership increases effectiveness when paired with flexible Monitoring, Evaluation, and Learning. Allowing community-defined indicators and participatory planning ensures accountability while keeping interventions aligned with community priorities. Therefore, AFCIA 2 will continue to prioritise locally led planning and flexible, learning-oriented MEL systems that recognise community actors as core partners in defining, tracking, and interpreting results. The programme will support grantees to co-create indicators with communities, integrate these into project-level and programme-level results frameworks, and use participatory reflection spaces to adapt interventions over time. AFCIA 2 will also invest in simple, context-appropriate data tools and feedback mechanisms so that evidence generated at community level informs decision-making by intermediaries, funders, and policymakers, while maintaining accountability for climate, livelihood, and inclusion outcomes.
8	Practical, context-fit innovations outperform novel but complex ones. Successful solutions prioritized ease of integration into local systems, cost-effectiveness, and community usability over novelty. Therefore, AFCIA 2 will deliberately privilege practicality and context-fit over technological novelty in its selection, support and scaling pathways. The programme will assess innovations on their ease of integration into existing local systems and services, affordability for end users and intermediaries, and usability for communities with varying literacy, digital access and capacity levels. Technical assistance will focus on simplifying delivery models, strengthening last-mile operations, and adapting tools and processes to local norms and institutions, rather than adding complexity. In doing so, AFCIA 2 will seek to back solutions that frontline actors can realistically adopt, maintain and expand, thereby increasing the likelihood that successful innovations are sustained and scaled beyond the life of the programme.

Lessons Learned from Mid-Term Review (March, 2023)	
#	**Lessons**
1	A global innovation programme cannot achieve full results within a single phase. Establishing programme architecture, systems, partnerships, and delivery mechanisms takes substantial time, and expectations for full compliance within one project cycle are unrealistic for a new global structure. Therefore, PMU envisoned the second phased of the project - AFCIA 2. AFCIA 2 will be an improvement on the existing project by building on and leveraging learnings of the AFCIA 1.
2	Delays in recruiting PMU staff significantly affected operational efficiency under AFCIA 1, underscoring the need for early onboarding—ideally even prior to the first disbursement. Accordingly, AFCIA 2 will strengthen PMU capacity from the outset by prioritising timely recruitment. Much of the foundational work has already been completed, as the current team at the close of AFCIA 1 has demonstrated strong capability and coherence. To meet the expanded scope and ambition of AFCIA 2, the PMU will further augment its capacity by bringing in additional specialised talent.
3	A highly decentralised PMU structure presented challenges to team cohesion and efficient delivery, with staff distributed across multiple countries experiencing reduced collaboration and slower workflow. While acknowledging the MTR's observation, the PMU also recognises the strategic advantages of a globally distributed team—particularly given that AFCIA grantees and MBA fellows are themselves dispersed across regions and time zones. Centralising the PMU into a single location would risk diminishing the programme's responsiveness, reducing the quality and timeliness of technical assistance. To address the identified bottlenecks while preserving the strengths of a global model, AFCIA 2 will invest in enhanced coordination mechanisms, including more frequent in-person meetings, joint missions, and structured collaboration routines. This approach maintains the benefits of a distributed team, while actively strengthening cohesion, communication, and delivery efficiency.
4	Direct funding to local CSOs without adequate involvement of UNDP Country Offices reduced cost-efficiency and introduced avoidable operational and fiduciary risks. Early engagement of Country Offices—supported by appropriate cost-recovery arrangements—is essential to ensure effective oversight, contextual support, and risk management. In response, AFCIA 2 will work more closely with Country Offices from the outset, particularly during the selection of grantees, to ensure alignment with national adaptation priorities, strengthen monitoring and evaluation frameworks, facilitate policy linkages, and enhance overall programme coherence and safety.
5	Co-financing is essential for scaling innovations beyond the lifecycle of the grant. Achieving long-term sustainability, replication, and market integration requires early planning to attract public and private capital, as grant-only models are insufficient to reach meaningful scale. To address this bottleneck, AFCIA 2 will expand its technical assistance window to 8–12 months per year, enabling deeper work on investment readiness, business model refinement, and the development of sustainable growth pathways—including the exploration of hybrid spin-offs where appropriate. TA will also support grantees in managing the transition from grant dependence to more diversified and resilient financing structures. Building on the networks and relationships established during AFCIA 1, AFCIA 2 will provide more tailored brokering and facilitation, linking grantees with Development Finance Institutions (DFIs), impact investors, and other financing partners. This will include curated matchmaking, targeted advisory support, and structured engagement with relevant financial actors to position grantees for follow-on funding. In parallel, AFCIA 2 will actively support the visibility of promising locally led adaptation solutions across regional and global platforms. Participation in climate and development forums, investor dialogues, and thematic convenings will be strategically integrated into workplans, where resources allow. When pursued, these curated engagements—such as showcases, roundtables, and panel discussions—will help demonstrate the viability of adaptation-focused SMEs and social enterprises, highlight the value of locally led approaches, and catalyse new partnerships, capital flows, and technical collaborations.

6	Future phases should move beyond grant-only models and incorporate blended finance instruments. Equity, loans, and performance-based grants can provide more appropriate, scalable pathways for mature innovations and support a stronger transition toward investment readiness. Responding to the MTR's recommendation, AFCIA 2 has taken a further step by explicitly supporting MSMEs, which are often better positioned to absorb risk capital when appropriately de-risked and supported. In parallel, AFCIA 2 will encourage and assist NGO-led innovations to adopt market-based or hybrid structures—such as NGO-anchored social enterprises—that enable them to receive blended finance, access risk capital, and unlock scalable growth trajectories. Through expanded technical assistance and the strengthened investment readiness support described earlier, the programme will help grantees refine their models, understand financing options, and manage the transition toward more sustainable and investable structures. Complementing this, AFCIA 2 will actively broker connections between grantees and a diverse range of funders—including DFIs, impact investors, and philanthropic capital providers—to facilitate access to follow-on financing and accelerate their pathway to scale.

Lessons Learned from GRP – Business School Initiative Synthesis Report (including 2023 and 2024)	
#	**Lessons**
1	Bridging academia and practice adds significant value to adaptation efforts. The internship programme demonstrated that structured knowledge-brokering between MBA/MSc students and local grantees offers cost-effective, high-quality technical assistance while bringing in fresh perspectives, analytical rigor, and practical problem-solving skills. This model has strengthened grantee capacity and contributed to more robust business, financial, and operational strategies. Accordingly, AFCIA 2 will continue to leverage and expand this mechanism to support its grantees. In parallel, AFCIA 2 provides EMBA and MBA fellows with hands-on exposure to locally led adaptation models, community priorities, and the operational realities of delivering climate resilience. By engaging directly with innovators on the ground, fellows develop a more nuanced understanding of adaptation challenges and opportunities—insights they can carry into their future roles as investors, policymakers, and private-sector leaders. Over time, this contributes to a broader, more informed allocation of capital toward locally grounded adaptation solutions.
2	Strong onboarding and clear communication are critical for programme success: The report identifies operational challenges—delays in contracting, unclear expectations, communication gaps, and coordination issues. Enhanced onboarding of interns, grantees, and universities is essential to maximise collaboration and outcomes. In AFCIA 2, this will be addressed through a structured 8–10 week onboarding and Learning Sprint, designed to establish common understanding, build foundational capacities, and set clear expectations for reporting, MEL, business development, and financial management. A similar approach will be adopted for AFCIA Fellows, supported through dedicated PMU resources to ensure they are fully oriented, integrated into programme workflows, and equipped to provide high-quality, context-sensitive support throughout the year.

4	Innovation in adaptation requires openness to experimentation and learning from failure. The report emphasises the need to move beyond linear "solution delivery" models toward a genuine innovation mindset—one in which testing, iteration, and occasional failure are recognised as essential components of adaptive solutions. In response, AFCIA 2 has embedded these principles throughout its design, ensuring that experimentation, reflection, and course-correction are treated as integral to programme implementation rather than exceptions. AFCIA 2 reinforces a culture of accountability, adaptive learning, and continuous performance improvement across its portfolio. By integrating structured feedback loops at multiple stages, the programme helps grantees evolve into stronger, more resilient, and more investment-ready organisations over time. AFCIA 2 will introduce a dedicated Failure Learning Protocol to provide grantees with a safe, confidential mechanism to share lessons emerging from technical setbacks, market rejections, or unsuccessful pilots. The insights generated will be anonymised, synthesised, and translated into practical guidance for the entire portfolio. This approach transforms individual challenges into shared learning assets, accelerates collective problem-solving, and strengthens portfolio-wide innovation capabilities. By normalising reflection and iteration, the protocol supports a culture of transparency, adaptive management, and responsible risk-taking—elements that are fundamental for effective climate adaptation innovation.

Lessons Learned from UNDP-AFCIA Knowledge Management Close-Out Report (December 2024)	
#	**Lessons**
1	Peer-to-peer learning is one of the most powerful drivers of adaptation impact. Structured spaces for grantees to exchange experiences, reflect on challenges, and co-create solutions significantly accelerated learning and strengthened resilience programming.
4	Sustained technical and financial support is essential for local innovators. While AFCIA 1 successfully strengthened knowledge, visibility, and confidence among grassroots actors, many continue to face challenges in accessing patient finance, navigating policy environments, and sustaining momentum once the grant cycle ends. Future phases therefore require longer-term, tailored mentorship alongside dedicated pathways to follow-on financing. In response, AFCIA 2 will continue supporting a select group of high-potential AFCIA 1 grantees who require a final push to reach full scalability. For AFCIA 2 grantees, the PMU—having strengthened its operational capacity during AFCIA 1 and further expanding its team—will provide significantly enhanced support. This includes extending the technical assistance window to 8–12 months per year, delivering structured investment brokerage, offering visibility and showcasing opportunities at various stages, and leveraging university partnerships to convene roundtables and specialised advisory sessions. Together, these measures ensure that innovators receive the sustained accompaniment needed to mature their models, access capital, and scale their impact.
	Amplifying local voices in global and regional policy spaces transforms influence and legitimacy. Engagement at COPs, Regional Climate Weeks, and global forums gave grantees critical visibility and shifted discourse on locally led adaptation, proving the value of structured advocacy as part of adaptation programming.
	Robust monitoring, evaluation, and learning (MEL) systems are vital for capturing evidence of Locally Led Adaptation (LLA). Stories of change, case studies, and evidence syntheses proved highly effective in demonstrating results under AFCIA 1, but future phases must further strengthen MEL systems to generate both qualitative and quantitative evidence at scale. In response, AFCIA 2 will design and implement an enhanced MEL framework—developed in close collaboration with Country Offices and technical experts—to ensure more systematic data capture, stronger analysis of LLA outcomes, and more rigorous documentation of results across the portfolio.

	Investment brokering and exposure to investors remain essential but underdeveloped needs. Events such as the Dragon's Den and Climate Week NYC demonstrated strong potential to connect grantees with capital providers; however, many organisations still lack the investment readiness, tailored support, and networks required to effectively mobilise follow-on finance. A more structured and systematic investment facilitation mechanism is therefore needed. In line with this, AFCIA 2 will build on the networks and relationships established during AFCIA 1 to provide more deliberate and tailored brokering support. The programme will link grantees with Development Finance Institutions (DFIs), impact investors, philanthropic funds, and other financing partners through curated matchmaking, targeted advisory support, and structured engagements designed to position grantees for follow-on capital. In parallel, AFCIA 2 will strengthen the visibility of promising locally led adaptation solutions across regional and global platforms. Participation in relevant climate and development forums, investor dialogues, and thematic convenings will be strategically planned and integrated into annual workplans, subject to resources. When undertaken, these curated engagements—such as showcases, roundtables, and panel discussions—will help demonstrate the viability of adaptation-focused SMEs and social enterprises, highlight the value of locally led approaches, and catalyse new partnerships, capital flows, and technical collaborations.
	Knowledge partnerships dramatically enhance programme reach and quality. The collaboration with GRP, ICCCAD and CDKN acted as a convening and knowledge-brokering powerhouse—linking local innovators to global platforms, evidence ecosystems, and policy processes. Such partnerships should be embedded in all future adaptation programmes. In line with the observation, AFCIA 2 will continue to work and collaborate with GRP, ICCCAD, and CDKN.

Conclusion:

Taken together, the lessons emerging from AFCIA 1 reaffirm that locally led adaptation is not constrained by a shortage of innovative solutions, but by the way finance, capabilities and incentives are organised around those solutions. Where AFCIA 1 was able to combine flexible, risk-tolerant resources with embedded technical assistance, patient accompaniment and opportunities for iterative learning, local partners strengthened their institutions, tested and refined their business models, and generated evidence of climate, livelihood and inclusion outcomes that resonated with both communities and investors. Conversely, where implementation horizons were compressed, requirements overly-rigid, or support fragmented, promising initiatives struggled to move beyond the pilot stage and scale.

In this context, Annex 1 serves not only as a reflection on past performance, but as an operational guide for the design of AFCIA 2. By systematically integrating these lessons into the next phase—through clearer and more predictable investment pathways, stronger local intermediation and ecosystem partnerships, even more focused outreach to public and private capital, and more robust learning and knowledge-sharing mechanisms—AFCIA 2 will continue to support individual projects and help to build a more coherent, innovation-driven ecosystem for adaptation scaling. The insights captured here provide an important bridge between experience and future action, informing the governance, instruments and support modalities of AFCIA 2 so that it is more targeted in its approach, more catalytic in its use of resources, and more transformative for the vulnerable communities it aims to reach.

Annex 2a. Preliminary Online Form Application Format

Note

*The fields marked as * are required fields*
Colour Code

Text Box
Drop-down/Check-Box
Upload Button

Field

Applicant Registration

Email Address*
Password*

First Name*
Last Name*

Organization Name*
Address of Organisation

Address 1*
Address 2
City*
Pincode*
Country*

Contant number*

Organization Profile

Project Title*
Organization Name *
Country of registration (if different from country of registration)*
Country of operation (if different from above)

Region

Alternate Email Address

Organization's Legal Status

Type of Organisation*

If Other, Specify

Registration number and issuing authority*
Upload: Registration certificate (PDF, ≤10 MB)*
Is your registration current and in good standing? [Yes/No]*

Description of Organization

Date of creation*
Reasons and circumstances for the creation of the NGO/CSO/MSME? How has the NGO/CSO/MSME evolved in terms of scope and operational activity? *
Full-time employees (FTE)*
At least one prior pilot/project in the target sector/context?*
Team track record: relevant roles and prior delivery in similar context/scale*
Delivery plan basics: key milestones for 24 to 36 months, procurement approach, and Monitoring and Evaluation readiness for the project entity is applying grant for*
Have you previously received funding from any multilateral organization or international financial institution for this project (e.g., World Bank, UN agencies, IFIs)? If yes, please specify. What was the size and duration of your
Upload (optional but recommended): Latest audited accounts or management accounts + bank letter (PDF, ≤10 M
Upload (optional but recommended): 1-page factsheet or deck (PDF, ≤10 MB)

Sanctions and compliance

Organisation and key signatories are not on UN/EU/OFAC sanctions lists
There are no unresolved safeguarding violations
Upload: Signed compliance attestation (template) (PDF, ≤10 MB)

Funding Ask

Funding Required*

Adaptation Criteria

Which climate change risks does your organisation address in the target geography? *
If Other, specify
The climate-related hazards the solution address in the target geography: how do these hazards affect local livelihoods and vulnerable groups? Briefly describe the main hazards and provide any available evidence or references showing they match the local risk profile.
Describe the alignment between the identified climate risks and your proposed adaptation solution (who is exposed, how risk is reduced within 24 - 36 months).*
Upload (optional): Evidence/baseline reference (needs assessment, government/agency/academic source) (PDF, ≤10 MB)

Innovation Criteria

How does your proposed solution/practice/business model create, test, deploy or diffuse a new, adapted or improved adaptation solution—developed for your specific context and with the inclusion of the communities most vulnerable to climate change—compared to the current status quo?
How context-appropriate, feasible and viable is the proposed innovation in the target area/region, given current local systems, capacities, market readiness and community acceptance over the next 2–3 years? Explain?
Upload (optional): Evidence of innovation or results (pilot report, validation letter, MoU/LoI) (PDF, ≤10 MB)

Scale & Replicability Criteria

Is the solution/practice/business model has a scaling and replicability plan in place (current status and future plans for scaling the solution (geography, beneficiary base, revenue, or others))?*
Identify the single main pathway you will use to scale the solution (e.g. government programme, NGO network, cooperative, MSME distributor, digital platform). Explain why this channel is the most appropriate route to reach your target groups and summarise any existing relationships, mandates, platforms or resources that give you credible access to it.
Partnerships: Number of MoUs/LoIs*
Upload (optional): MoUs/LoIs (PDF).

Beneficiaries & Inclusion Criteria

Describe the main beneficiary groups for your solution, including typical income levels (e.g. low-income, lower-middle income) and any marginalised or vulnerable groups reached (e.g. women, youth, indigenous peoples, persons with disabilities, migrants, informal workers). (Restate even if it is not covered under Adaptation
Women beneficiaries (%): Indicate the expected percentage of women among direct beneficiaries (e.g. at 24 and 36 months), explain why this target is ambitious yet realistic for your context (baseline, sector norms, barriers), and briefly describe the key measures you will use to achieve it (e.g. outreach, adaptation of services, childcare,

Inclusion plan and indicators: Describe how the project will ensure the meaningful participation and equitable benefit of women, youth, low-income groups, and other marginalised or vulnerable populations. Outline concrete measures to remove barriers, promote inclusive decision-making, and ensure fair access to project services and opportunities. Provide key indicators (e.g., % women participants, % youth in leadership roles, number of vulnerable households reached) that will be used to track progress on inclusion throughout implementation. *
State your expected number of direct beneficiaries at 24 months and 36 months of implementation, providing numeric targets and (where relevant) disaggregation by geography or key segments. Briefly explain how these figures were derived and why they are realistic given your delivery model, current capacity, resources and

Financial Sustainability & Catalytic Finance

Business model (select one)*

Describe your current and planned revenue model. Set out your main revenue streams and indicate what share of your operating costs is presently covered by earned revenue (approximate %). Briefly explain how you expect this cost coverage to change over time (e.g. over the next 2–3 years).

Unit economics summary: Set out the key unit economics for your solution (e.g. unit cost, price/revenue per unit, gross margin, customer acquisition cost (CAC)). Briefly explain the main assumptions behind these numbers and how they support sustainable scaling of the model over time. *

Post-grant plan (after grant period end)*

Can the project continue without new grants? *

If Yes or Partial, describe how core project activities will continue for at least 24 months after the grant ends. Explain the main pathway(s) for continuation (e.g. new/expanded revenue streams, integration into government or partner programmes, follow-on funding), outlining key steps, indicative budgets, timelines and the roles of your main partners and funders.*

Capital rotation / revolving use of funds

Will you recycle working capital (revolving fund/repayable support)? *

If Yes, describe the mechanism and expected annual rotation multiple *

Ability to absorb private capital

Instruments you can take (current status or future status after the grant window)*

If Others, Specify

Existing or upcoming co-finance (including beneficiary contribution)?*

If Yes, specify source(s), amount(s), and status (confirmed/pipeline).

Catalytic effect of the grant

Target leverage (additional capital mobilised ÷ grant)*

One sentence on what the grant accelerates (cost curve, adoption, unit economics, etc.)*

Optional evidence upload (any)

ESG Safeguard Criteria

Do you foresee any safeguard risks related to this proposal? (This does not affect the applicant outcome; used for risk management.)*

If Yes, briefly describe the risk(s) and proposed mitigation(s)

Does the project outcomes cause distress to the financial vulnerability of the community?

Does the project outcomes cause distress to the social vulnerability of the community – (in the context of minorities, indigenous people, women)?

Does project outcomes cause distress with climate vulnerabilities – (displacements, more prone to CC impacts)

Upload (optional): Safeguard screening or policy documents, if available (PDF, ≤10 MB)

This preliminary online application format is aimed to provide an overview of the questions and level of information that will b

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e requested to the applicants. However, the for

Note

If applying as a consortium, please list the leading organization and partner organizations' names

Multiple countries can be selected by pressing the CTRL key

Automatic selection mapped to the country of registration

NGO / CSO / Cooperative / Social Enterprise / Academic/Educational Institution / Other

Format: DD/MM/YYYY (Drop-down via calendar)

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[Yes/No]
≤600 chars; Scored in Long Listing

≤600 chars; Scored in Long Listing

≤600 chars; Scored in Long Listing

[Yes/No]
[Yes/No]

Automatic Options depending on type of entity: If NGO/CSO/Non-Profit then, USD 200K for new applicant OR USD 100K for AFCIA 1 applicant; If MSME, then USD 40K for Innovation Challenge OR USD 140K for Direct Grant

Select all that apply: [i. Floods, ii. GLOF, iii. Storm surges, iv. Temperature rise/Heatwaves, v. Droughts/Rainfall variability, vi. Sea-level rise/Salination, vii. Coastal erosion, viii. Other]
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1. ☐ Earned revenue (product/service fees); 2. ☐ Hybrid (revenue + grants); 3. ☐ Grant-dependent (transition plan in place); 4. ☐ Grant-dependent (no transition plan in place)

≤ 600 chars; e.g., Customer Acquisition Cost, Unit Cost, Revenue per unit (if applicable).

[Yes/No]

≤600 chars

[Yes/No]
(≤400 chars); [e.g., 1.5x]

☐ Term debt ☐ Working-capital line ☐ Revenue-based finance ☐ PO/Receivables finance ☐ Guarantee ☐ Other
≤400 chars
☐ Confirmed ☐ Pipeline ☐ None
≤ 600 chars

[Number, e.g., 2.0x]
≤200 chars
☐ LoI/term sheet ☐ MoU with buyer/partner ☐ Unit-economics note (≤2 pages) [PDF, ≤10 MB]

[Yes/No]
≤400 chars
Yes/No

Yes/No
Yes/No

mat is subject to further changes and improvements during the implementation phase.

Annex 2 B.

UNDP-Adaptation Fund Climate Innovation Accelerator (AFCIA) – Preliminary Detailed Proposal Application Format[1]

Overall view of the proposal (list of components):

- Component 1 – General Applicant and Project information
- Component 2 – Objective and purpose of the Grant
- Component 3 - Target Beneficiaries and Gender Action
- Component 4 – Alignment with NAP and AFCIA 2 Priority Areas
- Component 5 – Target impact/results, milestone setting.
- Component 6 – Proposed activities and workplan
- Component 7 – Environmental, Social, and Governance Risks Screening
- Component 8 – Project-related Risks Identification and Management Measures
- Component 9 – Budget
- Component 10 – Legal information
- Component 11 – Sustainability, Scale, Financial Viability, and Technical Assistance and Business Advisory Support Plan
- Annex A - List of not-funded activities
- Annex B - Social and Environmental Risks Screening template for the selection of the supported activities

Please indicate the grant size that you are applying for (click the box):

If you are an MSME:

☐ $40,000 (Innovation Challenge)
☐ $140,000 (grant)

If you are an NGO /CSO:

☐ $200,000 (grant) – New grantees AFCIA 2
☐ $100,000 (grant) – Grantees AFCIA 1

[1] This preliminary grant application format is aimed to provide an overview of the questions and level of information that will be requested to the longlisted applicants. However, the format is subject to further changes and improvements during the implementation phase.

Component 1 – General Applicant and Project Information

Information about the applicant	
Name of the organization	
Establishment date of the organization	
Country of registration	
Country of operation	
Main contact person	
Organization website	

Basic information about the project	
Project title	
Country where project is to be implemented	
Locality(ies)/region(s) within country	

Type of Intervention	**Please mark with an "X" those that apply**
Water, Sanitation and Hygiene (WASH)	
Education /knowledge use or generation	
Sustainable consumption and production	
Testing a technology	
Habitat conservation /reforestation /afforestation	
Disaster risk reduction	
Sustainable housing/ infrastructure	
Business development/entrepreneurship	
Sustainable lifestyles (cooking, use of renewable energies, use of renewable water sources, etc)	
Financial products/services	
Other (please specify):	

Relevant SDGs Project Aiming to Achieve		
SDG	**SDG Description**	**Please mark with an "X" those that apply**
1	End poverty in all its forms everywhere	
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
3	Ensure healthy lives and promote well-being for all at all ages	
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
5	Achieve gender equality and empower all women and girls	
6	Ensure availability and sustainable management of water and sanitation for all	

7	Ensure access to affordable, reliable, sustainable, and modern energy for all	
8	Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all	
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
10	Reduce inequality within and among countries	
11	Make cities and human settlements inclusive, safe, resilient, and sustainable	
12	Ensure sustainable consumption and production patterns	
13	Take urgent action to combat climate change and its impacts	
14	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	
15	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels	
17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	

Q. #	Pre-Screen Questions	Documents to review to determine your response[2]	Response (Y/N)	Comments (if answer is no)
1	Is the NGO/CSO a legal entity that is currently registered to operate in the country?			
2	Is the MSME a legal entity that is currently registered to operate in the country?			

[2] No need to submit as annexes all these documents, they should be rather used as a reference to inform and substantiate your response. Please refer to Component 7 where we ask you to submit specific documents as annexes along with this proposal format.

2	Does the entity have access to beneficiaries in the geographic areas covered by the project, or the affected area(s)?			
3	Are the project outputs proposed to be delivered by this entity aligned with its mandate, constituency base and experience?			
4	Is the entity's leadership willing to implement the proposed project?			
5	Has the government raised any objections to this entity being considered as a Partner for this project?			
6	Is the entity financially healthy based on its most recent financial statements?			
7	Can the entity physically receive funds from UNDP in a secure and accountable manner?			

Please list any website, social media or other online presence of your organization (news, Twitter, FB, YouTube etc.):

Please list and provide details about previous projects your organisation implemented, with a similar scope or focus:

Component 2 – Objective and purpose of the Grant (maximum 500 words)

This section is an Executive Summary of your proposed solution. Please provide a compelling summary of how and why your proposed solution tackles the specific challenge of climate change adaptation. What particularly makes it unique or innovative? Indicate the purpose of the grant and describe the result(s) the grant is expected to achieve. Explain why the grantee is uniquely suited to deliver on the objectives. The response must address the following five question. (500 words)

1. Please provide a compelling summary of how and why your proposed solution tackles the specific challenge of climate change adaptation.
2. How does your proposed solution/practice/business model create, test, deploy or diffuse a new, adapted or improved adaptation solution—developed for your specific context and with the inclusion of the communities most vulnerable to climate change—compared to the current status quo?
3. Indicate the purpose of the grant and describe the result(s) the grant is expected to achieve.
4. Explain why the grantee is uniquely suited to deliver on the objectives. Please describe the anticipated real and practical impact of the project in terms of innovative adaptation practices, tools, and technologies
5. Elaborate if there are any targeted group(s)/ geographical area that will benefit from the grant, other than the Recipient Institution. If so, who are the targeted groups/geographical areas, and how will any potential beneficiaries be selected? (Please respond in the table below)

	Description/Details
Targeted group(s)/beneficiaries, e.g., marginalised, conflict-affected, displaced population, disability, women, etc. (maximum 100 words)	
Geographical Area of Targeted/beneficiaries' groups (max 50 words)	
Potential beneficiaries' selection criteria (max 50 words)	
No of direct Beneficiaries	
No of indirect Beneficiaries	
Total beneficiaries (direct or indirect)	

Component 3 - Target Beneficiaries and Gender Action

Please describe the social status of the proposed beneficiaries (e.g. income level; whether they are marginalised groups such as low-income households, informal workers, indigenous communities, youth, women, or persons with disabilities). In line with Gender Marker 2[3] (gender equality as a principal project objective), summarise the gender analysis informing the project, explain how gender equality and women's empowerment will be mainstreamed across all components, and outline a concise gender action plan. Where possible, set quantitative and qualitative gender targets linked to specific project activities and results (e.g. women's participation and leadership, access to and control over assets and finance, reduced unpaid care and work burdens, access to climate-resilient technologies and services), with sex-disaggregated indicators for women, men, girls and boys. Please respond in the spaces provided below. You may wish to mirror these gender-related indicators in Component 4 – Target Impact/Result and Milestones, and align them, where relevant, with the gender-responsive commitments and indicators contained in the country's NAP**,** NDC and the Adaptation Fund results framework**.**

1. Describe the social status of the beneficiaries (e.g., level of income, whether it is women, youth, marginalized groups, Indigenous Peoples, people with disabilities, etc.) (Maximum 100 words).
2. Provide gender-mainstreaming information, and a gender action plan (if possible, set gender targets linked to the project activities and targets) (Maximum 200 words).

Component 4 –Alignment with NAP and AFCIA 2 Priority Areas

4.1. How is the proposed solution aligned with National Adaptation Plan (NAPs), which thematic areas of NAPs does the solution contribute to (Maximum 250 words)

NAPs Priority Areas	Project Indicators contribute to NAPs (map your indicator) against each area)

4.2 Detail the specific contribution your project will make to the AFCIA 2 Priority Areas. (Maximum 250 words)

AFCIA 2 Priority Areas	Project Indicators Contribute to AFCIA 2 Priority Areas (Map your indicator against each area.)
Climate-resilient food systems	

[3] Gender Marker 2 (GEN2): This rating is used where gender equality and the empowerment of women and girls are a significant objective of the intervention. The project is informed by gender analysis and includes specific activities, indicators and resources that are expected to deliver measurable improvements in gender equality, even if its primary objective lies in another development area (e.g. climate resilience or livelihoods).

Nature Based Solutions	
Disaster Risk Reduction (DDR)	

Component 5 – Target impact/results and Milestone (2-year implementation duration for MSMEs and 3 years implementation duration for NGOs/CSOs)

Please list your target impact/results and envisaged milestones (which are disbursement-linked). The grantee will receive 30% funding after signing the grant agreement (1st tranche), 30% once they achieve their first milestones (2nd tranche), 20% once they achieve their second milestone (3rd tranche), and 20% for the final tranche once they achieve their third milestone (4th tranche). The UNDP Project team will negotiate these milestones with your organisation and finalize them in the grant agreement.

Target/results summary

1. Please ensure to consider the total number of direct and indirect beneficiaries while formulating indicators.
2. Please make sure at least one indicator is tied to gender empowerment.
3. No need to have too many indicators (quality is more important than quantity)
4. Please highlight some social indicators (e.g., XX number of youths trained, XX number of marginalised groups supported, etc.)
5. Proposed indicators should be SMART[4].
6. Include indicators related to gender action plan.

Include indicators related to your own capacity building planOutput	INDICATOR(S)	Unit of Measurement	Means of verification/ Data source	Existing Baseline. (Current situation) ; If no baseline, add zero.	MILESTONES			
					6 months targets for MSME / 9 months targets for NGOs (1ST Milestone)	12-month targets for MSME / 18-month targets for NGOs (2nd Milestone)	18 months targets for MSME / 27-month target for NGOs (3rd Milestone)	2 months targets and final report for MSMEs / 36-month target and final report for NGOs (4th Milestone)
Output 1	Indicator 1							
	Indicator 2							
Output 2	Indicator 1							
	Indicator 2							
Output 3	Indicator 1							

[4] Indicators should be SMART (Specific, Measurable, Achievable, Relevant and Time-bound).

Component 6 – Proposed activities and workplan (2-year implementation duration for MSMEs and 3 years implementation duration for NGOs/CSOs)

Describe the activities that will be completed to achieve the objectives using the table below. Please use 20-30% of the budget to focus on capacity building for your own organization. This could be in the form of training, hiring additional personnel, or upgrading/purchasing IT systems or hardware. (Please make sure your organization has photo/video-taking equipment. If not, please build it into the budget.

Output (add rows to adjust your output)	Indicator[5]	Planned Activities[6]	Timeline[7]							Planned Budget for the Activity[8]
			3 months	6 months	12 months	18 months	24 months	30 months	36 months	
TOTAL										

Component 7 – Environmental, Social, and Governance Risks Screening

Potential adverse risks and impacts may arise from activities that are site-specific and involve physical interventions ("downstream" activities) as well as "upstream" activities involving planning, policy and/or sector reform, and capacity building. These are activities with potential social and environmental risks and impacts on physical, biological, socioeconomic, and/or cultural resources.

Activities above a Moderate potential risk will not be permitted, those are Significant and High risk activities, and they are included in Annex A "List of not-funded activities".

Annex B presents a comprehensive Screening of the Social and Environmental Safeguard Risks that should be identified by the grantee and submit with this proposal (kindly fill out Annex B in its totality).

[5] Indicators should be SMART (Specific, Measurable, Achievable, Relevant and Time-bound)
[6] State what activities will be completed with the grant Funds. Use as many activity lines as necessary.
[7] Define the time periods relevant for the project and indicate when specific activities are expected to be completed. Please elaborate your timeline and budget considering when the tranches of funds for this grant will be released (upon signature 6, 12 and 18 months).
[8] The budget must be presented in United States Dollars (USD)

These risks are the ones that arise from the project (grant implementation), and affect the socio-economic, environmental and governance contexts where implementation of activities will take place.

Following the project´s Environmental and Social Management Framework (ESMF), at the stage of signing the legal agreement with the grantees, there is a need for the grantee to screen the safeguard risks, provide a justification for those risks that are considered to not be generated by the project, and for those risks that may occur - a scoring has been provided. Preliminary management measures to manage the potential safeguard risks are provided by the grantee to maintain the risk scoring in low and medium. Once implementation of the legal agreement (grant) starts, the PMU will provide training and technical assistance to grantees to refine and strengthen the management measures, and produce a plan that will be regularly monitored, with support of AFCIA's safeguard specialist.

Please know that according to UNDP´s Social and Environmental Screening Procedure (SESP), the program is overall rated at medium risk. Therefore, we cannot provide grants to activities that could potentially generate (negative) substantial or high safeguard risks. If you have doubts about a risk being substantial or high, please leave a note, and we will be able to review it with you and our AFCIA safeguards specialist and propose adequate management measures that can bring it down to a tolerable level.

Component 8 – Project-related Risks Identification and Management Measures

Indicate relevant risks that arise from the context, and which could affect the achievement of the grant objectives. Risks include security, financial, operational, social and environmental or other risks. Please include the mitigation measures that will be put into place to maintain the risks at a low level.

Risk	**Risk rating* (High/Medium/ Low)**	**Mitigation measures**

*The risk rating is based on a reflection of the likelihood of the risk materializing and the consequence it will have if it does occur.

Component 9 – Budget (USD).

Please make sure this table is aligned with the work plan table in component 3.

Please note that all budget lines should be for costs related only for the achievement of the outputs and activities of this project proposal.

Kindly ensure to check the total balance; each row adds to the total row, and each column adds to the total column. In addition to this budget in Word format, please share with us the budget in Excel.

General Category of Expenditures	Tranche 1	Tranche 2	Tranche 3	Tranche 4	TOTAL
TOTAL					

Component 10 – Legal information

Along with the application format, please provide us with your organization's legal registration information, whether it is a PDF, picture, or online registration data, to show the not-for-profit status (Also indicate if it's a hybrid organization – please note the funds will only flow to the non-profit). Also, provide the tax registration number, which is mandatory in your country of operation. Please provide us with any recent financial statements and the annual report of your organization (if it exists).

If you are applying to work in a consortium, please provide the information of your local partner and the entity that will receive funding (which must be a not-for-profit entity).

Component 11 – Sustainability, Scale, Financial Viability, and Technical Assistance and Business Advisory Support Plan

This section assesses your project's long-term plan, financial model, and growth potential beyond the AFCIA 2 grant. We want to understand how your project's impact will be sustained and scaled after the funding period ends.

11.1 Project Economics and Value for Money (Cost Efficiency)

AFCIA would like to demonstrate that your solution is delivered efficiently and offers better value than alternatives, leading to a pathway for reduced grant dependence. Cost Efficiency and Improvement (Maximum 350 words)

Analyze the costs associated with delivering your solution and explain how this grant will improve efficiency. Your response must cover:

1. Core Delivery Costs (Unit Economics): Explain the key costs involved in delivering your solution to one person or one community (your "unit"). For example, what is the cost per beneficiary or the cost per unit of technology/service delivered? Clearly identify the main drivers that make this cost high or low.
2. Comparison and Value: Provide at least one external comparator (e.g., a similar market solution, a government program, or an NGO alternative) and explain why your model is more cost-effective or better value.
3. Sensitivity and Grant Impact: Discuss the factor(s) that most significantly affect your current unit cost (e.g., lack of volume, supply chain, delivery method). Then, explain exactly how the AFCIA grant and technical assistance (TA) will be used to lower this cost over time through volume gains, operational learning, or system upgrades.

(Attachment Optional: You may submit a separate 1–2 page document detailing your financial model and assumptions [PDF].)

11.1 Post-Grant Operating Plan and Capacity Building

Kindly articulate a realistic plan for maintaining the project's success and covering operational costs after the grant funding ends by answering the following questions.
(Attachment Optional: Revolving-fund Standard Operating Procedure [PDF])

Q1. Sustainability Model and Post-Grant Plan (Maximum 200 words)
The sustainability model and post-grant plan must cover the following questions:

- Business Model (Select & Explain, maximum 60 words): Check the box that best describes your long-term model for covering operating costs and briefly explain your choice:
  ☐ Earned revenue (Majority of costs covered by sales/fees)
  ☐ Hybrid (Costs covered by a mix of grants and earned revenue or beneficiary contributions)
  ☐ Grant-dependent (Transition plan in place for diversification)
  ☐ Grant-dependent (No transition plan, relies on future grants)

- Current Financial Snapshot:
    - Percentage of operating costs covered by earned revenue: [%]
    - Cash runway (how many months you can operate with current cash): [months]

- Post-Grant Continuation (maximum 140 words): Can your organization continue the project for 24 months after the grant without seeking new large grants? If Yes/Partial, describe the mechanisms (e.g., future revenue mix, confirmed contracts, policy adoption, support from other agencies) that ensure continuity.

- Capital Rotation/Revolving: ☐Yes / ☐ No. If Yes, describe the mechanism and expected annual rotation multiple (e.g., 1.5).

Q2: Grantee-Based Capacity Building (Maximum 200 words)
Provide a description of how you plan to build your own organizational capacity using 20-30% of the project budget. Explain how these investments (e.g., training, hiring, IT systems) directly contribute to achieving the project objectives, outputs, and long-term sustainability.

11.2 Scale-Up and Investment Readiness

This section aims to assess the potential for your solution to be adopted widely and attract follow-on investment from various sources (public, private, or philanthropic).

Q1: Resource Mobilisation and Co-Finance (Maximum 300 words)

Describe your readiness to grow and attract follow-on funding and resources. The response must include the following points:

1. Resource Absorption (maximum 150 words): What types of external financing or support (e.g., loans, guarantees, large foundation grants, government subsidies, or carbon credits) is your organization prepared to receive to enable scaling? What financial metrics (e.g., cash flow, reserves, donor diversification) do you monitor to demonstrate financial health and readiness to potential partners?
2. Co-finance/Match (maximum 150 words): Detail any existing (confirmed) or planned (pipeline) co-finance from other sources. State the status, the amounts by source and currency, and the expected timing.

Q2: Leverage, Adoption, and Catalytic Effect (Maximum 300 words)

The response must address the following questions:

1. Leverage and Catalytic Effect (maximum 160 words): State your target leverage (additional capital mobilized ÷ grant amount). What precisely will the AFCIA grant accelerate (e.g., faster market entry, proving technology, policy integration, achieving a lower cost curve)?
2. Adoption Pathway (maximum 140 words): Describe the pathway for broader adoption and scale, including any specific plans for government integration or securing anchor-buyer commitments for continuation.

11.3 Partnerships and UNDP Technical Assistance Needs (Maximum 300 words)
The response must address the following questions:

1. Partnerships for Scale (maximum 160 words): List any existing or planned Memoranda of Understanding (MoUs) or Letters of Intent (LoIs) for scaling. Briefly include the partner's name, scope, roles, and anticipated contribution.
   (Attachment Optional: MoUs/LoIs/term sheets [PDF] as applicable.)

2. UNDP Technical Assistance Needs (maximum 140 words): Indicate the specific type of support you would like to receive from UNDP (this support will not consume any of your project budget, as UNDP finances it separately). List 3-5 types of technical assistance/support (e.g., Legal Counsel, Investment Brokering, M&E System Development) and add a short description for each area.

ANNEX A

List of not-funded activities

Potential adverse risks and impacts may arise from activities that are site-specific and involve physical interventions ("downstream" activities) as well as "upstream" activities involving planning, policy and/or sector reform, and capacity building.

These are activities with potential social and environmental risks and impacts on physical, biological, socioeconomic, and/or cultural resources.

Activities above a Moderate potential risk will not be permitted, those are Significant and High risk activities. They are defined as follows:

High Risk

Defined by UNDP's SES as "Projects that include activities with potential significant and/or irreversible adverse social and environmental risks and impacts, or which raise significant concerns among potentially affected communities and individuals as expressed during the stakeholder engagement process."

Substantial Risk

Defined by UNDP's SES as "Projects that include activities with potential adverse social and environmental risks and impacts that are more varied or complex than those of Moderate Risk projects but remain limited in scale and are of lesser magnitude than those of High Risk projects (e.g. reversible, predictable, smaller footprint, less risk of cumulative impacts). Substantial Risk projects may also include those with a varied range of risks rated as "Moderate" that require more extensive assessment and management measures."

Below is the indicative list of activities that may be expected to fall into these levels of risks, called High or Significant Risk. Therefore, based on the above, the following activities/impacts are not permitted:

1) Activities with significant or high adverse social and/or environmental impacts:
    a. To local communities or other project affected parties.
    b. Which may involve displacement and/or resettlement[9]
    c. Activities which may adversely impact the rights, lands, territories and resources of indigenous peoples
    d. Activities which may adversely impact critical habitats
    e. Activities which may result in significant adverse impacts to Cultural Heritage
    f. That violate the human rights
    g. That do not comply with relevant environmental and social national/state/local regulations.

[9] Displacement and/or resettlement refers here to potential scale. projects involving physical resettlement and/or economic displacement are generally considered High Risk. However where potential displacement and/or resettlement may be minimal, UNDP may determine that its requirements could be met with application of standard best practice and mitigation measures without the need for a full ESIA.

2) Extraction and harvesting activities:
    a. Groundwater abstraction activities or artificial groundwater recharge schemes in cases where the annual volume of water to be abstracted or recharged amounts to 10 million m3 or more
    b. Industrial-scale commercial harvesting operations of tree plantations.
    c. Large-scale logging or deforestation of large areas
    d. Large-scale peat extraction
    e. Large-scale quarries and open-cast mining, and processing of metal ores or coal

3) Land, agriculture, livestock projects:
    a. Large-scale land reclamation or sea dredging operations
    b. Large-scale primary agriculture or forestation, reforestation, or afforestation involving intensification, land use change or conversion of natural habitats, priority biodiversity features and/or critical habitats
    c. Industrial plants for the production of pulp from timber or similar fibrous materials or production of paper and board
    d. Large-scale installations for the intensive rearing of poultry or livestock
    e. Plants for the tanning of hides and skins where the treatment capacity exceeds 12 tonnes of finished products per day

4) Large-scale infrastructure (construction and/or expansion):
    a. Construction of motorways, express roads and lines for railway traffic; airports; new roads of four or more lanes; realignment and/or widening of existing roads to provide four or more lanes of 10 kilometers or more in a continuous length
    b. Large-scale sea and river ports and also inland waterways and ports for inland-waterway traffic; trading ports, piers for loading and unloading connected to land, and outside ports (excluding ferry piers)
    c. Large dams[10] and complex dams and other impoundments designed for the holding back or permanent storage of water, including, for example, for hydroelectric projects, water supply for irrigation or municipal water supply and other purposes, and flood control.

5) Large-scale energy and fuel projects, including transmission/transport (construction and/or expansion):
    a. Crude oil refineries
    b. Thermal power stations and other combustion installations (w/ heat output of at least 300 MW)
    c. Extraction of petroleum and natural gas for commercial purposes
    d. Installations for storage of petroleum, petrochemical, or chemical products
    e. Pipelines, terminals and associated facilities for the large-scale transport of gas, oil and chemicals
    f. Construction of high-voltage overhead, underground or submarine electrical power lines
    g. Large-scale wind power installations for energy production (wind farms)
    h. Installations for the capture of CO2 streams (generally of 1.5 megatonnes or more) and construction of sites for the geological storage of CO2

[10] Large dams are defined as those with a height of 15 meters or more from the foundation. Dams that are between 5 and 15 meters high and have a reservoir of more than 3 million cubic meters are also classified as large dams. Complex dams are those of a height between 10 and 15 meters that present special design complexities, including an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, or retention of toxic materials.

6) Waste and chemicals projects:
    a. Waste-processing and disposal installations for the incineration, chemical treatment or landfill of hazardous, toxic or dangerous wastes
    b. Large-scale waste disposal installations for the incineration or chemical treatment of nonhazardous wastes (generally with capacity exceeding 100 tonnes per day)
    c. Municipal wastewater treatment plants with a capacity exceeding 150,000 population equivalent
    d. Municipal solid waste processing and disposal facilities
    e. Integrated chemical installations, i.e. those installations for the manufacture on an industrial scale of substances using chemical conversion processes, in which several units are juxtaposed and are functionally linked to one another and which are for the production of: basic organic chemicals; basic inorganic chemicals; phosphorous, nitrogen or potassium based fertilizers (simple or compound fertilizers); basic plant health products and biocides; basic pharmaceutical products using a chemical or biological process

7) Large-scale tourism and retail development

8) Other:
    a. Any activities that do not appear on the project proposal submitted by the grantee for the AFCIA will not be permitted. This is because activities listed in the project proposal developed by each grantee represent the basis for risk categorization and the applicability of this agreement.
    b. Any other activities not listed above that may be identified as High or Significant Risks along the AFCIA when the detailed information for each project are known and assessed. This is because the final categorization of each activity will depend on the nature and extent of any actual or potential adverse social and environmental impacts, as determined by the specifics of its design, operation, and location.

Any activity that may not be identified as High or Significant Risk but may join and/or support through any of its means third-party initiatives/projects that fall under High or Significant Risk activities.

ANNEX B

Social and Environmental Risks Screening template for the selection of the supported activities

The selection process of the supported activities will involve targeted screening which will combine the relevant UNDP Social and Environmental Screening criteria and the Adaptation Fund Environmental and Social Principles. The backbone of this screening system is presented below and a deeper evaluation is conducted later ensuring the collaboration of the grantees:

Table -1 Social and Environmental Risks Screening template for the selection of the supported activities

Social and Environmental Risks Screening	Y/N	Measures to be taken to avoid, minimize or offset these risks
Compliance with the Law:		
Is there a risk that the project would not comply with all applicable domestic and international law?		
Access and Equity:		
Is there a risk that the project would not provide fair and equitable access to benefits in a manner that is inclusive and does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights?		
Is there a risk that the project would exacerbate existing inequities, particularly concerning marginalized or vulnerable groups?		
Marginalized and Vulnerable Groups:		
Is there a risk that the project would impose any disproportionate adverse impacts on marginalized and vulnerable groups, including children, women and girls, the elderly, indigenous people, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS.		
Human Rights:		
Is there a risk that the project would not respect and, where applicable, promote international human rights?		
Gender Equality and Women's Empowerment:		
Is there a risk that the project would not be designed and implemented in such a way that both women and men (a) have equal opportunities to participate; (b) receive comparable social and economic benefits; and (c) do not suffer disproportionate adverse effects during the development process.		
Core Labour Rights:		
Is there is risk that the project would not meet the core labour standards as identified by the International Labor Organization?		
Indigenous Peoples:		
Is there a risk that the project would be inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of		

Indigenous Peoples and other applicable international instruments relating to indigenous peoples?		
Involuntary Resettlement:		
Is there a risk that the project would not be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement.		
When limited involuntary resettlement would be unavoidable, is there a risk that due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation?		
Protection of Natural Habitats:		
Is there a risk that the project would involve unjustified conversion or degradation of critical natural habitats, including those that are (a) legally protected; (b) officially proposed for protection; (c) recognized by authoritative sources for their high conservation value, including as critical habitat; or (d) recognized as protected by traditional or indigenous local communities?		
Conservation of Biological Diversity:		
Is there a risk that the project would cause any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species?		
Climate Change:		
Is there a risk that the project would result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change?		
Pollution Prevention and Resource Efficiency:		
Is there a risk that the project would not be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants?		
Public Health:		
Is there a risk that the project would not be designed and implemented in a way that avoids potentially significant negative impacts on public health?		
Physical and Cultural Heritage:		
Is there a risk that the project would not be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national, or international level?		

Is there a risk that the project would permanently interfere with existing access and use of such physical and cultural resources?		
Lands and Soil Conservation:		
Is there a risk that the project would not promote soil conservation and avoid degradation or conversion of productive lands or land that provides valuable ecosystem services?		

Where the screening of the fully defined projects activities identifies potential social and environmental risks that could be categorized as Substantial or High Risk, these activities will be either redesigned to eliminate and/or minimize such risks or excluded from further consideration.

UNDP Social and Environmental Screening Template (v. July 2022)

*** Please note that all Social and Environmental Screening Procedures (SESPs) must be conducted (completion and approval process) in the UNDP SESP Online Tool. The offline template below can be used to facilitate information sharing among colleagues when conducting an SESP within the online platform.*

Project Information

Project Information	
1. Project Title	UNDP-Adaptation Fund Climate Innovation Accelerator Phase 2
2. Project Number (i.e. Atlas project ID, PIMS+)	PIMS+ number is -10376
3. Location (Global/Region/Country)	Global
4. Project stage (Design or Implementation)	Design
5. Date	5 February 2026

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

Overall note: *All overarching principles and most standards are relevant given the project's broad scope, regional coverage, and innovation focus. The project will work with diverse grantees across multiple sectors and countries, requiring comprehensive attention to social and environmental risks. The grant mechanism's flexibility means that specific risks will vary by grantee and location, necessitating a framework that can address the full range of potential issues while allowing for adaptive management based on actual grant proposals and implementation experiences. The SES screening will be updated as part of the selection process of grantees after the initiation phase of the proposed project.*

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
The project ensures the mainstreaming of a human-rights based approach and the Sustainable Development Goal (SDGs) commitment to "leave no one behind". By working with supporting NGOs/CSOs at local level on building resilience and finding innovative solutions for climate change adaptation; the project aims to increase the overall resilience and social and economic status for the communities and frequently excluded population groups. Small grants will be provided to NGOs/CSOs and community-based organizations involved with local environmental protection and poverty eradication activities; and/or climate change adaptation challenges that still require some level of experimentation to identify possible solutions. This project is new way to develop climate change resilience at local level. The expected overarching development outcome is innovation for effective, long-term adaptation to climate change accelerated promoted and enabled with particular emphasis on supporting vulnerable groups and gender equality.
Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment

Similarly, the project will work with grantees to integrate rigorous gender analysis to understand and meaningfully address the particular needs, priorities, structural and systemic barriers, status and roles of men and women in their business. The grantee will work with the project team to develop business plan to advance gender equality and women's empowerment. All grantees must adhere to UNDP and AF policies and requirements on gender. Gender equality is imbedded in the project design, consultation, implementation, monitoring, reporting, and evaluation. The Grant committee will also ensure existing gender inequalities not be exacerbated by any activities or innovative solutions of grantee. Overall, the project will provide technical assistance to potential grantees to expand their innovative solutions that could advance social and economic status for women; either from the business perspective of from their customers' perspective.

Briefly describe in the space below how the project mainstreams sustainability and resilience

As a climate change and local led adaptation project, the project holds environmental sustainability as one of the core principles guiding the project. All grantees will be screened and evaluated according to UNDP environmental and social standards and gender policies. Additional screening on environmental sustainability will be carried out prior to signing grant agreements with the selected grantees. During project implementation, grantees are required to provide bi-annual Progress Briefs highlighting progress of their projects as well as status of compliance with UNDP's SES and gender policies. Project management unit would carry out regular monitoring of the compliance with required environmental and social management framework and GAP. Findings will be documented in the annual evaluation report.

The project aims to improve climate resilience by enhancing the ability of communities to adapt to climate change. This will involve supporting the development of early warning systems, providing access to climate information services, and strengthening preparedness measures. Grantees, such as civil society organizations, are expected to build their own capacity in climate adaptation planning, implementation, and monitoring through their participation in the project.

Briefly describe in the space below how the project strengthens accountability to stakeholders

The project strengthens accountability to stakeholders in three main ways:

- **Stakeholder Consultations:** All grantees are required to conduct **stakeholder consultations** during the design and implementation of their projects. They must also inform how the feedback and input from these stakeholders have been considered and integrated into the project's design.
- **Safeguard Monitoring and Reporting:** The project will use **safeguard monitoring and regular reporting** to ensure that all activities align with principles of transparency, inclusion, and responsiveness to the needs of the affected communities.
- **Participatory Evaluation:** Where feasible, the project may use **participatory evaluation processes** to assess the effectiveness and inclusivity of the solutions being supported. This allows affected communities to have a direct role in evaluating the project's success.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			**QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High**
Risk Description (broken down by event, cause, impact)	***Impact and Likelihood (1-5)***	***Significance (Low, Moderate Substantial, High)***	***Comments (optional)***	***Description of assessment and management measures for risks rated as Moderate, Substantial or High***
Risk 1: exclusion of marginalized groups from decision-making Cause: Stakeholder engagement not sufficiently inclusive Impact: Potentially affected stakeholders, particularly marginalized groups and persons with disabilities, may be excluded from decisions affecting them, leading to grievances, objections, loss of trust, and potential project conflicts or delays. *Human Rights Principle*	I=3 L=4	**Moderate**	The project may exclude potentially affected stakeholders, particularly marginalized groups, from fully participating in grant selection and decision-making processes. It is expected that this risk has a high probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector).	The Environment and Social Management Framework (ESMF) will contain mandatory screening criteria related to adverse impact on affected population and related conditions for the selection and implementation of the supported actions. Each supported action will be required to formulate a stakeholder engagement plan to: Identify stakeholders, including vulnerable and marginalized groups. Inform stakeholders about proposed actions and potential impacts. Raise awareness of their rights and entitlements under applicable standards. Engage stakeholders (community consultation) in good-faith consultations to agree on measures that avoid, minimize, or offset significant adverse impacts and ensure fair and equitable sharing of benefits. To operationalize this framework: The Investment Committee will establish SES screening protocols for all grantees. A Safeguards Expert will be engaged to review applications during selection and monitor compliance during implementation. SES risk management will be integrated into the Monitoring and Evaluation (M&E) system. Capacity-building will be provided through an initial webinar for grantees on SES requirements and an annual workshop to share lessons and strengthen safeguards practice. the project shall establish an easy-to-access project-level Grievance Redress Mechanism (GRM) to collect, consider and
Risk 2: Risk of exacerbating conflicts or violence among communities due to business expansion (Social cohesion and security concerns) Cause: Stakeholder engagement not sufficiently inclusive Impact: although the project aims to find climate change adaptation solutions that improve resilience, it is still likely that when handled incorrectly, the grant recipient businesses or social enterprises could exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals by business expansion. *Human Rights Principle*	I=2 L=4	**Moderate**	It is expected that this risk has a high probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector).	

				respond to concerns or grievances based on the relevant UNDP requirements and supplementary guidance. The GRM will be presented during the inception phase and be operational throughout the project implementation. It will be mentioned during the stakeholder consultations and dissemination of project notification through appropriate media and/or at publicly accessible sites (including the site of the works).
Risk 3: The grant recipient NGOs/CSOs limits women's ability to use, develop and protect natural resources, taking into account different roles and positions given the employment choice and local culture. Cause: insufficiently developed and/or implemented GAPs at grantee level. Impact: Project potentially reproduces discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits through grant selection. *Gender Equality and Women's Empowerment Principle*	I=3 L=3	***Moderate***	It is likely that the grant recipient businesses or social enterprise could have employment preference that might limit women's ability to take part of the w ork. It is expected this risk has moderate probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector).	This program's screening criteria will include gender considerations. The grant proposal will include a simplified Gender Action Plan in line with the program's overall GAAP to:describe how the project would adhere to UNDP and the AF's Gender policies including gender mainstreaming and women's empowerment. The proposal will ensure that women and men meaningfully included in project activities, are provided with an equal opportunity to build resilience, address their differentiated vulnerabilities and increase their capability to adapt to climate change impacts. The proposal will illustrate how gender equality is imbedded in the project design, consultation, implementation, monitoring, reporting, and evaluation. Investment committee (gender balanced) will include a safeguard and gender expertise to enable grant approval and selection. *Grantee would need to address relevant SES-risks raised by the investment committee in their workplan.* From a result perspective, Grantees are required to prepare bi-annually Performance Briefs on the progress of their projects including status of their compliance with UNDP environment, social, and gender policy, in addition, any measures undertaken or impact created that addressing gender equality. A Gender action plan is designed in the project reviewed by internal gender expert.
Biodiversity Conservation and Sustainable Natural Resource Management Standard **Risk 4:** Grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to habitats, e.g. associated with harvesting of natural	I=2 L=3	***Low***	It is possible some of the grant recipient businesses and social enterprises have business models that cause adverse natural resource or habitats impact.	*The ESMF will contain mandatory screening criteria related to biodiversity conservation and sustainable natural resource management.* *The supported actions shall:* • *as far as possible, conduct the proposed activities in areas where natural habitats have already been converted to*

forests or harvesting of fish populations or other aquatic species. Cause: Grantee might have business activities within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities. Impact: Grantee might have business activities that result in secondary or consequential development activities which could lead to adverse environmental effects, or generate cumulative impacts with other known existing or planned activities in the area.				*other land uses or that have low value for biodiversity and ecosystem services, and low sensitivity to the anticipated impacts,* • *keep interventions in natural and semi-natural habitats to minimum in order not to disturb the existing flora and fauna, degrade the habitat and resident species populations* • *where possible avoid interventions that would reduce ecological connectivity in the ecosystem (e.g. restricting the free movement of species between important habitats) or changes in the important ecosystem processes (e.g. hydrological regimes and nutrient flows) that support ecosystems and their services* • *use cost-effective opportunities to enhance the existing habitats and ecosystem services as part of the proposed interventions.* *The actions that may have impacts on critical habitats shall review their management plans and consult relevant stakeholders managing the protected areas to ensure that its activities do not cause measurable adverse impacts on biodiversity values/criteria that underpin designation of the relevant critical habitats.* *The supported actions shall consider presence of any endangered species and any potentially significant adverse impacts on their habitats, breeding grounds, free movement, and migration needs and will be optimised to ensure that they:* *do not cause any reduction of any recognized Vulnerable, Endangered, or Critically Endangered species,* *avoid adverse impacts on endemic species, restricted-range species, and migratory species, and* *minimize unwarranted impacts on resident species populations.*
Climate Change Climate Change and Disaster Risks Standard **Risk 5:** The project aims to provide grants to local NGOs/CSOs in developing countries, it is no doubt that potential outcomes of the Project will be sensitive or vulnerable to potential impacts of climate change. Cause: Grantee might have business activities within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park),	I=2 L=5	**Moderate**	The objective of the project is to find and scale potential solutions of climate change adaptation in fragile states; if climate change impact hits before the solution is scalable, it is likely that the grant recipient businesses or social enterprises will fail. However, given the project is operating in high risks environment, the project has a high risk tolerance therefore low impact.	*Overall, the project will manage SES-related risks by setting up controls at every stage of the project processes. See Human right section for the detail.*

areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities. Impact: Grantee might have business activities that result in secondary or consequential development activities which could lead to adverse environmental effects, or generate cumulative impacts with other known existing or planned activities in the area.				
Standard 7: Labour and Working Conditions Standard **Risk 6:** The grant recipient NGOs/CSOs might fail to comply with national and international good practices on Occupational Health and Safety for workers engaged in the project activities Cause: NGOs/CSOs receiving grants do not sufficiently implement and monitor occupational health and safety guidelines in line with national legislation and international standards. Impact: Employment with the NGOs/CSOs could pose a potential risk to health and safety of individuals employed by grantees during project implementation; severity depends on task- specific hazards and the effectiveness of controls.	I=3 L=3	**Moderate**	Given the project will work with many local NGOs/CSOs, it is likely that the grant recipient businesses or NGOs/CSOs fail to comply with national and international labor standards.	See the specific screening criteria and conditions for the selection of the supported projects specified in the ESMF. The project will require the implementing partners/responsible parties/contractors to provide their workers with labour and working conditions that meet the national labour laws, including the following core labor-related requirements stipulated in the relevant key ILO conventions: (a) Provide project workers with clear and understandable information on terms and conditions of their employment (e.g. payment in a timely manner, written notice of termination, and payment of all wages and benefits on termination, etc.). (b) Prevent and address violence, harassment, intimidation, or exploitation, including any form of gender-based violence. (c) Ensure that workers engaged have appropriate health and social insurance.
Risk 7: non-compliance with national labor laws or international standards (e.g., inadequate contracts, unsafe working conditions, discrimination, or lack of social protection) Cause: NGOs/CSOs receiving grants do not sufficiently implement and monitor human resource policies in line with national legislation and international standards Impact: NGOs/CSO staff or contractors experience working conditions that do not meet national labour laws and international commitments *Standard 7: Labour and Working Conditions Standard*	I=2 L=4	**Moderate**	It is possible to provide grants to for-profit businesses that has negative impact on the revenue of social enterprises (vice versa). Employment raised from the grant recipient businesses or social enterprise could have adverse human rights practice. It is expected that all this risks has a high probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector).	*The project will define an operationalization of the GRM by which workers have access to grievance channels in line with UNDP's GRM guidance.*

Cultural Heritage Standard **Risk 8:** The grant recipient NGOs/CSOs or UNDP's activities could lead to commercialization of traditional knowledge without consent and/or agreed benefit-sharing . Cause: NGOs/CSOs grantees will share their lessons learnt in their innovative approach to climate change adaptation, other actors could use the knowledge product of UNDP to commercialize these traditional knowledge. As part of the project, UNDP is expected to act as an investment broker to find commercial investors to invest commercially in scalable grantees. Impact: Indigenous Peoples and/or local communities are not sufficiently engaged in free, prior informed consent and/or do not obtain an equitable share of benefits derived from any commercial development of their traditional knowledge.	I=4 L=1	**Moderate**	The objective of the project is to find and scale potential solutions of climate change adaptation in developing countries on local level, the solutions could raise from traditional knowledge; but given we are providing grant to existing NGOs/CSOs, generally it means the knowledge is already embedded in their business model. Given grantees have the right to accept or reject any investment offers, the likelihood of commercialization without consent is low; however if it did occur, the impact would be high due to potential loss of IP/mission control and reputational/legal harm..	*UNDP will conduct due diligence on the private sector with aim to invest in project grantees.* *The supported actions shall be required to:* • *comply with the local requirements for their protection and preservation, and fully respect the requirements of the World Heritage Convention (if they might affect the World Heritage sites).* • *consult the relevant authorities where potentially significant risks would arise and engage qualified professionals for cultural heritage preservation to explore all viable and feasible alternatives for the avoidance, minimisation, or offsetting these risks (including changes in the planned activities, in situ conservation and rehabilitation, etc.)* • *ensure that they do not lead to the destruction of unknown cultural heritage (chance finds) and follow national requirements and/or globally recognized good practices for field study, inventorying, and documentation of archaeological heritage.*
Displacement and Resettlement Standard **Risk 9:** Communities in the project area (including ethnic minorities) could face economic displacement, changes to land rights and/or restricted access to resources. Cause: grant recipient businesses and social enterprises expansion limits community access to land and/or natural resources. Impact: adverse impacts on community members' livelihoods	I=4 L=1	**Low**	Local resources/land could be purchased through the expansion of grant supported businesses and social enterprises (although low impact due to limited size of the grants). This could potential causes economic displacement, restricted access to resources.	Grantees would need to clear ensure no economic displacement and no resettlement in their workplan. As specified in the ESMF (Screening & Exclusion Criteria), grantees confirm in their proposals that project-related activities will not cause physical displacement. Each grantee completes a screening including targeted questions on economic displacement. The Project Safeguards & Gender Expert reviews and quality-assures the screenings and agrees measures to avoid, mitigate, or minimize any potential impacts.
Indigenous Peoples Standard **Risk 10**: Exclusion of Indigenous Peoples (IPs) from fully participating in decisions that may affect their lands, natural resources, territories, traditional livelihoods, and cultural heritage. Cause: It is highly likely that the project will affect Indigenous Peoples, either as grantees, customers of grantees or suppliers of grantees. This is expected to lead to positive outcomes for Indigenous Peoples,	I=3 L=3	**Moderate**	The objective of the project is to find and scale potential solutions of climate change adaptation in by providing grant to existing NGOs/CSOs. As the project does not create new or change of current local engagement method with Indigenous Peoples, the impact is quite low. However, since the project regions have not defined,	All project-supported activities shall be screened for potential risks to Indigenous Peoples. Where such risks are identified, the following measures shall be applied: Undertake meaningful, inclusive, and culturally appropriate consultations with Indigenous Peoples, consistent with the principle of Free, Prior, and Informed Consent (FPIC), to ensure their effective participation in project design and implementation.

but could entail adverse outcomes if free, prior and informed consent processes are not duly followed. Impact: Inequitable or discriminatory impacts or Indigenous Peoples' access to rights, resources and livelihoods; lack of access to project benefits.			place impact rating on 3 (impacts of low magnitude) until further assessment is done.	Identify and assess potential impacts on Indigenous Peoples' rights, lands, resources, cultural heritage, and traditional livelihoods. Avoid adverse impacts where possible. Where avoidance is not possible, minimize, mitigate, or compensate for such impacts in a manner agreed upon with affected Indigenous Peoples. Ensure Indigenous Peoples share equitably in project benefits, respecting their rights, dignity, and cultural identity. Support Indigenous Peoples in strengthening their adaptive capacities and traditional knowledge systems relevant to climate resilience.
Community Health, Safety & Security Standard *Risk 11: Project may create certain health and safety risks or construction-related risks to communities.* *Cause: NGOs/CSOs receiving grants do not sufficiently implement and monitor occupational health and safety guidelines in line with national legislation and international standards.* *Impact: adverse consequences for community health and safety.*	I=3 L=3	**Moderate**		The supported actions shall be screened for public health and safety risks. They will be required to be designed, implemented, and operated in accordance with the national law and will also respect the following UNDP requirements for construction process management:
Pollution Prevention & Resource Efficiency Standard **Risk 12**: Pollution/inadequate waste management Cause: NGOs/CSOs receiving grants are insufficiently informed of pollution/waste management risks and/or fail to identify appropriate management measures. Impact: adverse environmental impacts if not well managed.	I=2 L=3	**Low**		The supported actions shall be screened for pollution prevention and resource efficiency risks. They will be required to avoid, minimize, and mitigate environmental and related public health risks associated with the potential release of pollutants in routine and non-routine circumstances in accordance with the national law and international best practices used in the region.
	QUESTION 4: What is the overall project risk categorization?			
	Low Risk	☐		
	Moderate Risk	X	The overall risk categorization is **Moderate**. The means of mitigating risks have been identified and have been integrated into overall project design, grantee requirements and implementation framework.	

			While individual grants are relatively small (USD40,000 to up to USD200,000) which limits the scale of potential impacts, the project involves multiple risks across social and environmental dimensions that require active management. The project's innovation focus means some activities may be untested or involve new approaches that could have unforeseen consequences. The diverse contexts expected worldwide add complexity. However, the project's strong design features for risk management, including mandatory safeguards screening, technical assistance, and monitoring systems, provide confidence that risks can be effectively managed.
Substantial Risk	☐		
High Risk	☐		

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)				
Question only required for Moderate, Substantial and High Risk projects				
Is assessment required? (check if "yes")	☐			***Status? (completed, planned)***
if yes, indicate overall type and status		X	Targeted assessment(s) – targeted screening of the project applications	During implementation
		☐	ESIA (Environmental and Social Impact Assessment)	
		☐	SESA (Strategic Environmental and Social Assessment)	
Are management plans required? (check if "yes)	☐			
If yes, indicate overall type		X	Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)	A GAAP and SEP were prepared
		☐	ESMP (Environmental and Social Management Plan which may include range of targeted plans)	
		X	ESMF (Environmental and Social Management Framework)	Attached to the proposal
Based on identified risks, which Principles/Project- level Standards triggered?		**Comments (not required)**		

	Overarching Principle: Leave No One Behind		
	Human Rights	X	
	Gender Equality and Women's Empowerment	X	
	Accountability	☐	
	1. Biodiversity Conservation and Sustainable Natural Resource Management	X	
	2. Climate Change and Disaster Risks	X	
	3. Community Health, Safety and Security	X	
	4. Cultural Heritage	X	
	5. Displacement and Resettlement	X	
	6. Indigenous Peoples	X	
	7. Labour and Working Conditions	X	
	8. Pollution Prevention and Resource Efficiency	X	

UNDP-Adaptation Fund Climate Innovation Accelerator Phase 2

Environmental and Social Management Framework

TABLE OF CONTENTS

1 Executive Summary 3

2 Introduction 3

3 Program Description 4

3.1 Overview of the Program 4

4 Applicable Policy and Legal Framework 7

4.1 UNDP Social and Environmental Standards 7

4.2 Adaptation Fund Environmental and Social Policy 9

4.3. Applicable country Law 11

5 Program's screening against the Adaptation Fund's Social and Environmental Principles ... 12

6 Procedures for Addressing the Expected Social and Environmental Risks 18

6.1 Program's social and environmental risk rating 18

6.2 Further screening and assessment requirements during the projects implementation 18

6.3 Environmental and social management guidelines for the supported projects 21

7 Implementation and operation 26

7.1 General Management Structure and Responsibilities 26

7.2 Capacity Building and Training 30

7.3 Grievance Redress Mechanism 30

7.3.1 UNDP SRM and SECU 31

8 Budget for ESMF Implementation 32

Annex 1: List of not-funded activities by the Program 34

1 EXECUTIVE SUMMARY

The Project is implemented by UNDP as the Multilateral Implementing Entity (MIE), with execution led by the Global Project Management Unit (PMU) based in UNDP´ Office in Bonn (Germany). Key partners include UNDP Country Offices, civil society organizations (CSOs), micro-, small-, and medium-sized enterprises (MSMEs), cooperatives, and academic institutions.

The Project is structured around three interlinked outcomes:

Outcome 1: High-potential, locally led adaptation innovations are identified and supported through catalytic finance and technical assistance, enabling them to demonstrate readiness for scale and alignment with national adaptation priorities outlined in NAPs and NDCs.

Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.

Outcome 3: Evidence and learning from supported adaptation innovations are used to inform replication, policy engagement, and investment decisions through strategic partnerships, regional platforms, and global knowledge networks.

Potential social and environmental impacts are expected to be largely positive, including improved climate resilience, gender empowerment, and ecosystem protection. However, risks such as unequal access, environmental degradation, or exclusion of marginalized groups are acknowledged.

To manage these, the Project includes a robust Environmental and Social Management Framework (ESMF) aligned with the UNDP Social and Environmental Standards (SES) and the Adaptation Fund's Environmental and Social Policy. All sub- projects within the Project undergo environmental and social screening, and where necessary, simplified Environmental and Social Management Plans (ESMPs), Gender Action Plans (GAPs), and Stakeholder Engagement Plans (SEPs) are developed.

Furthermore, a Grievance Redress Mechanism (GRM) that is intended to be the "first line" of response to stakeholder concerns that have not been prevented by proactive stakeholder engagement for stakeholders who have a concern about the Project potential impacts on them. And, an UNDP Accountability Mechanism, which includes the Stakeholder Response Mechanism (SRM) and the Social and Environmental Compliance Unit (SECU) if stakeholders are not satisfied with the GRM's response[1]

[1] **Social and Environmental Compliance Review and Stakeholder Response Mechanism**. In June 2014 UNDP adopted mandatory Social and Environmental Standards (SES) for all of UNDP's projects and Projects effective 1 January 2015. The objectives of the Standards are to: a) Strengthen the social and environmental outcomes of UNDP projects; b) Avoid adverse impacts to people and the environment affected by projects; c) Minimize, mitigate, and manage adverse impacts where avoidance is not possible; d) Strengthen UNDP and partner capacities for managing social and environmental risks; and e) Ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people.
The Standards will be underpinned by an Accountability Mechanism with two key components: 1. A Compliance Review to respond to claims that UNDP is not in compliance with applicable environmental and social policies. 2. A Stakeholder Response Mechanism (SRM that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes). For more information please visit: https://www.undp.org/social-and-environmental-compliance-review-and-stakeholder-response-mechanism

2 INTRODUCTION

This Environmental and Social Management Framework (ESMF) has been prepared in support of a Project proposal for "**UNDP-Adaptation Fund Climate Innovation Accelerator Phase 2**" by the UNDP to the Adaptation Fund (AF). As this Project is supported by UNDP in its role as a AF Accredited Entity, the Project has been screened against UNDP's Social and Environmental Standards (SES) utilizing the UNDP Social and Environmental Screening Procedure (SESP) and deemed a Moderate Risk Project.

Since the Project includes a range of activities and sub-projects with yet unknown design parameters and uncertain social and environmental risks that cannot be fully assessed during the Project appraisal, this Environmental and Social Management Framework (ESMF) has been developed to set out the principles, rules, guidelines and procedures for screening, assessing, and managing the potential social and environmental impacts of the forthcoming but as yet undefined interventions.

The ESMF presents:

- Project context and its activities that may involve social and environmental risks
- the applicable social and environmental risk management requirements based on the relevant UNDP and Adaptation Fund policies,
- the applicable country law,
- procedures for further screening of the Project application based on the combined UNDP and Adaptation Fund requirements and the applicable country law,
- guidance for the social and environmental risk management for the Project applicants and sub projects selection
- the required stakeholder engagement and transparency measures.

As such, this ESMF has been prepared to guide further assessment and management of the expected environmental and social risks of the Project based on the applicable UNDP and Adaptation Fund requirements and the national law.

3 PROJECT DESCRIPTION

The objective is to accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance, technical assistance, and ecosystem integration to **high-potential** [2] **solutions** that enhance climate resilience and benefit vulnerable populations.

3.1 OVERVIEW OF THE PROJECT

The Global South is disproportionately affected by the climate crisis, despite contributing only 7% of global greenhouse gas emissions. Least Developed Countries (LDCs) and Small Island Developing States (SIDS)

[2] High potential grantees will be selected utilizing the following criteria (list is not extensive and it will be further refined in the full proposal): 1) they address specific climate risks; 2) they are led and benefit directly vulnerable communities (youth or elderly, women, Indigenous Peoples, people with disabilities, ethnic minorities, etc); 3) their solution is innovative according to AF's definition of "innovation for adaptation" (described in page 10 of this EOI); 4) Organizations must have track record of income generation or demonstrate revenue generation potential, as this is the main vehicle to scale and to ensure financial sustainability; 5) Must present a clear pathway to sustainability and scaling; 5) Their solutions should clearly define and demonstrate a theory of change around environmental and socio-economic impact.

are among the most vulnerable, facing severe climate impacts with limited resources for adaptation[3]. Vulnerable groups such as women, youth, Indigenous Peoples, ethnic minorities, people with disabilities, migrants and the urban poor have limited access to adaptation support.

While significant progress has been made in developing Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs), implementation remains slow. In 2023, global adaptation finance reached USD 63 billion, only 5% of total climate finance[4], falling far short of the USD 212 billion needed annually by 2030 for developing countries alone.

This finance gap is marked by structural and geographical imbalances, with most funds concentrated in developed economies. LDCs received less than 3% of this funding, and the most affected countries received under 2% between 2000 and 2019[5]. Local actors, including community-based organizations, SMEs, and social enterprises, play a vital role in delivering context-specific and sustainable solutions, but many are trapped in the "missing middle" — too practical for research grants but too early-stage for commercial investment, too "large" for seed funding/micro grants, and too unconventional for traditional development funding[6].

Despite innovative solutions emerging, many fail to scale due to weak enabling environments, short project cycles, and fragmented knowledge-sharing ecosystems. Additionally, the underrepresentation of marginalized groups in decision-making limits the effectiveness of interventions, as their lived experiences, indigenous knowledge, and community innovations are often overlooked, leading to misaligned solutions. With the global temperature expected to rise by 1.5°C, leading to severe cascading impacts, particularly for vulnerable communities and ecosystems in LDCs and SIDS, the need for accelerated adaptation finance is critical[7].

AFCIA Phase 2 directly addresses this finance and innovation gap by bridging the "missing middle", where early-mid growth and late mid-growth stage, community-led solutions often fall through the cracks[8]. By investing in grassroots capacities and fostering inclusive innovation ecosystems, AFCIA 2 will support the replication and integration of impactful solutions in broader systems, particularly those benefiting women, youth, Indigenous Peoples, and marginalized groups. Building on lessons from AFCIA 1, the AFCIA 2 Project will drive faster, more equitable progress toward climate resilience, empowering vulnerable communities to lead their adaptation efforts.

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[3] Nationally Determined Contributions (NDC) Global Outlook Report 2021 The State of Climate Ambition United Nations Development Project. (2021). [online] United Nation Development Project, p.12. Available at: https://climatepromise.undp.org/sites/default/files/research_report_document/State%20of%20Climate%20Ambition.pdf

[4] Climate Policy Initiative (2023). Global Landscape of Climate Finance 2023. [online] CPI. Available at: https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[5] Climate Policy Initiative (2023). Global Landscape of Climate Finance 2023. [online] CPI. Available at: https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[6] Uncdf.org. (2021). *Addressing the 'missing middle' challenge in least developed countries By Anders Berlin and Abdul-Rahman Lediju*. [online] Available at: https://www.uncdf.org/article/6520/addressing-the-missing-middle-challenge-in-least-developed-countries? [Accessed 6 Jul. 2025]

[7] State and Trends in Climate Adaptation Finance 2024. (2024). Available at: https://gca.org/wp-content/uploads/2024/04/State-and-Trends-in-Climate-Adaptation-Finance-2024.pdf? [Accessed 6 Jul. 2025]

[8] Churchill, N. and Lewis, V. (1983). *The Five Stages of Small Business Growth*. [online] Harvard Business Review. Available at: https://hbr.org/1983/05/the-five-stages-of-small-business-growth

This objective will be achieved through the following three interlinked outcomes:

Outcome 1: High potential, locally led adaptation innovations, including non for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic fi-nance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs). Adaptation innovations with demonstrated results and strong potential for scale will be identified and supported through catalytic grants (max USD 200K). These grants aim to de-risk the scaling process, enhance credibility, and mobilise follow-on investment by strengthening the operational, financial, and impact readiness of selected solutions. All supported innovations will be required to integrate a gender-responsive and a socially inclusive lens, ensuring that they deliver measurable benefits for vulnerable communities.

Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships. Selected innovations will receive tailored technical assistance, investment readiness support, and strategic ecosystem linkages to accelerate their transition from early-mid and late-growth stages to the scale stage. AFCIA 2 will address key barriers to scale, such as financing gaps and limited market access, by connecting these organisations to a broader climate finance ecosystem, including DFIs, venture capital, and impact investors. This integrated support will build a robust pipeline of investable adaptation solutions.

Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to influence replication, policy frameworks, and investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions. The Project will capture and disseminate field-tested evidence and practical implementation insights on what works, for whom, and under what conditions, through its effective, strategic partnerships developed in AFCIA 1. These learnings will inform policy processes, support replication across geographies, and influence both public and private investment flows. Emphasis will be placed on scaling inclusive and gender-transformative approaches to climate adaptation.

Lessons learnt and knowledge obtained from AFCIA 1 will be used as the base to design AFCIA 2, including larger financing amounts per grantees, a longer period of technical assistance, and the scaling of systemic actor linkages. The Project will support capable, locally rooted organisations in the “missing middle” that have demonstrated potential to scale context-relevant adaptation innovations and drive systemic impact.

1 **Sectoral and Thematic Focus for Synergistic Impact:** To maximise coherence, cross-learning, and scaling potential, AFCIA 2 will prioritise 3 high-impact thematic areas aligned with global and regional adaptation priorities, including those in NAPs. These include climate-resilient food systems, nature-based solutions, and disaster risk reduction. The selection of these themes reflects their proven applicability across diverse geographic contexts, strong alignment with country-driven priorities, and high potential to deliver measurable, scalable adaptation outcomes. Climate-resilient food systems are critical for addressing increasing food insecurity and rural vulnerability under climate stress. Nature-based solutions offer cost-effective, locally grounded approaches that restore ecosystems and ecosystem services while enhancing adaptive capacity—an approach strongly endorsed by institutions such as UNEP and IUCN. [9] Disaster risk reduction, guided by the Sendai Framework, remains essential for protecting lives, assets, and development gains in the face of intensifying climate hazards. [10] While other thematic areas—such as health, urban infrastructure, or energy—were considered, they were not prioritised in order to maintain strategic focus, ensure efficient deployment of resources and technical expertise, and reduce operational complexity. Thematic clustering under

[9] https://wedocs.unep.org/bitstream/handle/20.500.11822/41333/state_finance_nature.pdf?sequence=3 page X and 1-4

[10] https://www.undrr.org/media/16176/download?startDownload=20250721 page 14

these three areas will enable more structured knowledge exchange and peer learning, improve the replicability of successful models, and help avoid the fragmentation that can occur in broader, sector-agnostic funding models. Moreover, focusing on defined themes will allow the Project to tailor technical support more effectively, enabling targeted deployment of sector experts, learning resources, and capacity-building tools that are directly relevant to each sector, increasing the efficiency and quality of engagement. It will also facilitate knowledge and investments brokering services by aggregating solutions/grantees with a portfolio-based approach, grouping them by either thematic area or similarities in countries/regions.

2 **Strategic Country Engagement with Multi-Grantee Clustering:** Informed by the AFCIA 1 experience, AFCIA 2 will concentrate resources in specific areas. AFCIA 2 will (i) launch a **global call** for proposals and targeting the UNDP-Regional Bureaus for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and the Commonwealth of Independent States[11], (ii) based on the proposals received prioritise support to the countries where a strong pipeline of high-quality applications emerges, based on grantee readiness, demand, technical assistance effectiveness, and strategic alignment with country priorities (iii) Support 2–3 high-capacity grantees per selected country ensuring to have geographical balance in the final selection. This clustering approach will allow for more targeted support, foster in-country peer learning, ecosystem building and promote collaboration across grantees facing similar challenges. By concentrating efforts where readiness and strategic alignment are evident, the Project can more effectively leverage existing partnerships, engage with UNDP's Country Offices, and support strengthening the local innovation ecosystems by tapping into established networks including local networks and innovation ecosystems[12]. This model promotes cost-effective delivery and supports country-specific scaling pathways, while maintaining flexibility to adapt to regional dynamics and levels of demand.

3 **Support for Scaling and Ecosystem Integration:** CSOs, MSMEs NGOs, social enterprises, and cooperatives will receive catalytic grants**,** along with tailored technical assistance and investment readiness support to help scale proven adaptation solutions (including business modelling, investor exposure, direct mentorship etc). It will be offered as an integrated package of in-house and external technical assistance leveraging the existing the Adaptation Innovation Marketplace (AIM)'s broader technical assistance network, including the partnership with business schools successfully utilized in AFCIA 1.

4 **Leverage Existing Networks and AFCIA Partnerships:** AFCIA 2 will build on the existing AFCIA 1 platform, integrate with and amplify existing regional and global innovation ecosystem, investors and knowledge networks, adaptation alliances, other AFCIA Projects (implemented by UNEP-CTCN, UNIDO, WFP) and other Large Innovation Grant Programs led by accredited AF's National Implementing Entities (NIEs). These platforms will be used to: share evidence, case studies, and toolkits; facilitate south-south learning and replication; inform national and global adaptation, innovation and financing policies and strategies where relevant.

[11] The call for proposals will be disseminated globally, utilizing UNDP´s official communication channels and extensive local, regional and global networks of partners. The call for proposals will also be shared with the Adaptation Fund Secretariat so it can be further disseminated with other relevant partners and its accredited NIEs.

[12] Local networks and platforms like the Global Environment Facility's Small Grants Project (GEF SGP), the BOOST Impact Acceleration Project, and the TADAMON NGO Empowerment Project, UNDP Accelerator Labs and other Country Office adaptation for innovation ecosystems.

4 APPLICABLE POLICY AND LEGAL FRAMEWORK

This section provides a preliminary review of the applicable policy, legal and institutional framework related to the potential risks and benefits of the implementation of the proposed activities. It includes a brief review of applicable national legislation, policies and regulations; and the UNDP SES.

4.1 UNDP SOCIAL AND ENVIRONMENTAL STANDARDS

The Program will comply with UNDP's Social and Environmental Standards (SES), which came into effect in January 2021. The SES underpin UNDP's commitment to mainstream social and environmental sustainability in its Projects and Sub-Projects to support sustainable development. The objectives of the standards are to:

- Strengthen the social and environmental outcomes of Projects and Sub-Projects
- Avoid adverse impacts to people and the environment
- Minimize, mitigate, and manage adverse impacts where avoidance is not possible
- Strengthen UNDP and partner capacities for managing social and environmental risks
- Ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people

The SES are an integral component of UNDP's quality assurance and risk management approach to programming.

Table -1 **Key Elements of UNDP's Social and Environmental Standards (SES)**

Part A: Programming Principles	Part B: Project-Level Standards	Part C: Social and Environmental Management System Requirements
Human Rights Gender Equality and Women's Empowerment Sustainability and Resilience Accountability	S1- Biodiversity and Sustainable Natural Resource Management S2- Climate Change and Disaster Risks S3- Community Health, Safety, and Security S4- Cultural Heritage S5- Displacement and Resettlement S6- Indigenous Peoples S7- Labour and Working Conditions S8- Pollution Prevention and Resource Efficiency	Quality Assurance Screening and Categorization Assessment and Management Stakeholder Engagement and Response Mechanism Access to Information Monitoring, Reporting, and Compliance review

The Standards are underpinned by an Accountability Mechanism with two key functions:

- A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by UNDP Programs have access to appropriate procedures for hearing and addressing project-related grievances; and

- A Compliance Review process that can investigate claims that UNDP is not in compliance with UNDP's social and environmental policies.

Through the AF Accreditation Process, the SES are acknowledged to be consistent with the Adaptation Fund's Environment and Social Policy (see section 4.2 below). The UNDP SES also require UNDP not to support activities that do not comply with national law and obligations under international law, whichever is the higher standard (hereinafter "Applicable Law"). UNDP Projects and Sub-projects, therefore, must always comply with the beneficiary countries' national law (see section 0 below). The supported actions will therefore have to meet not only UNDP SES and Adaptation Funds Environment and Social Policy but also any additional requirements stipulated in the national law.

4.2 Adaptation Fund Environmental and Social Policy

The Adaptation Fund had established in March 2016 its own Environmental and Social Policy to ensure that the Fund does not support projects/Projects that unnecessarily harm the environment, public health or vulnerable communities. The Policy is built on 15 principles and also provides adequate opportunities for the informed participation of all stakeholders in the formulation and implementation of projects/Projects supported by the Fund.

As part of the implementing entities' responsibilities for the project, the Fund requires the implementing entities to (i) have an environmental and social management system that ensures environmental and social risks are identified and assessed at the earliest possible stage of project/Project design, (ii) adopt measures to avoid or where avoidance is impossible to minimize or mitigate those risks during implementation, and (iii) monitor and report on the status of those measures during and at the end of implementation. These requirements are fully consistent with the UNDP Social and Environmental Standards. The table below outlines the consistency of the Adaptation Fund Environmental and Social Principles with the specific requirements stipulated by the UNDP's Social and Environmental Standards.

Table -2 **Analysis of the consistency of the Adaptation Fund Environmental and Social Principles with the UNDP Social and Environmental Standards**

Adaptation Fund Environmental and Social Principles	UNDP Social and Environmental Standards (relevant provisions only)
Compliance with the Law: Projects/Projects supported by the Fund shall be in compliance with all applicable domestic and international law.	See the UNDP SES Accountability Principle 4, item 30 stating that 'UNDP does not support activities that do not comply with national law and obligations under international law, whichever is the higher standard (hereinafter "Applicable Law").
Access and Equity: Projects/Projects supported by the Fund shall provide fair and equitable access to benefits in a manner that is inclusive and does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights. Projects/Projects should not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups.	See the See the UNDP SES Human Rights Principle, paragraph 14 and the Social and Environmental Screening questions related to: • P1.6 Risk of restricting access to resources or basic services.
Marginalized and Vulnerable Groups: Projects/Projects supported by the Fund shall avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups, including children, women and girls, the elderly, indigenous people, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS. In screening any proposed project/Project, the implementing	See the UNDP SES Human Rights Principle, paragraph 16 and the Social and Environmental Screening questions related to: • P1.5 Risk of inequitable or discriminatory impacts on affected populations.

entities shall assess and consider particular impacts on marginalized and vulnerable groups.	
Human Rights: Projects/Projects supported by the Fund shall respect and, where applicable, promote international human rights.	See the UNDP SES Human Rights Principle, paragraph 13 and the Social and Environmental Screening questions related to: • P1.4 Risk of adverse impacts on civil, political, economic, social or cultural rights.
Gender Equality and Women's Empowerment: Projects/Projects supported by the Fund shall be designed and implemented in such a way that both women and men (a) have equal opportunities to participate as per the Fund gender policy (refer to Annex 4 for details); (b) receive comparable social and economic benefits; and (c) do not suffer disproportionate adverse effects during the development process.	See the UNDP SES Gender Equality and Women's Empowerment Principle, paragraphs 18-20 and the Social and Environmental Screening questions related to: • P2.9 Risk of adverse impacts on gender equality, • P2.10 Risk of discrimination against women, • and • P2.11 risks of limiting the women's access to natural resources.
Core Labour Rights: Projects/Projects supported by the Fund shall meet the core labour standards as identified by the International Labor Organization.	SES Standard 7, paragraphs 5-12, 20-24 and the Social and Environmental Screening questions related to: • S7.1 Risks of substandard labour & working conditions, • S7.2 Risks to freedom of workers association and collective bargaining, • S7.3 Child labour risks, • S7.4 Forced labour risks (incl. in supply chains), • S7.5 Risks of discriminatory working conditions, • S7.6 Occupational health and safety risks.
Indigenous Peoples: The Fund shall not support projects/Projects that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples.	Entire See the UNDP SES Standard 6 and the Social and Environmental Screening questions related to: • S6.1 Risks associated with activities taking place where indigenous peoples are present • S6.2 Risks associated with activities taking place on lands, territories claimed by indigenous peoples • S6.3 Risks to rights, lands, territories natural resources and traditional livelihoods of indigenous peoples • S6.4 Risk that activities will take place without meaningful, effective informed participation of indigenous peoples • S.6.5 Risk of utilizing/developing indigenous peoples resources without agreement and/or agreed benefit sharing • S6.6 Risk of forced eviction or physical/economic displacement of indigenous peoples • S6.7 Impacts on development priorities of indigenous peoples • S6.8 Risks to physical and cultural survival of indigenous peoples • S6.9 Risks of impacts on cultural heritage of indigenous peoples
Involuntary Resettlement: Projects/Projects supported by the Fund shall be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement. When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically,	See the UNDP SES Standard 5 objective and its paragraphs 1,3,4 and the Social and Environmental Screening questions related to: • S5.1 Physical displacement risks • S5.2 Economic displacement risks • S5.3 Risk of forced evictions • S5.4 Risks of impacts on community-based rights to land, territories or resources

economically, and socially feasible resettlement alternatives or fair and adequate compensation.	
Protection of Natural Habitats: The Fund shall not support projects/Projects that would involve unjustified conversion or degradation of critical natural habitats, including those that are (a) legally protected; (b) officially proposed for protection; (c) recognized by authoritative sources for their high conservation value, including as critical habitat; or (d) recognized as protected by traditional or indigenous local communities.	See the UNDP SES Standard 1, paragraph 13 and the Social and Environmental Screening questions related to: • S1.2 Risks to critical habitats
Conservation of Biological Diversity: Projects/Projects supported by the Fund shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species.	SES Standard 1, paragraph 13 and the Social and Environmental Screening questions related to: • S1.4 Risks to endangered species
Climate Change: Projects/Projects supported by the Fund shall not result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change.	SES Standard 2, paragraph 9 and the Social and Environmental Screening questions related to: • S2.4 risks of increased GHG emissions
Pollution Prevention and Resource Efficiency: Projects/Projects supported by the Fund shall be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants.	• SES Standard 8, paragraph 4 and paragraphs 7-9 and the Social and Environmental Screening questions related to: • S8.1 risks of pollutants release • S8.2 risks of inadequate waste management
Public Health: Projects/Projects supported by the Fund shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.	See the UNDP SES Standard 3, paragraphs 2,3,6, and 7 and the Social and Environmental Screening questions related to: • S3.1 construction-related risks • S3.2 Emissions, noise, traffic, hazards and effluent risks • S3.3 safety risks due to failure of project structural elements • S3.4 risks of water/vector-borne diseases
Physical and Cultural Heritage: Projects/Projects supported by the Fund shall be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level. Projects/Projects should also not permanently interfere with existing access and use of such physical and cultural resources.	See the UNDP SES Standard 4, paragraphs 1, 2, and 14 and the Social and Environmental Screening questions related to: • S4.1 risks to cultural heritage sites • S4.2. risks of unknown archaeological heritage damage • S4.3 risks to tangible and intangible forms of cultural heritage
Lands and Soil Conservation: Projects/Projects supported by the Fund shall be designed and implemented in a way that promotes soil conservation and avoids degradation or conversion of productive lands or land that provides valuable ecosystem services.	See the UNDP SES Standard 1, paragraph 21 and the Social and Environmental Screening questions related to: • S1.7 risks of soil degradation

As required by the Adaptation Fund Environmental and Social Policy, the above requirements will be fully respected within the Program and will guide project design, implementation, and monitoring of any identified environmental and social risks.

4.3. APPLICABLE COUNTRY LAW

All countries that will be supported by the Program are yet to be determined throughout the Program cycle via a tailored selection process.

In regards to national/local legal and institutional framework UNDP assumes that the grantee is aware and complies of the legal and institutional framework that applies at the national/local levels for the governance, social and environmental scopes of their activities, including those pertaining to stakeholder engagement. May any issues be identified and/or arise on this aspect, they will be immediately communicated to the UNDP´s Program PMU to be evaluated.

5 PROJECT SCREENING AGAINST THE ADAPTATION FUND'S SOCIAL AND ENVIRONMENTAL PRINCIPLES

While the project is expected to have mainly positive social and environmental impacts and integrates social and environmental standards in its design, a number of risks were identified as per UNDP's Social and Environmental Screening Procedure (Annex 3). As per UNDP's Social and Environmental Standards policy and the AF's Environmental and Social Policy, the principles and standards outlined in the table below are triggered. Potential adverse social and environmental risks and impacts are limited in scale, largely reversible and can be identified with a reasonable degree of certainty and readily addressed through application of recognized good international practice, mitigation measures and stakeholder engagement during project design and implementation. The overall project risk category is Moderate as per UNDP's Social and Environmental Standards policy and B as per the AF's Environmental and Social Policy.

For sake of completeness, a detailed review of the potential risks and their mitigation measures is provided below based on the Adaptation Funds Environmental and Social Policy. Please note that the proposed mitigation measures are based on the applicable UNDP SES requirements and, as such, they have been directly integrated into the Environmental and Social Management Guidelines for the Supported Projects which are presented in sub-chapter 6.3 of this ESMF. They are therefore twice repeated - in this and the next chapter.

Table -3 **Adaptation Fund risks and mitigation measures.**

Checklist of environmental and social principles	**Potential impacts and risks – further assessment and management required for compliance**
Compliance with the Law *UNDP SES Accountability Principle*	Low risk: All supported activities will be required to comply with applicable domestic law and relevant international obligations. Compliance will be verified through UNDP's environmental and social screening process prior to grant award and will be embedded as an obligation in each grant agreement, with ongoing monitoring through grantee reporting and PMU oversight. Any activity that cannot demonstrate legal compliance will be redesigned, deferred, or excluded from support in line with the programme's screening and categorization procedures

Access and Equity *UNDP SES Human Rights Principle*	Moderate risk The project will operate in a broad range of socio-economic contexts and there is some risk of unequitable access to project benefits if grants are insufficiently screened for this risk. In response, all project-supported activities shall be screened in order to ensure that provide fair and equitable access to benefits in a manner that is inclusive for potentially affected populations, including marginalized individuals and persons with disabilities, and not exacerbate existing inequities, particularly with respect to marginalised or vulnerable people who live in extreme poverty or face disadvantage(s) that limit their choices and opportunities relative to others in society. Equal access to project benefits will be further promoted by requiring inclusive design, meaningful consultations, and transparent information sharing through grantee stakeholder engagement processes. Where access barriers are identified, grantees will be required to integrate practical mitigation measures into their implementation plans and budgets, and implementation will be monitored through reporting, spot checks where relevant, and the project-level grievance redress mechanism.
Marginalized and Vulnerable Groups *UNDP SES Human Rights Principle*	Moderate risk: The project may exclude potentially affected stakeholders, particularly marginalized groups, from fully participating in grant selection and decision-making processes. It is expected that this risk has a high probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector). This risk is partly managed through project design as all innovations supported by the project will be required to integrate gender-responsive and inclusive approaches, ensuring measurable benefits for vulnerable communities. Furthermore, all project-supported activities shall be screened to ensure that they do not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups. Where risks of potential risks to access and equity arise, the supported actions shall be required to:

	• identify potential impact of the proposed activities on the potentially affected individuals and groups, including those who have lesser access to its benefits and/or marginalised or vulnerable groups, • Identify practical measures that avoid, reduce or offset such adverse impacts, and • uphold the principles of accountability, inclusion, non-discrimination, and participation and increase the inclusion of potentially affected groups in decision-making processes that may impact them (consistent with the non-discrimination and equality human rights principle). The programme will prevent disproportionate adverse impacts on marginalized and vulnerable groups by integrating inclusion requirements into the grant screening and selection process and by requiring grantees to identify who may be excluded and how barriers will be addressed. Each supported action will be required to prepare customized stakeholder engagement arrangements and—where risks are identified—apply avoidance and mitigation measures that uphold non-discrimination, participation, and equitable benefit sharing. These requirements will be reinforced through onboarding safeguards guidance and PMU quality assurance, with implementation tracked through periodic progress reporting and an accessible grievance mechanism designed to remove barriers to reporting and resolution for marginalized groups
Human Rights *UNDP SES Human Rights Principle*	Moderate risk: The project ensures the mainstreaming of a human-rights based approach and the Sustainable Development Goal (SDGs) commitment to “leave no one behind” through its design. By working with supporting NGOs/CSOs at local level on building resilience and finding innovative solutions for climate change adaptation; the project aims to increase the overall resilience and social and economic status for the communities and frequently excluded population groups. Small grants will be provided to NGOs/CSOs and community-based organizations involved with local environmental protection and poverty eradication activities; and/or climate change adaptation challenges that still require some level of experimentation to identify possible solutions. This project is a new way to develop climate change resilience at the local level. The expected overarching development outcome is innovation for effective, long-term adaptation to climate change accelerated promoted and enabled with particular emphasis on supporting vulnerable groups and gender equality. The human rights principle is still triggered out of precaution, as the project operates in a range of countries and sectors. In particular, there is a risk that if stakeholder engagement is not sufficiently inclusive,

	project activities could contribute to (exacerbating) conflicts among communities due to business expansion. In response, al project-supported activities shall be screened for potential Human Rights risks. Where related risks are identified, the project shall duly consider any such risks and assist the grant applicants in adequately addressing them based on standards set in international law or national law (whichever is more stringent). The programme will require transparent stakeholder engagement and disclosure so affected people can understand potential impacts and participate in decisions that affect them, and will maintain accessible grievance channels for project-affected people, including escalation pathways through UNDP's accountability mechanisms where concerns are not resolved through the project GRM.
Gender Equity and Women's Empowerment *UNDP SES Gender Equality and Women's Empowerment Principle*	Moderate risk: The project is expected to have mainly positive effects on gender equity and women's empowerment. Still, it recognizes that if GAPs are insufficiently developed and/or implemented GAPs at grantee level, the grant recipient NGOs/CSOs may limit women's ability to use, develop and protect natural resources, taking into account different roles and positions given the employment choice and local culture. If this were to happen, the project could potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits through grant selection. In response, the project will work with grantees to integrate rigorous gender analysis to understand and meaningfully address the particular needs, priorities, structural and systemic barriers, status and roles of men and women in their business. The grantee will work with the project team to develop a business plan to advance gender equality and women's empowerment. All grantees must adhere to UNDP and AF policies and requirements on gender. Gender equality is imbedded in the project design, consultation, implementation, monitoring, reporting, and evaluation. The Grant committee will also ensure existing gender inequalities are not be exacerbated by any activities or innovative solutions of grantee. Overall, the project will provide technical assistance to potential grantees to expand their innovative solutions that could advance social and economic status for women; either from a business perspective of from their customers' perspective. Project-supported activities shall be screened to ensure that they are gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a

	meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them. The project will (where relevant) promote women-led initiatives. To proactively manage and mitigate any potential gender-related risks, this project has embedded a robust gender-responsive strategy throughout the entire project cycle, from design and grantee selection to implementation and evaluation. This strategy ensures that project activities will not exacerbate existing gender inequalities but will instead actively advance gender equality and women's empowerment. Grantees will be required to integrate gender considerations into design, implementation, and monitoring, including through proportionate Gender Action Plans and gender-responsive stakeholder engagement, with technical guidance provided through onboarding and ongoing PMU support. Progress on gender commitments will be monitored through regular reporting and compliance review, and the grievance mechanism will be available to capture and address gender-related concerns safely and confidentially where needed. To proactively manage gender-related risks, a robust, gender-responsive strategy is embedded throughout the entire project cycle. The process begins with the Grant Committee, which will screen all potential activities to ensure they do not exacerbate existing gender inequalities but instead actively promote them. Upon selection, the project will provide grantees with technical assistance to integrate a rigorous gender analysis into their work. This analysis will identify the particular needs, priorities, and systemic barriers faced by both men and women. Based on this, each grantee will be required to develop a proportionate Gender Action Plan (GAP) to advance gender equality and women's empowerment. This process will be supported by dedicated technical guidance from the Project Management Unit (PMU), delivered through initial onboarding sessions and continuous support. Throughout implementation, these GAPs will guide efforts to ensure meaningful and equitable participation of all genders in decision-making. The goal is to ensure both women and men obtain comparable social and economic benefits from all supported actions, with a specific focus on promoting women-led initiatives where relevant.

	Progress on gender commitments will be systematically monitored through regular grantee reporting and compliance reviews, and all grantees must adhere to the gender policies of both the Adaptation Fund and UNDP. To ensure full accountability, the project's grievance mechanism will be available to all stakeholders to safely and confidentially capture and address any gender-related concerns.
Core Labour Rights *UNDP SES Standard 7 Labour and Working Conditions*	Moderate risk: Occupational health and safety requirements will be integrated into screening and grant conditions. Still, there is a chance that NGOs/CSOs receiving grants would insufficiently implement and monitor occupational health and safety guidelines or human resource policies in line with national legislation and international standards. In that case, the grant recipient NGOs/CSOs might fail to comply with national and international good practices on Occupational Health and Safety for workers engaged in the project activities. In this scenario, employment with the NGOs/CSOs could pose a potential risk to health and safety of individuals employed by grantees during project implementation. In response, all project-supported activities shall be screened for the potential labour risk violations. Labour and working condition risks will be managed by requiring grantees to comply with national labour laws and core labour standards, including fair terms of employment, non-discrimination, and prevention of violence and harassment, including GBV. Grantees will be expected to implement proportionate OHS measures and incident reporting procedures. Worker access to grievance channels will be ensured in line with UNDP guidance, and compliance will be monitored through reporting, oversight, and corrective actions where gaps are identified. Specifically the supported organisations will be required to: • Provide project workers with clear and understandable information on terms and conditions of their employment (e.g. payment in a timely manner, written notice of termination, and payment of all wages and benefits on termination, etc.).

	• Prevent and address violence, harassment, intimidation, or exploitation, including any form of gender-based violence. • Ensure that workers engaged have appropriate health and social insurance. • Exclude unsafe working practices and implement relevant occupational health and safety measures, such as: • Provide workers with introductory job- focused safety trainings before starting work; training event is properly registered in the instructions' book. • Ensure that workers' protective equipment based on the local requirements and international good practice (e.g. hardhats, masks, safety glasses, harnesses, safety boots, etc.) • Make first aid kits available on site and fire-extinguisher easily accessible in all sections of the site. • Introduce appropriate signposting of the sites will inform workers of key rules and regulations to follow. • Record and report health & safety incidents to UNDP.
Indigenous Peoples *UNDP SES Standard 6 Indigenous Peoples*	Moderate risk: It is highly likely that the project will affect Indigenous Peoples, either as grantees, customers of grantees or suppliers of grantees. This is expected to lead to positive outcomes for Indigenous Peoples, but could entail adverse outcomes if free, prior and informed consent processes are not duly followed. In that case, the project could lead to exclusion of Indigenous Peoples from fully participating in decisions that may affect their lands, natural resources, territories, traditional livelihoods, and cultural heritage, entailing inequitable or discriminatory impacts or their access to rights, resources and livelihoods; and/or lack of access to project benefits. In response, all project-supported activities shall be screened for potential risks to Indigenous Peoples. Where such risks are identified, the following measures shall be applied: • Undertake meaningful, inclusive, and culturally appropriate consultations with Indigenous Peoples, consistent with the principle of Free, Prior, and Informed Consent (FPIC), to ensure their effective participation in project design and implementation. • Identify and assess potential impacts on Indigenous Peoples' rights, lands, resources, cultural heritage, and traditional livelihoods.

	• Avoid adverse impacts where possible. Where avoidance is not possible, minimize, mitigate, or compensate for such impacts in a manner agreed upon with affected Indigenous Peoples. • Ensure Indigenous Peoples share equitably in project benefits, respecting their rights, dignity, and cultural identity. • Support Indigenous Peoples in strengthening their adaptive capacities and traditional knowledge systems relevant to climate resilience.
Involuntary Resettlement *UNDP SES Standard 5 Displacement and Resettlement*	Low risk: While likelihood is assessed to be low, there is some chance that grant recipient businesses and social enterprises expansion limit community access to land and/or natural resources. In that case, communities in the project area (including ethnic minorities) could face economic displacement, changes to land rights and/or restricted access to resources. All project-supported activities shall be screened for potential displacement risks. Where such risks would arise, the actions seeking project support shall be required to conduct a dedicated due diligence of any displacement activities before they take place to: • Identify and assess any potential physical and economic displacement risks • Prohibit any forced evictions. • Include measures for avoiding, or, when avoidance is not possible, minimizing any potential displacement risks and their adverse social and economic impacts. • Consult the potentially affected stakeholders (with specific attention to poor and marginalized groups) on the proposed measures and opportunities for improving their living standards and the overall socioeconomic status through the project interventions. Any required design changes and mitigation measures, will be documented in project instruments prior to grant signature. Compliance will be monitored through PMU review and periodic reporting, and any emerging issues can be raised through the GRM for timely resolution.
Protection of Natural Habitats *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*	Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to habitats, e.g. associated with harvesting of natural forests or harvesting of fish

	populations or other aquatic species. Grantees might have business activities within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities. They may have business activities that result in secondary or consequential development activities which could lead to adverse environmental effects, or generate cumulative impacts with other known existing or planned activities in the area. All project-supported activities shall be screened for risks related to natural Habitats. They shall be generally required to: • as far as possible, conduct the proposed activities in areas where natural habitats have already been converted to other land uses or that have low value for biodiversity and ecosystem services, and low sensitivity to the anticipated impacts, • keep interventions in natural and semi-natural habitats to minimum in order not to disturb the existing flora and fauna, degrade the habitat and resident species populations • where possible avoid interventions that would reduce ecological connectivity in the ecosystem (e.g. restricting the free movement of species between important habitats) or changes in the important ecosystem processes (e.g. hydrological regimes and nutrient flows) that support ecosystems and their services. • assess and manage the impacts of proposed interventions on critical, natural and modified habitats and their ecosystem services in accordance with the UNDP SES 1 requirements, • use cost-effective opportunities to enhance the existing habitats and ecosystem services as part of the proposed interventions. The exclusion list to prevent Substantial/High-risk activities will be applied. Supported actions will be required to prioritize work in already-modified or lower-sensitivity areas where feasible, minimize interventions in natural and semi-natural habitats, and avoid actions that reduce ecological connectivity or disrupt key ecosystem processes. Where habitat-related risks are identified, proportionate environmental management measures will be required and reviewed by the PMU prior to approval, with ongoing monitoring during implementation
Conservation of Biological Diversity	Low risk:

UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management	While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to biological diversity, e.g. associated with introduction of invasive alien species or through promoting monoculture. All project-supported activities shall be screened for biodiversity risks. They shall be generally required to consider the presence of any endangered species and any potentially significant adverse impacts on their habitats, breeding grounds, free movement, and migration needs and will be optimised to ensure that they: • do not cause any reduction of any recognized Vulnerable, Endangered, or Critically Endangered species, • avoid adverse impacts on endemic species, restricted-range species, and migratory species, and • minimize unwarranted impacts on resident species populations. They shall also be required to: • not introduce species known to be invasive into new environments, • promote the use of native species or more resilient varieties of native species as a priority, and • use any potentially suitable alien species (e.g. climate resilient crop seed varieties) only if they were duly approved as posing no risks of potential invasive behaviour by the relevant authorities. Where biodiversity risks are present, measures will be reflected in management instruments and monitored through implementation reporting and oversight.
Climate Change *UNDP SES Standard 2 Climate Change and Disaster Risks*	Moderate risk: The project is expected to have a positive effect on adaptive capacity of communities and is not expected to pose significant risks related to climate change and disaster risks. Any risks are expected to be addressed through stakeholder engagement and good practices. It is recognized that grantees may propose activities: • within or adjacent to habitats that are especially sensitive to impacts of climate change, • that could cause GHG emissions,

	• that could positively or negatively affect the adaptive capacity of communities/community members to the effects of climate change. Potential impacts on communities will be mainly assessed and avoided through the required stakeholder engagement. Negative impacts on communities will be part of the grant-level screening. Furthermore, the supported actions shall be screened for any potential project-related increases in emissions that may exacerbate climate change, such as GHG emissions and black carbon emissions. Where any such risks would arise (e.g. the use of cooling systems), the action shall be asked to consider and adopt technically and financially feasible alternatives for reducing proposal-related greenhouse gas emissions. Such options may include, but are not limited to: • alternative project locations, • adoption of renewable or low-carbon energy sources, or energy efficiency measures • use of low-global-warming-potential coolants for air-conditioning and refrigeration, • promote climate-smart agricultural, forestry, and livestock management practices, and ecosystem-based adaptation and mitigation measures (including potential integration of carbon sinks). In parallel, the programme's risk management approach recognizes the operating context of climate vulnerability and therefore strengthens resilience through design requirements, technical assistance, and adaptive management, including updates to screening as grantees and locations are identified. Progress and emerging risks will be monitored through periodic reporting, and mitigation measures adjusted where needed to maintain risk at acceptable levels.
Pollution Prevention and Resource Efficiency *UNDP SES Standard 8 Pollution Prevention and Resource Efficiency*	Low Risk: While impact and likelihood are assessed to be at the lower-moderate end, there is a chance that if NGOs/CSOs receiving grants are insufficiently informed of pollution/waste management risks and/or fail to identify appropriate management measures, activities could lead to pollution/inadequate waste management. The supported actions shall be screened for pollution prevention and resource efficiency risks. They will be required to avoid, minimize, and mitigate

	environmental and related public health risks associated with the potential release of pollutants in routine and non-routine circumstances in accordance with the national law and international best practices used in the region. Where risks of pollution release would arise, the project will: • require operators to conduct orientation training addressing relevant environmental and occupational health and safety issues prior commencement of the relevant operations, • conduct regular surveillance is conducted to avoid leaks, spills, incidents or accidents occurring during the use of equipment and during storage, • monitor, manage and remediate any chemical oil leaks or spills, and incidents/accidents occurring during the use of equipment and their effects, and undertake all necessary immediate actions to ensure they do not adversely affect water bodies/sources. Where the risks of inadequate waste management would arise, the supported actions shall be required to: • reduce the generation of any generated waste • separate waste at the source (where possible) • reuse waste in a manner that is safe for human health and the environment. • transport all waste that cannot be reused to an appropriate waste recovery-or-treatment facility that appropriately controls its emissions and residues in accordance with the national law and international best practices used in the region.
Public Health *UNDP SES Standard 3 Community Health, Safety and Security*	Moderate Risk Project-supported activities are not expected to pose significant risks to community health, safety and security. However, if NGOs/CSOs receiving grants do not sufficiently implement and monitor occupational health and safety guidelines in line with national legislation and international standards, then project-funded activities may create certain health and safety risks or construction-related risks to communities. The supported actions shall be screened for public health and safety risks. They will be required to be designed, implemented, and operated in accordance

	with the national law and will also respect the following UNDP requirements for construction process management: • have design and management plans which were: i) prepared by suitably qualified and experienced professionals who are certified for such design process, and ii) cleared by the competent authorities for construction process management. Low-risk designs will require at least a peer-review by qualified professionals. • be constructed and operated by the experienced contractor(s) having relevant certifications and permits for the relevant works, • implement preventive/protective measures to avoid/minimize the relevant health and safety risks for the construction workers and the surrounding communities based on the national law and international good practice, and • be before the beginning of their actual use/operation approved (and where needed certified) by either competent authorities or independent professionals not involved in their design and construction. Where potential impacts on public health arise, the supported actions shall be required to: • use qualified health and safety experts to assess the risks to, and potential impacts on, the safety of affected communities during the project design, construction, operation, and decommissioning, • adopt preventive measures and plans to address any identified risks in a manner commensurate with their potential impacts based on good practices and standards used by the international organizations working in the region, • prepare, implement, and monitor emergency preparedness plans in collaboration with stakeholders and relevant authorities, where relevant, and require periodic safety inspections and monitoring, and report to UNDP should any issue be found.
Physical and Cultural Heritage *UNDP SES Standard 4 Cultural Heritage*	Moderate risk: NGOs/CSOs grantees will share their lessons learned in their innovative approach to climate change adaptation. This may include references to traditional knowledge. While the project itself will not commercialize traditional knowledge, UNDP is expected to act as a facilitator to find

	potential commercial investors to invest commercially in scalable grantees. If Indigenous Peoples and/or local communities are not sufficiently engaged through the principles of free, prior, informed consent, commercialization of traditional knowledge without consent and/or agreed benefit-sharing and/or do not obtain an equitable share of benefits derived from any commercial development of their traditional knowledge, they would face adverse impacts. The supported actions shall be screened for risks related to cultural heritage. They will be required to: • comply with the local requirements for their protection and preservation and fully respect the requirements of the World Heritage Convention (if they might affect the World Heritage sites). • Where moderate risks arise, consult the relevant authorities and explore all viable and feasible alternatives for the reduction of these risks (including changes in the planned activities, in situ conservation and rehabilitation, etc.) to avoid, minimize, or offset such risks, and apply "chance finds" procedures and documentation practices consistent with recognized good practice. • Ensure that it does not lead to the destruction of unknown cultural heritage and follow national requirements and/or globally recognized good practices for field study, inventorying, and documentation of archaeological heritage Management measures will be documented in safeguard instruments where required, quality-assured by the PMU, and monitored through implementation reporting and grievance channels.
Lands and Soil Conservation *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*	Low risk: See risks of impacts on habitats. The supported actions shall be screened for risks related to impacts on lands and soil. They will be required to: • avoid conversion of productive lands or lands that provide valuable ecosystem services

	• avoid, and where avoidance is not possible, minimize adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity • adopt appropriate measures to ensure that the supported activities promote soil conservation support. They will also be used as a reference during the review process of the project application. Where land-based activities intersect with biodiversity-sensitive areas, the programme will apply the same mandatory screening criteria for sustainable natural resource management, including requirements to minimize interventions in natural and semi-natural habitats, protect ecological connectivity and key ecosystem processes, and promote cost-effective enhancement of habitats and ecosystem services where relevant. Compliance will be verified through PMU safeguards clearance prior to signature and monitored through periodic reporting, with corrective actions required where needed to maintain soil and ecosystem service functions.

6 PROCEDURES FOR ADDRESSING THE EXPECTED SOCIAL AND ENVIRONMENTAL RISKS

6.1 PROGRAM'S SOCIAL AND ENVIRONMENTAL RISK RATING

As established above, the project has been screened against UNDP's Social and Environmental Standards utilizing the UNDP Social and Environmental Screening Procedure and it was deemed to be a Moderate Risk project. The next section ensures that project activities once fully defined will be further screened and appropriate management measures are adopted for any potentially significant social and environmental risks.

6.2 FURTHER SCREENING AND ASSESSMENT REQUIREMENTS DURING THE PROJECTS IMPLEMENTATION

Steps during screening and implementation:

Screening and Categorization Process for Unidentified Sub-Projects (USPs)

Once a grant proposal is submitted, UNDP as Implementing and Executing Entity will apply the following steps:

Initial Eligibility Screening: Submissions are reviewed against AFCIA 2 eligibility criteria, including thematic relevance, innovation potential, and compliance with the Adaptation Fund's policies on safeguards and gender.

Environmental and Social Screening (SESP): Each USP will undergo a structured SESP screening to identify potential environmental and social risks. The results will assign the USP a risk category (low/moderate/substantial/high) as per UNDP standards.

Determination of Required Safeguard Instruments: Grantees will be required to prepare simplified specific instruments (e.g., ESMP, Gender Action Plan, Stakeholder Engagement Plan). Depending on the categorization, they may be required to develop more detailed and targeted risk mitigation frameworks, ESMPs, and GAPs, with technical support from the PMU and safeguard experts.

Review and Approval: The PMU reviews all safeguard instruments for quality and compliance before approving the USP. In alignment with project eligibility Higher-risk sub-projects are not accepted, upper moderate (i.e., Moderate risk with heightened impact likelihood, sensitivity, or mitigation complexity) will undergo an additional peer review and clearance by UNDP safeguard specialist prior to approval All reviews and clearances, including any conditions precedent or post-approval actions, will be documented.

Governance considerations:

A simplified PCAT assessment (a basic due diligence tool in UNDP) is conducted to determine whether the Projects/partners meet the "Pre-Requisites for Partnering with UNDP", such as not being on UN Sanctions, UNDP Vendor Sanctions or UN Global Marketplace Ineligibility Lists.

Likewise, activities above a Moderate potential risk are not permitted due to the overall classification of this initiative, those are Substantial and High-risk activities. A subsequent list of non-permitted activities complements the screening process of projects (See Annex 1).

Categorization is established based on a "pass" or "fail" approach based on whether the grantee successfully submitted all the pertinent information required at the screening stage to be considered towards the final selection of the grantees.

While specific grantee-led activities cannot yet be defined, UNDP will ensure that stakeholder input shapes the overarching implementation approach and risk identification processes at the grantee level. Once

grantees are selected and specific interventions are identified through the open call process, more detailed, locally grounded stakeholder consultations will be conducted. -Final screening is also to be conducted with Country Office in collaboration with partner networks for the final grantees. At that stage, each grantee, in collaboration with UNDP, will also develop and disclose detailed risk assessments and management instruments—including Gender Action Plans, Stakeholder Engagement Plans, and Environmental and Social Management Plans—supported by the PMU's Gender and Safeguards Specialist as part of project support and quality assurance.

Environmental and Social considerations:

The selection process of the supported activities will involve targeted screening which will combine the relevant UNDP Social and Environmental Screening criteria and the Adaptation Fund Environmental and Social Principles. The backbone of this screening system is presented below and a deeper evaluation is conducted later ensuring the collaboration of the grantees:

Table -4 Social and Environmental Risks Screening template for the selection of the supported activities

Social and Environmental Risks Screening	Y/N	Measures to be taken to avoid, minimize or offset these risks
Compliance with the Law:		
Is there a risk that the project would not comply with all applicable domestic and international law?		
Access and Equity:		
Is there a risk that the project would not provide fair and equitable access to benefits in a manner that is inclusive and does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights?		
Is there a risk that the project would exacerbate existing inequities, particularly concerning marginalized or vulnerable groups?		
Marginalized and Vulnerable Groups:		
Is there a risk that the project would impose any disproportionate adverse impacts on marginalized and vulnerable groups, including children, women and girls, the elderly, indigenous people, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS.		
Human Rights:		
Is there a risk that the project would not respect and, where applicable, promote international human rights?		
Gender Equality and Women's Empowerment:		
Is there a risk that the project would not be designed and implemented in such a way that both women and men (a) have equal opportunities to participate; (b) receive comparable social and economic benefits; and (c) do not		

suffer disproportionate adverse effects during the development process.		
Core Labour Rights:		
Is there is risk that the project would not meet the core labour standards as identified by the International Labor Organization?		
Indigenous Peoples:		
Is there a risk that the project would be inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples?		
Involuntary Resettlement:		
Is there a risk that the project would not be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement.		
When limited involuntary resettlement would be unavoidable, is there a risk that due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation?		
Protection of Natural Habitats:		
Is there a risk that the project would involve unjustified conversion or degradation of critical natural habitats, including those that are (a) legally protected; (b) officially proposed for protection; (c) recognized by authoritative sources for their high conservation value, including as critical habitat; or (d) recognized as protected by traditional or indigenous local communities?		
Conservation of Biological Diversity:		
Is there a risk that the project would cause any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species?		
Climate Change:		
Is there a risk that the project would result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change?		
Pollution Prevention and Resource Efficiency:		
Is there a risk that the project would not be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and		

minimizing material resource use, the production of wastes, and the release of pollutants?		
Public Health:		
Is there a risk that the project would not be designed and implemented in a way that avoids potentially significant negative impacts on public health?		
Physical and Cultural Heritage:		
Is there a risk that the project would not be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national, or international level?		
Is there a risk that the project would permanently interfere with existing access and use of such physical and cultural resources?		
Lands and Soil Conservation:		
Is there a risk that the project would not promote soil conservation and avoid degradation or conversion of productive lands or land that provides valuable ecosystem services?		

Where the screening of the fully defined projects activities identifies potential social and environmental risks that could be categorized as Substantial or High Risk as per UNDP's Social and Environmental Screening Procedure, these activities will be either redesigned to eliminate and/or minimize such risks or excluded from further consideration.

6.3 Environmental and Social Management Guidelines for the Supported Projects

This ESMF shall be supplemented with more detailed guidelines that will recap the core obligations, role and responsibilities for sound screening, assessment and management of the social and environmental risks covered by UNDP's Social and Environmental Standards for all roles engaged in the project, including project applicants and reviewers of the applications. The guidelines will be provided to the project staff and applicants for the project support and will stipulate the following basic obligations:

Compliance with the Law: All project-supported activities shall be required to fully comply with all applicable national law.

Access and Equity: The project shall be required to be designed to provide fair and equitable access to benefits in a manner that is inclusive for potentially affected populations, including marginalized individuals and persons with disabilities, and not exacerbate existing inequities, particularly with respect to marginalised or vulnerable people who live in extreme poverty or face disadvantage(s) that limit their choices and opportunities relative to others in society.

Marginalized and Vulnerable Groups: The project activities shall be required not to exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups. Where risks of potential risks to access and equity arise, the supported actions shall be required to:

- identify potential impact of the proposed activities on the potentially affected individuals and groups, including those who have lesser access to its benefits and/or marginalised or vulnerable groups,
- Identify practical measures that avoid, reduce or offset such adverse impacts, and
- uphold the principles of accountability, inclusion, non-discrimination, and participation and increase the inclusion of potentially affected groups in decision-making processes that may impact them (consistent with the non-discrimination and equality human rights principle).

Human Rights: Where the risks of Human Rights violation would rise, the project shall duly consider any such risks and assist the applicants in adequately addressing them based on standards set in international law or national law (whichever is higher).

Gender Equality and Women's Empowerment: The project activities shall be required to be at least a Gender Marker 2, which means gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them. The project will (where relevant) promote women-led initiatives.

Core Labour Rights: The supported organisations will be required to provide their workers with labour and working conditions that meet the national labour laws, including the following core labor-related requirements stipulated in the relevant key ILO conventions:

- Provide project workers with clear and understandable information on terms and conditions of their employment (e.g. payment in a timely manner, written notice of termination, and payment of all wages and benefits on termination, etc.).
- Prevent and address violence, harassment, intimidation, or exploitation, including any form of gender-based violence.
- Ensure that workers engaged have appropriate health and social insurance.
- Exclude unsafe working practices and implement relevant occupational health and safety measures, such as:
- Provide workers with introductory job- focused safety trainings before starting work; training event is properly registered in the instructions' book.
- Ensure that workers' protective equipment based on the local requirements and international good practice (e.g. hardhats, masks, safety glasses, harnesses, safety boots, etc.)
- Make the first aid kits available on site and fire-extinguisher easily accessible in all sections of the site.
- Introduce appropriate signposting of the sites will inform workers of key rules and regulations to follow.
- Record and report health & safety incidents to UNDP.

Indigenous Peoples: the activities will be screened for potential risks to Indigenous Peoples. Where such risks are identified, the following measures shall be applied:

- Undertake meaningful, inclusive, and culturally appropriate consultations with Indigenous Peoples, consistent with the principle of Free, Prior, and Informed Consent (FPIC), to ensure their effective participation in project design and implementation.
- Identify and assess potential impacts on Indigenous Peoples' rights, lands, resources, cultural heritage, and traditional livelihoods.
- Avoid adverse impacts where possible. Where avoidance is not possible, minimize, mitigate, or compensate for such impacts in a manner agreed upon with affected Indigenous Peoples.
- Ensure Indigenous Peoples share equitably in project benefits, respecting their rights, dignity, and cultural identity.

- Support Indigenous Peoples in strengthening their adaptive capacities and traditional knowledge systems relevant to climate resilience.

Involuntary Resettlement: Generally, the project shall promote voluntary and legally recorded market land-use right transactions in which the seller is fully informed about available choices and has the genuine right to retain the land and refuse to sell it (e.g. the transaction does not rest on the threat of compulsory acquisition). Where potential displacement risks would arise, the actions seeking project support shall be required to conduct a dedicated due diligence of any displacement activities before they take place to:

Identify and assess any potential physical and economic displacement risks

- Prohibit any forced evictions.
- Include measures for avoiding, or, when avoidance is not possible, minimizing any potential displacement risks and their adverse social and economic impacts.
- Consult the potentially affected stakeholders (with specific attention to poor and marginalised groups) on the proposed measures and opportunities for improving their living standards and the overall socioeconomic status through the project interventions.

Protection of Natural Habitats: The supported actions shall be required to:

- as far as possible, conduct the proposed activities in areas where natural habitats have already been converted to other land uses or that have low value for biodiversity and ecosystem services, and low sensitivity to the anticipated impacts,
- keep interventions in natural and semi-natural habitats to minimum in order not to disturb the existing flora and fauna, degrade the habitat and resident species populations
- where possible avoid interventions that would reduce ecological connectivity in the ecosystem (e.g. restricting the free movement of species between important habitats) or changes in the important ecosystem processes (e.g. hydrological regimes and nutrient flows) that support ecosystems and their services.
- assess and manage the impacts of proposed interventions on critical, natural and modified habitats and their ecosystem services in accordance with the UNDP SES 1 requirements,
- use cost-effective opportunities to enhance the existing habitats and ecosystem services as part of the proposed interventions.

Conservation of Biological Diversity: The supported actions shall be required to consider the presence of any endangered species and any potentially significant adverse impacts on their habitats, breeding grounds, free movement, and migration needs and will be optimised to ensure that they:

- do not cause any reduction of any recognized Vulnerable, Endangered, or Critically Endangered species,
- avoid adverse impacts on endemic species, restricted-range species, and migratory species, and
- minimize unwarranted impacts on resident species populations.

They shall also be required to:

- not introduce species known to be invasive into new environments,
- promote the use of native species or more resilient varieties of native species as a priority, and
- use any potentially suitable alien species (e.g. climate resilient crop seed varieties) only if they were duly approved as posing no risks of potential invasive behaviour by the relevant authorities.

Climate Change: The supported actions shall be screened for any potential project-related increases in emissions that may exacerbate climate change, such as GHG emissions and black carbon emissions.

Where any such risks would arise (e.g. the use of cooling systems), the action shall be asked to consider and adopt technically and financially feasible alternatives for reducing proposal-related greenhouse gas emissions. Such options may include, but are not limited to:

- alternative project locations,
- adoption of renewable or low-carbon energy sources, or energy efficiency measures
- use of low-global-warming-potential coolants for air-conditioning and refrigeration,
- promote climate-smart agricultural, forestry, and livestock management practices, and ecosystem-based adaptation and mitigation measures (including potential integration of carbon sinks).

Pollution Prevention and Resource Efficiency: The supported actions shall be required to avoid, minimize, and mitigate environmental and related public health risks associated with the potential release of pollutants in routine and non-routine circumstances in accordance with the national law and international best practices used in the region.

Where the risks of pollution release would arise, the project will:

- require operators to conduct orientation training addressing relevant environmental and occupational health and safety issues prior commencement of the relevant operations,
- conduct regular surveillance is conducted to avoid leaks, spills, incidents or accidents occurring during the use of equipment and during storage,
- monitor, manage and remediate any chemical oil leaks or spills, and incidents/accidents occurring during the use of equipment and their effects, and undertake all necessary immediate actions to ensure they do not adversely affect water bodies/sources.

Where the risks of inadequate waste management would arise, the supported actions shall be required to:

- reduce the generation of any generated waste
- separate waste at the source (where possible)
- reuse waste in a manner that is safe for human health and the environment.
- transport all waste that cannot be reused to an appropriate waste recovery-or-treatment facility that appropriately controls its emissions and residues in accordance with the national law and international best practices used in the region.

Public Health: All project-supported constructions will be designed, implemented, and operated in accordance with the national law and will also respect the following UNDP requirements for construction process management:

- have design and management plans which were: i) prepared by suitably qualified and experienced professionals who are certified for such design process, and ii) cleared by the competent authorities for construction process management. Low-risk designs will require at least a peer-review by qualified professionals.
- be constructed and operated by the experienced contractor(s) having relevant certifications and permits for the relevant works,
- implement preventive/protective measures to avoid/minimize the relevant health and safety risks for the construction workers and the surrounding communities based on the national law and international good practice, and
- be before the beginning of their actual use/operation approved (and where needed certified) by either competent authorities or independent professionals not involved in their design and construction.

Where potential impacts on public health arise, the supported actions shall be required to:

- use qualified health and safety experts to assess the risks to, and potential impacts on, the safety of affected communities during the project design, construction, operation, and decommissioning,

- adopt preventive measures and plans to address any identified risks in a manner commensurate with their potential impacts based on good practices and standards used by the international organizations working in the region,
- prepare, implement, and monitor emergency preparedness plans in collaboration with stakeholders and relevant authorities, where relevant, and
- require periodic safety inspections and monitoring, and report to UNDP should any issue be found.

Physical and Cultural Heritage: The supported actions shall be required to:

- comply with the local requirements for their protection and preservation, and fully respect the requirements of the World Heritage Convention (if they might affect the World Heritage sites).
- consult the relevant authorities where potentially significant risks would arise and engage qualified professionals for cultural heritage preservation to explore all viable and feasible alternatives for the avoidance, minimisation, or offsetting these risks (including changes in the planned activities, in situ conservation and rehabilitation, etc.)
- ensure that they do not lead to the destruction of unknown cultural heritage (chance finds) and follow national requirements and/or globally recognized good practices for field study, inventorying, and documentation of archaeological heritage.

Lands and Soil Conservation: The supported actions shall be required to:

- avoid conversion of productive lands or lands that provide valuable ecosystem services
- avoid, and where avoidance is not possible, minimize adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity
- adopt appropriate measures to ensure that the supported activities promote soil conservation

Site-Specific Safeguard Measures:

Once grantees are selected, and as part of the Onboarding Learning Sprint, guidance on environmental and social safeguards will be provided to support integration of simplified safeguard and gender actions into implementation plans and budgets. Using project-developed templates, grantees will prepare required instruments proportionate to the scale and nature of their interventions. The PMU's Gender and Safeguards Specialist will review these instruments and, where necessary, trigger targeted screenings and community-level consultations. Safeguard considerations will also be incorporated into national coordinators' visits. For activities on the higher end of the Moderate risk category, grantees may be required to develop detailed instruments such as Environmental and Social Management Plans (ESMPs), Stakeholder Engagement Plans (SEPs), Gender Action Plans (GAPs), and risk mitigation frameworks. This phased approach ensures compliance with UNDP SES and Adaptation Fund policies and provides transparency throughout the project lifecycle.

The environmental and social standards guidelines will be translated and customised for broad dissemination to the project applicants to guide the development/submissions of the activities that will seek the project support. They will also be used as a reference during the review process of the project application.

7 IMPLEMENTATION AND OPERATION

UNDP will be the Implementing Agency for AFCIA 2, drawing on the expertise and operational reach of global and regional teams, including the GEF Small Grants Project, UNDP Innovation Facility, the five UNDP-Regional Bureaus (for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and the Commonwealth of Independent States) and will leverage as needed the existing network of over 150 country offices, to ensure alignment with national priorities and facilitate integration with existing adaptation, innovation and finance ecosystems. Critical learnings have been gathered from successfully running AFCIA 1.

As an Executing Agency, a Global Program Management Unit (PMU) will be established as the central coordination and technical support centre, and will strictly follow UNDP's Project and Operations Policies. The PMU will be based in UNDP's Office in Bonn (Germany), to optimise cost-efficiency, facilitate engagement with stakeholders—including grantees and local partners—and support streamlined delivery across geographies. This section below gives a clear definition of roles and responsibilities of Project staff and associated agencies in implementation of Project activities and application of social and environmental procedures (e.g. screening, assessment, preparation of management plans, monitoring). It assesses the particular institutional needs within the implementation framework for application of the ESMF. Where necessary, capacity building and technical assistance activities are included to enable implementing agencies and involved institutions and stakeholders to implement the ESMF, including preparation, implementation and monitoring of specific social and environmental management plans/measures. The PMU will include a parttime Social and Environmental Safeguards (SES) Expert responsible for ensuring compliance with UNDP's Social and Environmental Standards and the Adaptation Fund's Environmental and Social Policy. This expert will guide the screening of all Unidentified SubProjects (USPs), review risk categorizations, and provide technical support for the preparation and quality assurance of simplified Environmental and Social Management Plans (ESMPs), Gender Action Plans (GAPs), and Stakeholder Engagement Plans (SEPs). The SES Expert will also deliver safeguard training during the Onboarding Learning Sprint and provide ongoing advisory support throughout implementation.

7.1 PROJECT MANAGEMENT AND OVERSIGHT ARRANGEMENTS

UNDP will serve as the Implementing Entity (IE) for AFCIA 2 bearing responsibility for the oversight of the project in full compliance with the AF and UNDP policies, regulations and procedures. UNDP shall ensure compliance with fiduciary, procurement, legal, gender, and safeguard standards throughout the project cycle, and will serve as the project assurance function within the project governance structure.

UNDP shall also serve as the Executing Entity (EE) for this project, drawing upon the expertise and operational reach of global and regional teams, including UNDP´s Local Action Team, UNDP Innovation Facility, SDG Finance Hub, the five UNDP Regional Bureaus (for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and the Commonwealth of Independent States) and will leverage as needed the existing network of over 150 country offices, to ensure alignment with national priorities, identify synergies and facilitate integration with existing adaptation, innovation and finance ecosystems. Building upon UNDP' s existing networks, the project will be structured to promote cross coordination across grantees, engagement with key stakeholders in country, to help foster knowledge sharing, peer learning, and the transfer of innovative practices across regions.

Set up of the Global Project Management Unit (PMU):

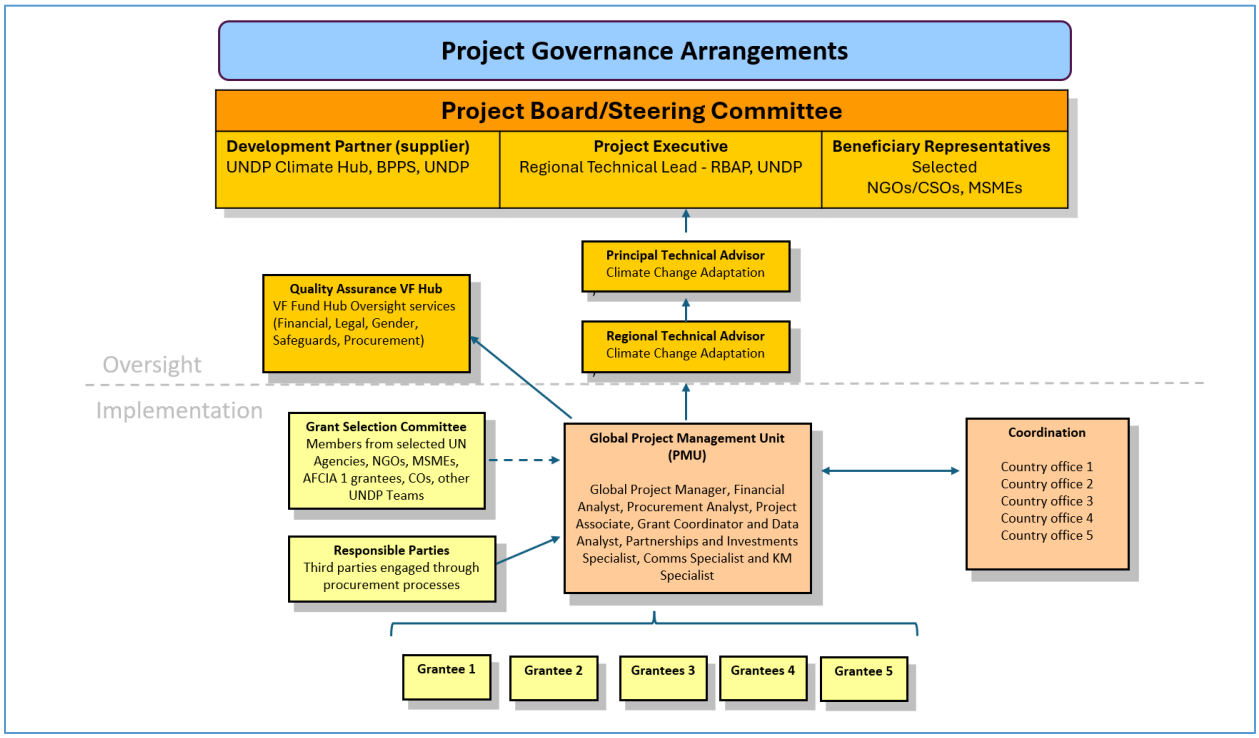
As part of this project, UNDP shall establish a Global Project Management Unit (PMU) (please refer to the organigram below) to serve as the central coordination and support hub that will directly execute the project

using a global Direct Implementation Modality (DIM). The PMU will be in charge of project implementation, ensuring project coherence and providing comprehensive management support. The PMU will be based in UNDP's Office in Bonn (Germany) with key managerial and operational positions, to optimize cost-efficiency, facilitate engagement with stakeholders and support streamlined delivery across geographies. The PMU will be integrated by a Project Manager, a Finance and Operations Analyst, a Procurement Analyst, and a Project Associate as the core operational personnel to be placed in BRH.

The responsibility of the PMU with regards to the safeguards is the following:

- Risks escalated by the PMU transfer ownership of this risk for treatment to the UNDP Program Board.
- When reviewing each grantee´s proposal, it will ensure risks identified in the social and environmental screening are realistic and credible and evidence based, with identified management measures, and that these are fully integrated in the grantee´s agreement prior to signature. The PMU will_provide a SES clearance for each grantee before signature with support of its SES AFCIA Expert. SES oversight will be at the program/portfolio level.

Figure 1. Project organisational structure



Set up of the Technical Support Arrangements:

To deliver the three core outcomes of AFCIA 2, the project will establish a specialized technical support structure combining in-house expertise and remote professionals for cost efficiency. Key roles include specialists in investment and partnership development, grant coordination and data analysis, learning and knowledge management, communications, business development, and safeguards and gender. This hybrid model—tested successfully under AFCIA 1—ensures high-quality technical assistance while minimizing overhead costs. Experts will directly contribute to Outcome 1 by strengthening systems for sourcing and supporting high-potential innovations; to Outcome 2 by enabling investment readiness and fostering strategic partnerships; and to Outcome 3 by capturing and disseminating lessons to inform replication and policy integration.

Safeguard compliance is embedded throughout this structure. The PMU will maintain a central registry of all approved sub-projects, documenting screening results, risk categorizations, and required instruments. A dedicated Gender and Safeguard Expert will guide grantees in preparing Environmental and Social Management Plans (ESMPs) and Gender Action Plans (GAPs), supported by standardized templates and review procedures under the ESMF and SESP. All grantees will participate in an Onboarding Learning Sprint covering monitoring and reporting, gender-responsive approaches, and business fundamentals. This process establishes core operational disciplines—such as clear outcomes models and systematic data capture—while reinforcing accountability and readiness for scale.

Institutional Arrangements for SES Implementation and Oversight:

The project's safeguards implementation is anchored in a clear division of responsibilities that ensures compliance with UNDP's Social and Environmental Standards (SES) while remaining proportionate to risk and responsive to grantee contexts. The PMU leads day-to-day SES delivery, including the screening and risk classification of sub-projects, the preparation and quality assurance of safeguard instruments and the coordination of consultations, disclosure, and periodic reporting. In cases where sub-projects sit at the upper end of the Moderate risk category, the PMU convenes independent peer review and seeks formal clearance from a UNDP Safeguard Specialist, thereby adding an extra layer of assurance for risk-proportionate oversight.

The SES budget covers the full set of activities required to meet SES and ESMF obligations. Budget lines for SES activities are tracked within the project workplan and financial system under dedicated safeguards entries, with clear segregation between implementation expenditures and oversight costs.

Detailed Governance Arrangements, Roles and Responsibilities

Executing Entity (EE):

UNDP serves as the Executing Entity (EE) for AFCIA 2 and is responsible for the overall execution and day-to-day management of the project through the Project Management Unit (PMU). The PMU ensures project coherence, prepares and implements work plans and budgets, manages disbursements, oversees procurement of goods and services, and handles recruitment of personnel. It also monitors progress against approved plans, manages risks—including social and environmental safeguards—and ensures compliance with UNDP and Adaptation Fund standards. The PMU is accountable for financial integrity, quarterly reporting, and maintaining alignment with donor requirements, while also implementing the communication and visibility strategy.

Specific PMU functions include planning and supervising activities, managing low-value grants, monitoring events under the project monitoring plan, and supporting audits and assessments. It prepares inception and annual reports, revises multi-year work plans as needed, and ensures timely submission of financial and progress reports. The PMU also facilitates evaluations, coordinates field visits, and captures lessons learned to inform adaptive management. By maintaining rigorous oversight of operational, financial, and safeguard processes, the PMU guarantees that project implementation remains efficient, transparent, and aligned with strategic objectives.

Implementing Entity (IE):

UNDP acts as the Implementing Entity (IE) for AFCIA 2, ensuring oversight, compliance, and alignment with Adaptation Fund requirements throughout the project lifecycle. Its responsibilities span upstream engagement—such as policy dialogue, eligibility verification, and technical screening of proposals—through to project preparation, execution oversight, and reporting. The IE provides guidance on converting concepts into feasible projects, sources technical expertise, validates partner capacities, and ensures that all activities meet technical, financial, social, and environmental standards. It also manages clearances with the Adaptation Fund, responds to information requests, and supports troubleshooting during implementation.

Beyond design and approval, the IE monitors progress, validates technical soundness, and ensures fiduciary integrity. This includes allocating and tracking annual spending limits, reporting to the Adaptation Fund, and returning any unspent funds. UNDP oversees evaluations—preparing TORs, engaging independent evaluators for mid-term and terminal reviews, and verifying the quality and compliance of all reports. Through continuous technical backstopping, quality assurance, and adaptive management, the IE guarantees that AFCIA 2 delivers results efficiently, transparently, and in full compliance with Adaptation Fund and UNDP standards.

Project Board:

The Project Board serves as the governing body of AFCIA 2, providing overall strategic direction and ensuring that activities remain aligned with agreed objectives and standards. It is responsible for steering the project toward expected results, taking corrective action when necessary, and upholding principles of fairness, transparency, integrity, and best value for money. Decisions are made in accordance with UNDP's accountability framework and Adaptation Fund requirements. If consensus cannot be reached, UNDP senior management or its delegate will mediate and, if needed, take the final decision to prevent delays in implementation.

Key responsibilities of the Project Board include approving governance arrangements and standard operating procedures, guiding the project within defined parameters, and addressing issues raised by the Project Manager. The Board reviews progress, appraises annual work plans and implementation reports, and arbitrates resource commitments. It also approves major deliverables such as the Inception Report, Mid-Term and Terminal Evaluations, and ensures coordination with government agencies. Additionally, the Board addresses escalated grievances, advises on amendments, and conducts an end-of-project review to capture lessons learned and identify opportunities for scaling successful approaches.

Grant Selection Committee:

The Grant Selection Committee will comprise 5 to 7 technical experts nominated by the Project Board based on their specialized expertise. This committee plays a critical role in the grant award process, working alongside the PMU to review longlisted applications, finalize shortlists, and recommend grantees for approval by the Project Board. It also advises on the design of grant selection criteria and provides technical guidance throughout the selection process to ensure transparency, fairness, and alignment with project objectives. Members will meet virtually after each funding window opens and operate under strict conflict-of-interest rules, prohibiting participation by individuals or entities that may apply for grants or provide technical assistance in the same window.

Beyond selection, the committee supports grantees during implementation by offering strategic advice on acceleration plans and technical areas such as business development, climate risk planning, safeguards, and gender mainstreaming. These advisory functions are delivered in collaboration with the PMU and tailored to grantee needs. Performance of grantees will be tracked by the PMU, with updates shared with the committee for any required actions. Through this dual role—selection and technical guidance—the committee ensures that high-potential innovations receive not only funding but also the expertise needed to scale effectively and deliver measurable adaptation impact.

UNDP and UNDP Country Offices and Bureaus:

The Project shall actively engage the UNDP Regional Bureaus and the UNDP Country Offices at multiple stages of the project to leverage localised expertise, networks and contextual knowledge throughout the project life cycle. This collaboration will enhance the project's local relevance and ensure that grantee support is responsive to local contexts. During the initial stages of the project, the PMU shall involve the UNDP Regional Bureaus and the UNDP Country Offices in the grantee selection phase. This process will involve mapping proposed solutions to national objectives.

Beyond selection, the UNDP Regional Bureaus and the UNDP Country Offices shall be involved in compliance monitoring and oversight of grantee activities. Further, to help strengthen technical capacity and local relevance, Country Offices will play a key role in facilitating connections with local innovation ecosystems through local networks (internal and external to UNDP). To facilitate these activities, the project will allocate funds to UNDP Country Offices where grantees are located, to support with specific follow up (in situ), verify safeguard and gender related matters in situ, help identify national scaling pathways, as well as learning and showcasing opportunities for the AFCIA 2 grantees operating in their countries.

7.2 Capacity Building and Training

Delivery organisations (e.g. contractors, NGOs, MSMEs) have the responsibility for ensuring systems are in place so that relevant employees, contractors and other workers are aware of the environmental and social requirements for Project implementation that have been agreed during the review of the Project applications.

7.3 Grievance Redress Mechanism

During the design, construction and implementation of any Project, a person or group of people may perceive or experience potential harm, directly or indirectly due to the project activities. The grievances that may arise can be related to social issues such as eligibility criteria and entitlements, disruption of services, temporary or permanent loss of livelihoods and other social and cultural issues. Grievances may also be related to environmental issues such as excessive dust generation, damages to infrastructure due to construction related vibrations or transportation of raw material, noise, traffic congestions, decrease in quality or quantity of private/ public surface/ ground water resources during irrigation rehabilitation, damage to home gardens and agricultural lands, etc.

Should such a situation arise, there must be a mechanism through which affected parties can resolve such issues in a cordial manner with the Program/Project personnel in an efficient, unbiased, transparent, timely and cost-effective manner. The Project GRM will serve as an escalation channel for unresolved grievances or cases requiring impartial review. To achieve this objective, a Grievance Redress Mechanism has been included in the ESMF for this Project.

The Grievance Redress Mechanism has been designed to:

- be a legitimate process that allows for trust to be built between stakeholder groups and assures stakeholders that their concerns will be assessed in a fair and transparent manner;
- allow simple and streamlined access to the Grievance Redress Mechanism for all stakeholders and provide adequate assistance for those that may have faced barriers in the past to be able to raise their concerns;
- provide clear and known procedures for each stage of the Grievance Redress Mechanism process, and provides clarity on the types of outcomes available to individuals and groups;
- ensure equitable treatment to all concerned and aggrieved individuals and groups through a consistent, formal approach that, is fair, informed and respectful to a concern, complaints and/or grievances;
- to provide a transparent approach, by keeping any aggrieved individual/group informed of the progress of their complaint, the information that was used when assessing their complaint and information about the mechanisms that will be used to address it; and
- enable continuous learning and improvements to the Grievance Redress Mechanism. Through continued assessment, the learnings may reduce potential complaints and grievances.

The GRM will be gender- and age-inclusive and responsive and address potential access barriers to women, the elderly, the disabled, youth and other potentially marginalized groups as appropriate to the Project. The GRM will not impede access to judicial or administrative remedies as may be relevant or applicable and will be readily accessible to all stakeholders at no cost and without retribution.

Information about the Grievance Redress Mechanism and how to make a complaint and/or grievance must be communicated during the stakeholder engagement process and placed at prominent places for the information of the key stakeholders.

7.3.1 UNDP SRM and SECU

In addition to the Project-level and national grievance redress mechanisms, complainants have the option to access UNDP's Accountability Mechanism, with both compliance and grievance functions. The Social and Environmental Compliance Unit investigates allegations that UNDP's Standards, screening procedure or other UNDP social and environmental commitments are not being implemented adequately, and that harm may result to people or the environment. The Social and Environmental Compliance Unit is housed

in the Office of Audit and Investigations, and managed by a Lead Compliance Officer. A compliance review is available to any community or individual with concerns about the impacts of a UNDP Project or project. The Social and Environmental Compliance Unit is mandated to independently and impartially investigate valid requests from locally impacted people, and to report its findings and recommendations publicly.

The Stakeholder Response Mechanism offers locally affected people an opportunity to work with other stakeholders to resolve concerns, complaints and/or grievances about the social and environmental impacts of a UNDP project. Stakeholder Response Mechanism is intended to supplement the proactive stakeholder engagement that is required of UNDP and its Implementing Partners throughout the Project cycle. Communities and individuals may request a Stakeholder Response Mechanism process when they have used standard channels for project management and quality assurance, and are not satisfied with the response (in this case the project level grievance redress mechanism). When a valid Stakeholder Response Mechanism request is submitted, UNDP focal points at country, regional and headquarters levels will work with concerned stakeholders and Implementing Partners to address and resolve the concerns. Visit **www.undp.org/secu-srm** for more details. The relevant form is attached at the end of the ESMF.

8 BUDGET FOR ESMF IMPLEMENTATION

At the Project level, the appropriate indicative budget is allocated to ensure effective implementation of the ESMF by grantees and to support UNDP governance functions. This budget assumes that a Gender and Safeguards Specialist within the PMU will cover both gender and social/environmental safeguards, providing integrated support. The estimate is based on a cohort of approximately 27 grantees; if the number of grantees increases, the budget will be scaled proportionally to maintain adequate capacity for screening, preparation of management plans, monitoring, and compliance with environmental and social safeguards and gender requirements.

#	Item to be budgeted for the design, implementation, monitoring and evaluation of this ESMF	Dedication
1	Update the ESMF and related materials (i.e. trainings), to ensure the standardized management.	2 days
2	Support the preparation and coordination of project-field visits and safeguard spot checks, as necessary.	3 days per grantee
3	Address comments and act as a point of contact for donors, partners and beneficiaries.	2 days
4	Support the PMU in the grant selection process, providing considerations and revisions from the safeguards perspective.	0.25 day per grantee
5	Screen Project grantees' proposal to identify potential safeguards risks.	1 day per grantee
6	Develop training materials at the Project level and at the grantee level.	4 days
7	Conduct training workshops and/or meetings (global and/or regional) for Project grantees, including preparatory communications and post-workshop follow up with the relevant parties till full understanding on a practical way for the audience.	2 days per workshop
8	Work with each medium and grantee as needed on the ESG risks management and Grant Coordinator and Data Analyst and Reporting plan.	0.5 days per grantee
9	Review the Project´s gender action plan, the donors´ gender requirements, and other relevant documents and develop a simple procedure that serves the Project to ensure gender policy compliance. Include across the documentation and actions the gender related concepts and procedures to help cohorts to understand, manage and measure appropriately gender related approaches.	2 days
10	Include in documentation and training the gender related concepts and procedures, to help grantees understand, manage and measure appropriately gender related approaches.	2 days

The estimated cost is approximately 55,000 USD, yearly, for the design, implementation, monitoring and evaluation of the Project's ESMF. This cost mainly corresponds to the engagement of a Gender and Safeguards Specialist (same person) that will support the implementation of the ESFM and the GAAP for this project (estimated dedication of 70 days/ per year, for five years). In addition to this, there has been

approximately 400,000 USD assigned to the COs, to support with safeguard coordination and project site visits/spot checks in case is required.

The proportional costs from other members of the AFCIA PMU (e.g. the Project Manager, Grant Coordinator and Data Analyst), who provide support to the project with regards to implementation of safeguards and gender commitments are not included here, but can be identified in the Detailed Budget Annex 8.

The proportional costs other members from UNDP who provide support to the Project with regards to safeguards and gender oversight (e.g. Regional Technical Specialist, HHQQ PTA, HHQQ Safeguards Team) are not included here, but can be identified in the Detailed Budget Annex 8, tab “IE fee Breakdown”.

Costs like operationalizing the GRM (drafting and distributing materials), any required translation of safeguards documents, and in general the implementation of the ESMP and GAAP per each grantee, will be budgeted under each grant agreement.

ANNEX 1: LIST OF NOT-FUNDED ACTIVITIES BY THE PROJECT

Potential adverse risks and impacts may arise from activities that are site-specific and involve physical interventions ("downstream" activities) as well as "upstream" activities involving planning, policy and/or sector reform, and capacity building.

These are activities with potential social and environmental risks and impacts on physical, biological, socioeconomic, and/or cultural resources.

Activities above a Moderate potential risk are not permitted, those are Substantial and High risk activities. They are defined as follows:

High Risk

Defined by UNDP's SES as "Projects that include activities with potential significant and/or irreversible adverse social and environmental risks and impacts, or which raise significant concerns among potentially affected communities and individuals as expressed during the stakeholder engagement process."

Substantial Risk

Defined by UNDP's SES as "Projects that include activities with potential adverse social and environmental risks and impacts that are more varied or complex than those of Moderate Risk projects but remain limited in scale and are of lesser magnitude than those of High Risk projects (e.g. reversible, predictable, smaller footprint, less risk of cumulative impacts). Substantial Risk projects may also include those with a varied range of risks rated as "Moderate" that require more extensive assessment and management measures."

Below is the indicative list of activities that may be expected to fall into these levels of risks, called High or Substantial Risk. Therefore, based on the above, the following activities/impacts are not permitted:

1) Activities with substantial or high adverse social and/or environmental impacts:
    a. To local communities or other project affected parties.
    b. Which may involve displacement and/or resettlement[13]
    c. Activities which may adversely impact the rights, lands, territories and resources of indigenous peoples
    d. Activities which may adversely impact critical habitats
    e. Activities which may result in significant adverse impacts to Cultural Heritage
    f. That violate the human rights
    g. That do not comply with relevant environmental and social national/state/local regulations.

2) Extraction and harvesting activities:
    a. Groundwater abstraction activities or artificial groundwater recharge schemes in cases where the annual volume of water to be abstracted or recharged amounts to 10 million m3 or more
    b. Industrial-scale commercial harvesting operations of tree plantations.
    c. Large-scale logging or deforestation of large areas
    d. Large-scale peat extraction
    e. Large-scale quarries and open-cast mining, and processing of metal ores or coal

[13] Displacement and/or resettlement refers here to potential scale. projects involving physical resettlement and/or economic displacement are generally considered High Risk. However where potential displacement and/or resettlement may be minimal, UNDP may determine that its requirements could be met with application of standard best practice and mitigation measures without the need for a full ESIA.

3) Land, agriculture, livestock projects:
    a. Large-scale land reclamation or sea dredging operations
    b. Large-scale primary agriculture or forestation, reforestation, or afforestation involving intensification, land use change or conversion of natural habitats, priority biodiversity features and/or critical habitats
    c. Industrial plants for the production of pulp from timber or similar fibrous materials or production of paper and board
    d. Large-scale installations for the intensive rearing of poultry or livestock
    e. Plants for the tanning of hides and skins where the treatment capacity exceeds 12 tonnes of finished products per day

4) Large-scale infrastructure (construction and/or expansion):
    a. Construction of motorways, express roads and lines for railway traffic; airports; new roads of four or more lanes; realignment and/or widening of existing roads to provide four or more lanes of 10 kilometers or more in a continuous length
    b. Large-scale sea and river ports and also inland waterways and ports for inland-waterway traffic; trading ports, piers for loading and unloading connected to land, and outside ports (excluding ferry piers)
    c. Large dams[14] and complex dams and other impoundments designed for the holding back or permanent storage of water, including, for example, for hydroelectric projects, water supply for irrigation or municipal water supply and other purposes, and flood control.

5) Large-scale energy and fuel projects, including transmission/transport (construction and/or expansion):
    a. Crude oil refineries
    b. Thermal power stations and other combustion installations (w/ heat output of at least 300 MW)
    c. Extraction of petroleum and natural gas for commercial purposes
    d. Installations for storage of petroleum, petrochemical, or chemical products
    e. Pipelines, terminals and associated facilities for the large-scale transport of gas, oil and chemicals
    f. Construction of high-voltage overhead, underground or submarine electrical power lines
    g. Large-scale wind power installations for energy production (wind farms)
    h. Installations for the capture of CO2 streams (generally of 1.5 megatonnes or more) and construction of sites for the geological storage of CO2

6) Waste and chemicals projects:
    a. Waste-processing and disposal installations for the incineration, chemical treatment or landfill of hazardous, toxic or dangerous wastes
    b. Large-scale waste disposal installations for the incineration or chemical treatment of nonhazardous wastes (generally with capacity exceeding 100 tonnes per day)
    c. Municipal wastewater treatment plants with a capacity exceeding 150,000 population equivalent
    d. Municipal solid waste processing and disposal facilities
    e. Integrated chemical installations, i.e. those installations for the manufacture on an industrial scale of substances using chemical conversion processes, in which several units are

[14] Large dams are defined as those with a height of 15 meters or more from the foundation. Dams that are between 5 and 15 meters high and have a reservoir of more than 3 million cubic meters are also classified as large dams. Complex dams are those of a height between 10 and 15 meters that present special design complexities, including an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, or retention of toxic materials.

juxtaposed and are functionally linked to one another and which are for the production of: basic organic chemicals; basic inorganic chemicals; phosphorous, nitrogen or potassium based fertilizers (simple or compound fertilizers); basic plant health products and biocides; basic pharmaceutical products using a chemical or biological process

7) Large-scale tourism and retail development

8) Other:
    a. Any activities that do not appear on the project proposal submitted by the grantee for the project are not permitted. This is because activities listed in the project proposal developed by each grantee represent the basis for risk categorization and the applicability of this agreement.
    b. Any other activities not listed above that may be identified as High or Substantial Risks along the project when the detailed information for each project are known and assessed. This is because the final categorization of each activity depends on the nature and extent of any actual or potential adverse social and environmental impacts, as determined by the specifics of its design, operation, and location.
    c. Any activity that may not be identified as High or Substantial Risk but may join and/or support through any of its means third-party initiatives/projects that fall under High or

Annex 5 Gender Assessment and Action Plan

Adaptation Fund Climate Innovation Accelerator – Phase 2

I. Introduction

This gender assessment and action plan accompanies the UNDP-Adaptation Fund Climate Innovation Accelerator (AFCIA) Phase 2 proposal. Its purpose is to identify key gender dynamics, barriers and opportunities relevant to climate adaptation innovation and to outline operational actions that ensure that the programme delivers inclusive, equitable, and gender-responsive results.

Given the global nature of AFCIA2 and that specific countries and grantees will be determined during implementation, this document serves as a strategic and operational baseline. It provides an overview of gender issues across the three priority thematic areas: Nature-Based Solutions (NbS), Disaster Risk Reduction (DRR), and Climate-Resilient Food Systems (CRFS), with regional differentiation where possible. Once the grantees are selected, rapid gender assessments and localized action plans will be developed.

The assessment was based upon available data from studies conducted by donor agencies, academic institutions, think tanks and multilateral development banks; and includes:

1. Undertaking a desktop review and aligning approaches in this proposal with the findings of gender issues across the three priority thematic areas: Nature-Based Solutions (NbS), Disaster Risk Reduction (DRR), and Climate-Resilient Food Systems (CRFS).
2. Incorporating lessons learned from implementation of the Innovation Small Grants Aggregator Programme Phase 1.
3. Incorporating information and lessons learned from past studies and assessments on gender from the United Nations, civil society organisations, and multilateral development banks.
4. Conducting stakeholder consultations and engaging women affected by the project and incorporating all points raised; and
5. Integrating gender considerations in the project indicators, targets and activities, identifying women as leaders and decision-makers.

Gender considerations are mainstreamed across the AFCIA 2 design and implementation arrangements. In addition to the rapid gender assessments and localized action plans that will be developed once grantees are selected, the programme will be supported by a dedicated Gender and Safeguards Analyst who will guide implementation of the Gender Action Plan, ensure compliance with Adaptation Fund and UNDP gender policies, and provide ongoing technical support to grantees. Gender-responsive measures are integrated into the project's outputs, outcomes, activities and indicators, with deliberate focus on reducing barriers faced by women, girls, LGBTIQ+ persons, and other groups experiencing intersecting vulnerabilities in accessing climate adaptation innovation, finance, and decision-making spaces. The project ensures that gender considerations inform the full results framework, including monitoring, reporting and learning processes. Together, these mechanisms ensure that this gender analysis has substantively informed project design and that gender-related opportunities and risks are addressed in a systematic and robust way throughout the programme cycle.

II. Gender inequality and social inclusion –Sectoral Overview

Climate change is the most urgent development challenge of our time, and its impacts are deeply gendered.[1] Structural inequalities in land ownership, credit access, technology, and decision-making power shape how women, men, and marginalized communities experience climate risks and participate in adaptation solutions. Women across the Global South bear disproportionate care responsibilities while facing systematic exclusion from resources and leadership. These gender inequalities intersect with class, ethnicity, disability, age, and other identity markers, compounding vulnerability and limiting adaptive capacity, including the ability to develop, access, and scale climate innovations.

LGBTQI+ individuals face compounded vulnerabilities in climate-affected contexts, including discrimination in accessing land, credit, and community resources, exclusion from decision-making processes, and heightened risks during climate-induced displacement and disasters. Stigma and discriminatory social norms often render their specific needs invisible in climate adaptation programming. In innovation ecosystems, LGBTQI+ entrepreneurs face additional barriers in accessing finance, networks, and business development support due to discrimination and lack of inclusive policies.

Social norms and power dynamics are highly context specific, therefore participatory analysis processes are required to overcome assumptions and avoid generalizations. Similarly, gender norms are dynamic and vary widely under different circumstances. For AFCIA 2, grantees will be required to conduct gender analysis and apply safeguards at the local level, in the specific contexts where their innovations will operate. The project's gender specialist will provide guidance, review these analyses, and support grantees throughout implementation to ensure gender considerations inform their innovation design, community engagement, and monitoring frameworks. This iterative process will generate learning and enable adaptive management adjustments across the project portfolio.

A high-level gender analysis is presented below, focusing on the three focus areas of the project: Nature-Based Solutions, Disaster Risk Reduction and Climate-Resilient Food Systems.

Nature-Based Solutions (NbS)

Nature-based solutions, including ecosystem-based adaptation, forest landscape restoration, sustainable land management, agroforestry, and coastal protection, are increasingly recognized as cost-effective adaptation strategies.[2] Across the globe, $140 billion could be saved by implementing NbS in water supply.[3] However, women's and men's relationships with natural resources differ significantly due to gendered divisions of labour, resource access, and decision-making power. Women, particularly in rural areas, often depend directly on natural resources for livelihoods, food, fuel, and water, yet face systematic exclusion from land ownership, resource governance, and NbS planning processes.[4] Understanding these gender dynamics is critical for supporting innovations that are both effective and equitable.

Gender-Differentiated Vulnerabilities and Impacts

[1] UNDP (2025). Women, resilience, and climate change. Experiences from Europe and Central Asia and beyond. https://www.undp.org/sites/g/files/zskgke326/files/2025-04/women_resilience_and_climate_change_march_2025.pdf

[2] Marta Vicarelli, Karen Sudmeier-Rieux, Ali Alsadadi, Aryen Shrestha, Simon Schütze, Michael M. Kang, Madeline Leue, David Wasielewski, Jaroslav Mysiak (2024) On the cost-effectiveness of Nature-based Solutions for reducing disaster risk, Science of The Total Environment, Volume 947, ISSN 0048-9697, https://doi.org/10.1016/j.scitotenv.2024.174524.

[3] World Economic Forum (2022). BiodiverCities by 2030: Transforming Cities' Relationship with Nature. Insight Report. https://www3.weforum.org/docs/WEF_BiodiverCities_by_2030_2022.pdf

[4] Kalin, Ana (2022) Research paper on the interplay between NBS and gender equality. MULTISOURCE Deliverable 4.1, H2020 grant no. 101003527. https://multisource.eu/storage/2025/03/D4.1-Research-paper-on-the-interplay-between-NBS-and-GE.pdf

Women in the Global South are disproportionately responsible for natural resource collection, spending many hours gathering fuelwood, fodder, and water, while often being the first to notice biodiversity loss and degradation.[5] The time spent in natural resource gathering is high, and varies by context: in Iraq, for example, women can spend up to 3 hours per day collecting water; in rural households in India, women spend more than 50 minutes per day, while men and boys spend four minutes per day.[6]

Ecosystem degradation caused by climate change increases this burden, reducing time available for income generation, education, and rest. The reduction of availability of natural resources also impacts negatively women's and girls' unpaid care and domestic work. Women tend to take a larger share of unpaid work by working longer hours and engaging children in economic activities. Girls are also negatively affected, as they are often given the responsibility for household tasks, leading to their absence from school.[7]

In many contexts, women possess sophisticated indigenous and local knowledge about ecosystem management, medicinal plants, water sources, and biodiversity conservation. Research found examples where knowledge of fruit trees varied by gender, based on the time spent in harvesting, processing, sale and consumption of the fruits.[8] However, there is evidence that this knowledge is not fully valued, and is therefore rarely integrated into formal NbS design.[9] Moreover, NbS projects frequently rely on "community participation" that translates into unpaid labor contributions from women, without fair compensation or recognition.

Deforestation, land degradation, and water scarcity force women to travel longer distances for resources, increasing their exposure to gender-based violence, such as verbal and sexual harassment, rape and physical abuse.[10] Simultaneously, women are often excluded from payments for ecosystem services schemes, land tenure security (both formal and customary)[11], and community-based natural resource management committees where NbS decisions are made. When NbS innovations involve carbon credits or other payment mechanisms, women are systematically excluded from benefit-sharing due to lack of land titles, limited participation in governance structures, and intra-household power dynamics that favor men's control over income.

Barriers to access and Participation

Legal, institutional and social barriers often restrict women's participation in and benefits from Nature-based solutions. Salcedo-La Viña, Trivedi and Grace (2023) outline three local-scale barriers that limit women's access to participation and benefit to NbS, and other types of climate adaptation solutions: power and assets, socioeconomic and gender roles, and individual attributes.

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[5] UNDP (2024). Nature for Gender Equality. Nature Pledge. https://www.undp.org/sites/g/files/zskgke326/files/2024-10/undp_nature_for_gender_equality.pdf

[6] UN Women (2023). The Climate-Care Nexus: Addressing the linkages between climate change and Women's and Girls' unpaid care, domestic and communal work.

[7] UN Women (2023). The Climate-Care Nexus: Addressing the linkages between climate change and Women's and Girls' unpaid care, domestic and communal work.

[8] Muhamad et al. (n.d.) Participatory research to elicit gender differentiated knowledge of native fruit trees. Biodiversity international, CGIAR Research Program on Forests, Trees and Agroforestry, and Jaban Pertanian. www.bioversityinternational.org/fileadmin/user_upload/Participatory_Muhammad.pdf

[9] GIZ (2022). Toward Gender-Responsive Ecosystem-based adaptation. Why it's needed and how to get there. https://www.adaptationcommunity.net/wp-content/uploads/2021/07/Toward-gender-responsive-EbA.pdf

[10] Castañeda Camey, I., Sabater, L., Owren, C., & Boyer, A. E. (2020). Gender-based violence and environment linkages: The violence of inequality. International Union for Conservation of Nature. https://portals.iucn.org/library/node/48969

[11] GIZ (2022). Toward Gender-Responsive Ecosystem-based adaptation. Why it's needed and how to get there. https://www.adaptationcommunity.net/wp-content/uploads/2021/07/Toward-gender-responsive-EbA.pdf

Power and assets: Across the regions, women typically own fewer assets than men. Despite producing 60-80% of food in developing countries, less than one in 5 landholders worldwide are women.[12] This imits their legal and customary rights, being at risk to be left out of interventions with rigid requirements on landownership. Women also have less access to productive resources and opportunities, such as agricultural inputs, financial capital, technology, training and extension services.[13] For women entrepreneurs developing NbS innovations, these asset gaps translate into severe disadvantages in accessing startup capital, technology infrastructure, and business development support.

Gender norms and roles: Gender norms also play a role in subordinating decision-making power within households and communities. Research shows that NbS solutions are often implemented at the local level in communities where the distribution of power and assets is unequal, [14] negatively impacting women and influencing solutions outcomes. Culturally defined gender roles and division of labour also define women's livelihoods and knowledge in NbS. For example, as women tend to be the primary collectors of resources for domestic use, they are knowledgeable around erosion control, freshwater supply, habitat conservation and biodiversity, while men often have more knowledge about fuel and timber, and large-scale land use.[15] These gendered knowledge systems must inform innovation design, ensuring that solutions address women's specific needs and leverage their expertise.

Individual attributes: Ethnicity, caste, wealth, age, literacy, marital status, and other factors produce different forms of disadvantage and vulnerability for women and men. For instance, in Ghana, there is research showing that land ownership can be influenced by age, marital status and residential status; therefore, older married women that are native to the semiarid region are more likely to adopt adaptation practices while younger tend to migrate as an adaptation strategy.[16]

Gender roles and Division of Labour

Women play critical roles as:

- Primary users and managers of forests, wetlands, and water sources for household needs
- Agricultural producers implementing soil conservation and sustainable land practices, such as organic farming.
- Custodians of traditional ecological knowledge about climate-resilient crops and ecosystem restoration, managing water, food, fuel and farming,
- Community mobilizers for collective natural resource management

Men typically dominate:

- Formal decision-making in natural resource governance bodies

[12] UNDP (2024). Nature for Gender Equality. Nature Pledge.
[13] McElwee, P., H. Lê, Nghiêm, H. Vũ, and N. Trần. (2021). "Gender and Payments for Environmental Services: Impacts of Participation, Benefit-Sharing and Conservation Activities in Viet Nam." Oryx 55 (6): 844–52. https://doi.org/10.1017/S0030605320000733
[14] Salcedo-La Viña, C., Trivedi, A., Grace, K. (2023). Enabling Rural women and key actors in nature-based solutions. World Resources Institute. https://files.wri.org/d8/s3fs-public/2023-07/enabling-rural-women-key-actors-nature-based-solutions.pdf?VersionId=MzTSxu_C2szII1eAmctz3fS66VkfTuwN
[15] Salcedo-La Viña, C., Trivedi, A., Grace, K. (2023). Enabling Rural women and key actors in nature-based solutions. World Resources Institute. https://files.wri.org/d8/s3fs-public/2023-07/enabling-rural-women-key-actors-nature-based-solutions.pdf?VersionId=MzTSxu_C2szII1eAmctz3fS66VkfTuwN
[16] Lawson, E., Alare, R., Salifu, A. *et al.* (2020). Dealing with climate change in semi-arid Ghana: understanding intersectional perceptions and adaptation strategies of women farmers. *GeoJournal* **85**, 439–452 https://doi.org/10.1007/s10708-019-09974-4

- Commercial exploitation of forest products for fuel and large-scale land use
- Technical roles in NbS project design and implementation
- Access to training and extension services on ecosystem management

In the innovation ecosystem, men disproportionately occupy positions as founders, technical leads, and decision-makers in climate-tech enterprises, while women are underrepresented as entrepreneurs, engineers, and investors. Women-led climate ventures receive less than 2% of global climate finance,[17] reflecting systemic bias in how "innovation" and "entrepreneurship" are gendered.

Opportunities for gender-Responsive Innovation

Through AFCIA 2, the project can advance gender equality in NbS innovation by:

- Prioritizing innovations led by or meaningfully involving women and marginalized groups in design, implementation, and governance structures, ensuring they are decision-makers, not just participants or beneficiaries.
- Supporting innovations that recognize and compensate women's knowledge and labour in ecosystem management, rather than extracting traditional knowledge as free input or relying on unpaid "community participation."
- Providing targeted technical assistance to help innovators integrate gender-responsive approaches in business models, technology design, benefit-sharing mechanisms, and community engagement strategies.
- Facilitating access to networks, mentorship, and capital for women entrepreneurs in the NbS space who face systematic exclusion from innovation ecosystems, including connections to investors, accelerators, and peer networks.
- Building evidence on what works for gender-transformative NbS through rigorous monitoring, documentation, peer learning, and adaptive management across the portfolio.
- Strengthening women's leadership in community-based natural resource management through capacity building, leadership training, and creating spaces for women's voices in governance.
- Supporting innovations that leverage technology (mobile platforms, remote sensing, climate information systems) while ensuring women have access to digital tools and literacy to participate fully.

Regional Differentiation:

- **Latin America and the Caribbean:** Indigenous women are key knowledge holders in biodiversity loss prevention and conservation, yet they face displacement from conservation zones. Additionally, land tenure rights are insecure, they often live in isolated areas and depend on their male counterparts to access to formal education, financial resources, and training.[18]
- **Sub-Saharan Africa:** Women manage most smallholder agriculture but have minimal land rights. Similarly, education levels vary along communities, making it crucial to adapt and accommodate various learning styles and literacy levels.[19] Women entrepreneurs in the

[17] Khripko, A., Nanavatty, R., Rogers, E., Dinsdale, Md. (2025). How to Beat the Market in Climate Tech? Invest in Women. https://rmi.org/how-to-beat-the-market-in-climate-tech-invest-in-women/

[18] OECD (2020), *SIGI 2020 Regional Report for Latin America and the Caribbean*, Social Institutions and Gender Index, OECD Publishing, Paris, https://doi.org/10.1787/cb7d45d1-en.

[19] Jang, N., Caswell, C. McIvor, S, Ball, T. (2025). Advancing Gender-Responsive and Socially inclusive Practices in Nature-Based solutions for Adaptation. A compendium of Case studies. https://www.iisd.org/system/files/2025-02/case-studies-gender-equality-social-inclusion-nature-based-solutions_0.pdf

climate/ag-tech space face acute challenges accessing finance (receiving less than 2% of climate finance) and business development support. However, there is a growing ecosystem of women-led NbS innovations, including regenerative agriculture enterprises, community forestry cooperatives, and watershed management initiatives.

- **South Asia:** Women depend heavily on common property resources (forests, pastures) increasingly degraded by climate change, and the nuanced realities between regions, castes, class and other categories add to the vulnerabilities that women face.[20]
- **Pacific Islands:** Women manage coastal resources and food systems but are excluded from environmental and marine conservation governance, as deep rooted gernder norms and cultural biases continue to hinder their leadership.[21] Climate-induced migration and loss of land threaten traditional knowledge systems that women steward. Women-led innovations in coastal management, marine conservation, and climate-resilient agriculture exist but require support to scale and influence policy.

Disaster Risk Reduction and Recovery

The impacts of disasters are not gender-neutral. Climate-related disasters disproportionately affect women and marginalized communities due to pre-existing inequalities in access to resources, information, mobility, and decision-making power. Evidence shows that women and girls face higher mortality rates in climate-related disasters due to warning systems that don't reach them, mobility restrictions, caregiving responsibilities, and lack of survival skills. Understanding these gendered dimensions of disaster risk and resilience is essential for supporting innovations that effectively reduce vulnerability and build adaptive capacity.

Gender-Differentiated Vulnerabilities and Impacts

Access to risk information and Early Warning: Women have systematically less access to climate and disaster risk information due to limited access to mobile technology and internet, limited access to public shelters, exclusion from male-dominated information channels, and community meeting structures that don't accommodate women's time constraints or social norms.[22] Across low- to middle-income countries, women are 20% less likely to use mobile internet services, limiting their access to digital early warning systems.[23] For women from rural areas, children, and other marginalized groups, lower education levels and literacy rates further hinder their access to risk information, as warning systems are not adapted to their needs or literacy levels.[24] Innovations in early warning systems, climate information services, and risk communication often fail to reach women or address their specific information needs.[25]

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[20] Praksh, A. (2024). Breaking the Mold: Have gendered dynamics been overlooked in South Asian Adaptation Challenges?. https://doi.org/10.1371/journal.pclm.0000475

[21] Chand, R. (2024). Empowering Guardians: Women's Crucial Role in Conservation Efforts across the Pacific Islands – Insights from IUCN Oceania's Initiatives. https://iucn.org/blog/202403/empowering-guardians-womens-crucial-role-conservation-efforts-across-pacific-islands

[22] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[23] GSMA (2023). The Mobile Gender Gap Report 2023. https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/blog/the-mobile-gender-gap-report-2023/

[24] Muttarak, R and Pothisiri, W. 2013. "The Role of Education on Disaster Preparedness: Case Study of 2012 Indian Ocean Earthquakes on Thailand's Andaman Coast." Ecology and Society, 18(4). https://doi.org/10.5751/ES-06101-180451.

[25] Robakowski, A., Roberts, L. (2024). Incorporating Gender in disaster Risk Financing and Insurance (DRFI) Projects. The World Bank. https://documents1.worldbank.org/curated/en/099458507292439944/pdf/IDU16c7636bb15d9314b811826f15e347cf79dd8.pdf

Economic vulnerability and livelihoods: Women's economic activities, predominantly in informal sectors, subsistence agriculture, and home-based work, are highly vulnerable to climate shocks yet have limited access to risk financing mechanisms such as insurance, emergency credit, and savings. In developing countries where agriculture is the most important economic sector for female employment, women farmers are particularly vulnerable to disasters.[26] Research shows that women are more vulnerable to unemployment and may face higher losses after floods or earthquakes.[27] Disasters often exacerbate pre-existing economic inequalities, with women more likely to have fewer assets, lower labour force participation, and increased care responsibilities that impede recovery and coping capacity.[28]

Women's livelihoods are often shifted after a disaster, resulting in an increased share of domestic and unpaid work as women tend to take on more responsibility for managing post disaster household needs than men.[29] Innovations in climate risk financing, resilient livelihoods, and adaptive social protection frequently exclude women or fail to account for their economic realities, such as informal employment, lack of collateral, or intra-household asset control.

Capacity building and preparedness: Women face exclusion from disaster preparedness training, climate adaptation capacity-building, and technical assistance programs due to mobility constraints, time poverty from care responsibilities, lower formal education levels, and male-dominated extension and training systems. Research shows that levels of education and social status can also affect knowledge and awareness of disasters, making people with lower levels of education more vulnerable due to limited knowledge.[30] Innovative capacity-building approaches may inadvertently replicate these exclusions if not intentionally gender-responsive. Innovative capacity-building approaches may inadvertently replicate these exclusions if not intentionally gender-responsive in their design, timing, location, and delivery methods.

Participation in Decision-making: Women remain severely underrepresented in community-based disaster risk management structures, local adaptation planning processes, and innovation ecosystems focused on resilience.[31] Their practical knowledge of community vulnerabilities, household needs, and social networks is underutilized in developing and scaling resilience solutions. When women are included in DRR processes, they are often positioned solely as beneficiaries rather than as decision-makers, technical experts, or innovators.[32]

Gender-based violence (GBV): Disasters increase risks of gender-based violence, including domestic violence, sexual exploitation, and trafficking.[33] During displacement and in emergency shelters,

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[26] nternational Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[27] Acevedo, M C. 2014. "The Effect of Extreme Hydro-Meteorological Events on Labor Market Outcomes: Evidence from the Colombian Caribbean. Harvard Environmental Economics Research Seminar.

[28] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[29] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[30] Barua, U., Mannan, S., Islam, I., Akther, M.S., Islam, Md. A., Akter, T. et al. (2020). 'People's awareness, knowledge and perception influencing earthquake vulnerability of a community: A study on Ward no. 14, Mymensingh Municipality, Bangladesh', Natural Hazards 103(1), 1121–1181. https://doi.org/10.1007/s11069-020-04028-2

Dewi, R.P., Widiyatmoko, W., Wibowo, Y.A., Wardhani, P.I. & Hidayat, M.T., (2025). 'Gender differences in students' disaster knowledge and needs: A case study from Klaten, Indonesia', *Jàmbá: Journal of Disaster Risk Studies* 17(1), a1883. https://doi.org/10.4102/jamba.v17i1.1883

[31] Robakowski, A., Roberts, L. (2024). Incorporating Gender in disaster Risk Financing and Insurance (DRFI) Projects. The World Bank. https://documents1.worldbank.org/curated/en/099458507292439944/pdf/IDU16c7636bb15d9314b811826f15e347cf79dd8.pdf

[32] World Bank. 2021. Gender-Responsive Disaster Preparedness and Recovery in the Caribbean: Desk Review. https://hdl.handle.net/10986/35215

[33] UN Women (2023). Disasters, Crises and Violence against women: Evidence from Big Data Analyis. Lessons from Kiribati, Samoa, Solomon Islands and Tonga. https://data.unwomen.org/sites/default/files/documents/Publications/2023/disasters-vaw-pacific.pdf

women and girls face heightened vulnerability to GBV due to breakdown of social structures, lack of privacy, inadequate lighting and security, and disruption of protection mechanisms.[34]

Barriers to access and control Gaps

Access to Innovation Finance: Women's limited access to formal financial services such as bank accounts, credit, and stable income sources, reduces their capacity to manage shocks and rebuild after disasters. While informal savings groups and microfinance can play an important role in sustaining livelihoods, reliance on these systems alone may expose women to greater financial risk during periods of disruption.[35]

Women-led organizations and enterprises developing DRR solutions face significant barriers accessing grants, catalytic finance, and investment due to: smaller organizational size; lack of formal registration; limited financial literacy and proposal-writing capacity; male-dominated selection panels; and bias toward technology-focused rather than community-based solutions.

Technical Assistance and Capacity Building: Existing DRR technical assistance programs rarely reach women innovators or integrate gender expertise. Women entrepreneurs face barriers to business development services, mentorship networks, and peer learning platforms dominated by men.

Technology and Digital Tools: Women have less access to digital early warning systems, climate information platforms, and mobile-based risk reduction tools due to digital literacy gaps, limited smartphone ownership, and applications not designed for women's contexts. Women farmers also tend to have fewer inpits and technologies than their male counterparts, making them more vulnerable to thr impacts of disasters.[36] Cellphone usage and mobile internet services improves the access to early warnng systems, however, across low-to middle income countries women are 20% less likely to use mobile internet services.[37] DRR innovations increasingly rely on digital platforms and data-driven tools, but if women lack access to or literacy with these technologies, innovations often can bypass those most vulnerable.

Networks and Partnerships: Women innovators in DRR have limited access to investor networks, innovation hubs, technical experts, and policy engagement opportunities constraining their ability to scale proven solutions.[38] Innovation ecosystems are often male-dominated spaces where women face bias, lack mentorship, and struggle to build the relationships necessary for growth.[39]

Gender roles and division of Labour

Gender norms continue to shape who participates in disaster risk reduction decision-making and how responsibilities are distributed within households and communities. Women hold detailed knowledge of household-level vulnerabilities, coping strategies, and the ways climate impacts interact with food, water, care work, and community wellbeing. However, their roles are largely confined to informal or community-based spheres, and they are positioned soley as beneficiaries rather than agents of

[34] UN Spotlight Initiative. (2025). Colliding Crises: How the climate crisis fuels gender-based violence. Issue Brief. https://spotlightinitiative.org/publications/colliding-crises-how-climate-crisis-fuels-gender-based-violence
[35] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf
[36] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf
[37]GSMA (2023). The Mobile Gender Gap Report 2023. https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/blog/the-mobile-gender-gap-report-2023/
[38] UNDP (2017). Gender adaptation and disaster Risk Reduction. Policy Brief. https://www.undp.org/publications/gender-adaptation-and-disaster-risk-reduction
[39] Armitage, A. , Feldman, R. (2017). The Gender Gap in Startup Catalyst Organizations: Bridging the Divide between Narrative and Reality. https://repository.uclawsf.edu/cgi/viewcontent.cgi?article=2590&context=faculty_scholarship

change.[40] As a result, women's insights and priorities are rarely reflected in official DRR planning, and their strong community networks, which are critical for mobilizing communication and collective action during crises, remain underutilized in preparedness and response systems.

These gendered divisions of labor also influence who shapes DRR innovation. Globally, in 2024, 90% of the climate tech funds was captured by men, while only 5.3% of climate tech deals went to women.[41] Male entrepreneurs, researchers, and technical actors are overrepresented in the development of climate and disaster resilience technologies and solutions.

Gendered Innovation Gaps: User testing and piloting often fail to include women as primary users, meaning gender-specific needs such as accessibility, time burdens, mobility constraints, or the integration of care responsibilities are overlooked. At the same time, forms of innovation rooted in women's traditional roles, such as crop diversification, seed preservation, communal labor exchange, and informal social protection networks, are frequently undervalued because they do not align with dominant, technology-centric definitions of innovation.[42] This reinforces the perception that men produce "technical" knowledge while women's adaptive practices remain invisible.

Capacity-building efforts within DRR similarly reflect and reproduce gendered labor patterns. Training programs on climate information services, early warning systems, risk modeling, and technological applications tend to reach men disproportionately, often because of when and where they are offered, as well as the channels used to disseminate information. Women's participation is further limited by caregiving responsibilities and mobility constraints.[43] As a result, women have fewer opportunities to gain technical expertise or assume leadership roles in DRR innovation spaces. [44] Moreover, gender perspectives are rarely integrated into technical assistance packages, meaning that the trainings themselves do not challenge existing inequalities in knowledge production, resource access, or decision-making authority.

Opportunities for Gender-Responsive Innovation

Through AFCIA 2, the project can advance gender equality in DRR innovation by:

- Prioritizing women-led and women-inclusive innovations in early warning systems, risk financing, resilient livelihoods, and community-based preparedness that address women's specific vulnerabilities and leverage their knowledge.
- Providing tailored technical assistance to women entrepreneurs and women-led organizations developing DRR solutions, including business planning, financial management, proposal writing, and access to mentorship networks.
- Designing gender-responsive capacity building that accommodates women's time constraints, mobility limitations, and literacy levels through flexible timing, peer-to-peer learning, and accessible formats.

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[40] Dazé, A. & Dekens, J. (2018). Towards Gender-Responsive National Adaptation Plan (NAP) Processes: Progress and Recommendations for the Way Forward. International Institute for Sustainable Development. Winnipeg, Canada. Retrieved from www.napglobalnetwork.org

[41] Cox, E., Jackson-Moore, W. King, J. Osmaston, R. (2024). State of the Climate Tech 2024. https://www.pwc.com/gx/en/issues/esg/climate-tech-investment-adaptation-ai.html

[42] GIZ (2022). Toward Gender-Responsive Ecosystem-based adaptation. Why it's needed and how to get there. https://www.adaptationcommunity.net/wp-content/uploads/2021/07/Toward-gender-responsive-EbA.pdf

[43] International Bank for Reconstruction and Development, The world Bank. (2021). Gender Dimensions of Disaster Risk and Resilience. https://wrd.unwomen.org/sites/default/files/2021-11/Gender-Dimensions-of-Disaster-Risk-and-Resilience-Existing-Evidence.pdf

[44] Suryani, R., Yoshimi, N., Agussabti, Sakurai, Ai., Sakaguchi, N., Ramadhian, I. (2025). Promoting Gender-Equitable Leadership in Disaster Management: Empowering Women for Resilient Communities. Policy Brief. https://www.preventionweb.net/media/105853/download?startDownload=20251110

- Ensuring DRR innovations consider and integrate GBV prevention and response through gender analysis and safeguards.

Regional Differentiation

- **Latin America and the Caribbean:** Women are often the majority of disaster-affected populations and face unequal access to recovery resources and decision-making. Increased GBV, economic marginalization, and exclusion from policy processes hinder women's resilience after disasters.[45] Regional women's networks actively promote leadership and gender mainstreaming in DRR, but systemic challenges persist due to entrenched inequalities.[46]
- **Sub-Saharan Africa:** Gender vulnerabilities in disasters intersect with poverty and race, with women and marginalized groups facing higher exposure to climate hazards and less capacity to recover. Structural inequalities reduce women's access to resources, protection, and leadership in disaster management, increasing risks of violence and economic marginalization.[47]
- **Pacific Islands:** Women and girls in island nations face heightened vulnerability due to dependence on natural resources that are sensitive to disasters. Emergency displacement increases risks of GBV and limits safe access to basic needs like water and sanitation. Cultural norms often restrict women's mobility and decision-making power. While some Pacific countries have begun including women in DRR planning, concrete actions and gender-responsive policies remain insufficient.[48] Traditional knowledge systems stewarded by women, including seasonal forecasting and resource management practices, offer valuable but underutilized foundations for innovation.

Climate-Resilient Food Systems

Women are central to global food systems, producing 50% of the world's food, and up to 80% in developing countries,[49] yet face systematic discrimination in access to land, credit, technology, markets, and decision-making. Climate change is intensifying these inequalities: women farmers have fewer resources to adapt, bear disproportionate responsibility for household food security, and face increasing time and labour burdens as agricultural conditions deteriorate. Yet women are also agricultural innovators by managing crop diversity, conserving seeds, integrating livestock and crops, and developing climate-adaptive practices. Food systems are complex, because they connect issues of health, nutrition, climate change, fisheries, livestock and agriculture. Gender equality is crucial, as benefits from agricultural activities are not equitably distributed between women and men. Understanding and addressing gender inequalities in food systems is essential for supporting innovations that enhance climate resilience, food security, and economic opportunity.

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[45] Beltrame, D., Medina, M. (2022). Hacia la igualdad de genero y el liderazgo de as mujeres para la resiliencia ante el riesgo de desastres en America Latina y El Caribe. UNDRR. https://www.undrr.org/publication/towards-gender-equality-and-womens-leadership-resilience-disaster-risks-latin-america

[46] Latin American and Caribbean Women's Network for Disaster Risk Reduction. (2023). Best practices in science, technology and innovation for resilience, leadership and empowerment of women and girls in disaster risk reduction in Latin America and the Caribbean. https://www.undrr.org/media/106800/download?startDownload=20251110

[47] Udo, F., Naidu, M. (2023). Exploring Black African women's experiences of vulnerability and adaptation to flood impacts in the eThekwini metropolitan municipality, KwaZulu-Natal, South Africa, International Journal of Disaster Risk Reduction, https://doi.org/10.1016/j.ijdrr.2023.103798.

[48] UN Women. (2020). Gender-Responsiveness and Disability-inclusion in disaster Risk Reduction in the Pacific. https://wrd.unwomen.org/sites/default/files/2022-07/73853_summary%20sendaipacificbrieffinal.pdf

[49] UNDP (2024). Nature for Gender Equality. Nature Pledge. https://www.undp.org/sites/g/files/zskgke326/files/2024-10/undp_nature_for_gender_equality.pdf

Gender-Differentiated Vulnerabilities and Impacts

Economic dependence and undervaluation: Agrifood systems are a more important source of livelihood for women than for men in many countries, for instance, in sub-Saharan Africa 66% pf women's employment is in agrifood and in southern Asia 71% of women work in agrifood systems.[50] Despite women's significant role and contribution in agricultural food systems and household food security, their contributions are *undervalued, unpaid and overlooked*.[51] Women are concentrated in lower-income activities and in producing food for household consumption or informal markets, reflecting and reproducing their domestic caregiving roles, while men dominate more profitable value chain segments.[52]

Food security and malnutrition: Women and girls are disproportionately affected by climate change and environmental degradation despite being key contributors to sustainable food systems. They do not reap the same benefits as men and boys and tend to be more food insecure.[53] Research by FAO shows that the food insecurity remains consistently higher among women than among men, globally and in all regions.[54] During criris, women farmers are particularly vulnerable to experience hunger. [55]

Women farmers face multiple levels of discrimination. When available food is inadequate, women and girls bear the brunt of food provisioning and distribution. Internal food distribution is highly gendered; in some societies its common to distribute food according to sex, gender and status, leaving women and girls to eat last and least.[56] This gendered food allocation has direct implications for women's and girls' nutrition, health, and capacity to engage in productive work, creating a vicious cycle of vulnerability.

Structural inequalities in Agriculture: Patriarchal norms that result in power disparities between men and women also disadvantage women in terms of land rights (small plots, ownership challenges, discriminatory inheritance rights), productive resources (no access to credit markets, extension services, or inputs), unpaid labour, precarious employment, and low levels of decision-making participation.[57] These structural inequalities in access also limit women's participation in high-value agricultural value chains. Social norms that position men as main earners reinforce men's dominance in more profitable value chain segments.[58]

Indigenous Women's Vulnerabilities: Indigenous Peoples, and Indigenous women in particular, play essential roles in sustaining biodiversity, stewarding communal lands, and managing water and other natural resources. They are key custodians of traditional ecological knowledge and practices that are vital for climate-resilient food systems. [59] However, their contributions are frequently undervalued,

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[50] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[51] Harriet, M., Muchiri, C., Frimpong-Wiafe, B., Enahoro, D. (2025) Gender integration in food-system policies: and adapted policy assessmet framework. CGIAR GENDER impact Platform Working Paper #025. Nairobi, Kenya.
[52] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[53] UN Women (2023). The Climate-Care Nexus: Addressing the linkages between climate change and Women's and Girls' unpaid care, domestic and communal work.
[54] FAO (2025). The State of Food Security and Nutrition in the World 2025. https://openknowledge.fao.org/server/api/core/bitstreams/4eed749b-81f8-49c9-ba32-f09c66988d54/content/state-food-security-and-nutrition-2025/ending-hunger-food-security.html#gsc.tab=0
[55] Harriet, M., Muchiri, C., Frimpong-Wiafe, B., Enahoro, D. (2025) Gender integration in food-system policies: and adapted policy assessmet framework. CGIAR GENDER impact Platform Working Paper #025. Nairobi, Kenya.
[56] Aguilar, L. (2022). Study on the differentiated impacts of desertification, land degradation and drought on women and men. UNCCD. https://www.unccd.int/sites/default/files/2022-11/Gender%20study%20.pdf
[57] Botreau, H., Cohen, M. (2020). Chapter Two - Gender inequality and food insecurity: A dozen years after the food price crisis, rural women still bear the brunt of poverty and hunger. Advances in Food Security and Sustainability. https://doi.org/10.1016/bs.af2s.2020.09.001
[58] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[59] FAO (2020). Policy on Gender Equality 2020-2023. https://openknowledge.fao.org/server/api/core/bitstreams/a75d575e-9f7e-45ad-afd9-a2cbfda37ad7/content

and they continue to face structural and intersecting forms of disadvantage. [60] Indigenous women are also more likely to work under precarious or poorly paid conditions, have limited or insecure access to land, forests and water sources, and encounter persistent discrimination in markets, governance spaces and service delivery systems.

Gender-Based Violence: The prevalence of gender-based violence is also a systemic barrier that prevents women's empowerment in food systems, negatively impacting their livelihoods and their families' and their own nutrition security.[61] GBV in agricultural contexts includes domestic violence, sexual harassment in workplaces and markets, and violence related to land disputes.[62] This dimension is often invisible in food systems programming but fundamentally shapes women's ability to participate safely and effectively.

Climate Change Impacts: Climate variability and extreme weather events exacerbate all of these vulnerabilities. Droughts, floods, and erratic rainfall patterns disproportionately affect women farmers who have fewer resources to adapt, less access to climate information and early warning systems, and limited mobility to seek alternative livelihoods.

Barriers to access and control Gaps

Land rights: Women's access to land remains one of the most significant structural barriers shaping their participation and resilience in climate-resilient food systems. While women cultivate a large share of agricultural land in developing countries, around 43 percent, they hold ownership over less than 20 percent of this land.[63] Limited and insecure land tenure reduces women's ability to make long-term investments in sustainable farming practices and climate adaptation measures, and it also restricts their access to credit, since land is commonly required as collateral. For women entrepreneurs developing agricultural innovations, lack of land title creates cascading barriers to accessing finance, piloting technologies, and scaling solutions.

Agricultural resources and technology: Women farmers also face notable disadvantages in accessing agricultural inputs and technologies. They typically have lower access to fertilizers, improved seeds, and pesticides, and are largely excluded from mechanization such as tractors and irrigation pumps. Similarly, women's uptake of climate-smart innovations (including drip irrigation, drought-tolerant seed varieties, and weather-indexed insurance) is constrained by both financial and informational barriers. These disparities directly limit productivity and adaptive capacity in the face of climate variability.

Financial services: Access to financial services presents another critical constraint. Globally, women farmers receive less than 10 percent of available agricultural credit,[64] reflecting both institutional biases and product designs that do not align with women's realities, such as smaller plot sizes, lack of formal collateral, and reliance on informal or seasonal income. The absence of tailored financial instruments further limits women's ability to adopt new technologies, diversify livelihoods, or recover from climate shocks.

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[60] ECLAC (2022). The care society: A horizon for sustainable recovery with gender equality. https://www.cepal.org/en/publications/48362-care-society-horizon-sustainable-recovery-gender-equality

[61] Harriet, M., Muchiri, C., Frimpong-Wiafe, B., Enahoro, D. (2025) Gender integration in food-system policies: and adapted policy assessmet framework. CGIAR GENDER impact Platform Working Paper #025. Nairobi, Kenya.

[62] Social Development Direct (2020). Addressing Gender-based Violence and Harassment (GBVH) in the Agribusiness Sector. https://www.ifc.org/content/dam/ifc/doc/mgrt/sectorbrief-addressinggbvh-agribusiness.pdf

[63] FAO (2017). Gender and Land statistics. https://openknowledge.fao.org/server/api/core/bitstreams/3ec70b1b-da5f-430c-86ee-3756b49db09b/content

[64] Root Capital (2024). Women in Agriculture Annual Report. https://rootcapital.org/wai-report-2024/

Extension services and Information Systems: Agricultural extension and information systems also tend to bypass women. Research shows that formal extension services reach only a small minority of women farmers worldwide, tipically in the range of 5–10 percent according to FAO's earlier documentation,[65] and climate and market information is often disseminated through channels or formats that do not consider women's mobility constraints, education levels, or time burdens. As a result, women frequently lack timely knowledge on climate risks, crop diversification options, and market opportunities.

Market access and value chains: women's participation in markets and value chains is restricted by several interlinked barriers. Limited mobility and transportation options, combined with a concentration in perishable, low-value crops, reduce women's ability to sell competitively or move beyond informal markets and low-value chains.[66] Exclusion from cooperatives and producer organizations further weakens their bargaining power, limiting both their income and influence over value-chain decision-making.

Gender roles and division of Labour

Women bear a greater burden of unpaid domestic and unpaid care work, such as cleaning, cooking and taking care of household members. Since women have more pressure to provide meals they are pushed into poorly paid informal sector work, often competing amongst them for low earnings and insecure jobs.[67] Since women face less access to productive, financial and agricultural resources, they have fewer options to overcome crisis and their households are more vulnerable, as they tend to spend a higher share of their income on food than male household heads.

Feminization of Agriculture: The 'feminization of agriculture' describes women's increasing roles in agriculture in relation to men, and the outmigration of men from rural areas is considered a key driver. In several contexts—such as Bangladesh, Guatemala, Morocco, Mozambique and parts of Southeast Asia—male outmigration has been associated with increased decision-making power and autonomy for women.[68] In these cases, women may have more opportunities to participate in agricultural trainings, adopt new technologies and make independent decisions.

However, the evidence is not uniform. Other studies find no clear improvements, and some highlight negative outcomes, including heightened workloads, adverse health impacts and reduced food security.[69] The feminization of agriculture also generates changes in the households' dynamics, as women often take more work in the household, which can generate both positive and negative implications for women's empowerment, often depending on the geographies, gender norms, and individual characteristics such as age, class, ethnicity, etc. Younger women, in particular, are less likely to experience increased autonomy, especially when they reside in extended households with other adult family members.[70]

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[65] FAO (n.d.) Chapter 9 – Improving women farmer's access to extension services. https://www.fao.org/4/w5830e/w5830e0b.htm
[66] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[67] Botreau, H., Cohen, M. (2020). Chapter Two - Gender inequality and food insecurity: A dozen years after the food price crisis, rural women still bear the brunt of poverty and hunger. Advances in Food Security and Sustainability. https://doi.org/10.1016/bs.af2s.2020.09.001
[68] Paris, T.R., Luis, J., Villanueva, D., Rola-Rubzen, M.F., Chi, T.T.N. & Wongsanum, C. (2010). Labour out migration on rice farming households and gender roles: Synthesis of findings in Thailand, the Philippines and Vietnam. https://tinyurl.com/2lcyvkfz
[69] Menjívar, C. & Agadjanian, V. (2007). Men's migration and women's lives: Views from rural Armenia and Guatemala. Social Science Quarterly, 88(5): 1243–1262. https://doi.org/10.1111/j.1540-6237.2007.00501.x
Radel, C. & Schmook, B. (2009) Migration and gender: The case of a farming ejido in Calakmul, Mexico. Yearbook of the Association of Pacific Coast Geographers, 71(1): 144–163. https://doi.org/10.1353/pcg.0.0027
[70] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en

Invisible unpaid labour: The unpaid care work done by women also remains less visible within lucrative value chains, where women often provide preparatory work and services, yet it remains considered as unpaid family labour.[71] Women tend to be categorized as "helpers" in family businesses, with terms that are often informal, without access to social protection and with greater exposure to environmental and health risks.[72] This invisibility extends to innovation: women's adaptive practices, knowledge systems, and contributions to climate resilience are rarely documented, valued, or supported as "innovation."

Opportunities for Gender-Responsive Innovation on CRFS

Through AFCIA 2, the project can advance gender equality in climate-resilient food systems by:

- Prioritizing innovations led by or meaningfully involving women farmers and entrepreneurs across the value chain, from production to processing, marketing, and consumption, ensuring women are business owners and decision-makers, not just labourers or beneficiaries.
- Supporting diverse innovation approaches including agroecological practices, seed systems, post-harvest technologies, nutrition-sensitive value chains, and community-based knowledge systems that reflect women's roles and expertise, not just large-scale, capital-intensive solutions.
- Addressing land tenure barriers by supporting innovations that work within existing land tenure constraints (e.g., collective tenure, rental arrangements, communal lands) while advocating for women's land rights, and ensuring land is not a prerequisite for accessing project support.
- Building women's capacity as innovators and entrepreneurs through business development services, financial literacy, digital literacy, technical training on climate-smart agriculture, and leadership development tailored to women's contexts and needs.
- Creating inclusive innovation spaces through women-focused accelerator cohorts, mentorship programs, networking platforms, and peer learning opportunities that build women's confidence, skills, and connections to resources and markets.

Regional Differentiation

- **Latin America and the Caribbean:** In some parts of the region, women account for a larger and growing share of the agricultural labour force, particularly in rural areas where many men migrate for work elsewhere. In many rural areas, restrictive gender norms constrain women's movement and employment opportunities, leading to predominantly male outmigration. This dynamic can significantly alter the division of labour and relational roles within households.[73] It is important to consider that this 'feminization of agriculture' is not often associated with improvements in the wellbeing of the women who stay.
- **Sub-Saharan Africa:** more than 50 percent of workers under 25 years old are employed in agrifood systems in all countries in the region.[74]
- **South Asia:** In several Southeast Asian countries such as Cambodia, Lao PDR and Viet Nam, women make up a substantial proportion of the agricultural workforce—around half of all agricultural labour—and this trend has remained relatively stable over the past decade and a half. In South Asian countries including Bangladesh, India and Pakistan, agriculture also

[71] FAO (2023). The status of women in Agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[72] Lo Bue, M.C., Le, T.T.N., Santos Silva, M. & Sen, K. 2022. Gender and vulnerable employment in the developing world: Evidence from global microdata. World Development, 159: 106010. https://doi.org/10.1016/j.worlddev.2022.106010
[73] FAO (2023). The status of women in agrifood systems. Rome. https://doi.org/10.4060/cc5343en
[74] FAO (2023). The status of women in agrifood systems. Rome. https://doi.org/10.4060/cc5343en

employs a higher share of women than men. However, because overall female labour force participation in the region remains low, the weight of women's significant role in agriculture is not fully reflected in regional or global employment statistics.[75]

III. Mechanisms to address gender inequality – Global Frameworks

AFCIA 2 is grounded in a robust international architecture for gender equality and climate action. This section outlines the key global frameworks, policies, and mechanisms that provide the normative foundation for gender-responsive climate adaptation and guide the programme's approach to integrating gender across Nature-Based Solutions, Disaster Risk Reduction, and Climate-Resilient Food Systems.

International Human Rights and Gender Equality Frameworks

The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) establishes the universal rights of women and obligates states to eliminate discrimination in all spheres. Relevant to AFCIA2:

- Article 14 specifically addresses rural women's rights, including access to agricultural credit, training, land, water, and participation in development planning.[76]
- General Recommendation 37 (2018) on gender-related dimensions of disaster risk reduction in a changing climate underscores women's heightened vulnerability in the context of climate change and makes a call for their participation in climate adaptation efforts.[77]

The Beijing Declaration and Platform for Action identifies areas of concern that are relevant for realizing gender equality and the human rights of women and girls. Some of these are directly relevant to climate adaptation:

- Critical Area K – Women and the Environment: recognizes the increased vulnerabilities that women and girls face due to disasters, the deterioration of natural resources and climate change. It also highlights women's vital role in environmental management, and makes a call for increasing women's participation in environmental decision-making.
- Critical Area A – Women and Poverty: Addresses economic empowerment as fundamental to resilience.
- Critical Area G – Women in Power and Decision-Making: Calls for Women's equal participation at all levels.[78]

[75] FAO (2023). The status of women in agrifood systems. Rome. https://doi.org/10.4060/cc5343en

[76] UN General Assembly (1979) Convention on the Elimination of All Forms of Discrimination Against Women, United Nations, Treaty Series. https://www.ohchr.org/sites/default/files/Documents/ProfessionalInterest/cedaw.pdf

[77] UN General Assembly (2018) General recommendation No.37 (2018) on gender-related dimensions of disaster risk reduction in a changing climate. https://www.ohchr.org/en/documents/general-comments-and-recommendations/general-recommendation-no37-2018-gender-related

[78] United Nations (1995). Beijing Declaration and Platform for Action. https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/CSW/PFA_E_Final_WEB.pdf

The 2020 review of the Beijing Declaration and Platform for Action reaffirmed that climate change is a critical emerging challenge requiring gender-responsive action.[79]

AFCIA 2 directly aligns and contributes to these international frameworks through a project that promotes the involvement of women in adaptation, supports women's innovation initiatives at the local levels and strengthens women's economic empowerment through climate innovation.

Sustainable Development Goals

SDG 5: Achieve Gender Equality and Empower all Women and Girls: this SDG provides specific targets that are directly relevant to AFCIA 2:

- Target 5.1: End all forms of discrimination against women and girls
- Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making
- Target 5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources
- Target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls

The project also addresses the interlinkages between gender equality and:

- SDG 2 (Zero Hunger): Gender-responsive climate-resilient food systems
- SDG 6 (Clean Water and Sanitation): Women's access to water in NbS contexts
- SDG 13 (Climate Action): Gender-responsive climate adaptation
- SDG 15 (Life on Land): Women's participation in ecosystem restoration and NbS

Climate Change and Gender Frameworks

UNFCCC Gender Action Plan

The Lima Work Programme on Gender (2014) and the Enhanced Gender Action Plan (2019), establish gender equality as integral to effective climate action. The GAP includes five priority areas:[80]

Priority A: Capacity-building, knowledge management and communication

- Relevant to AFCIA2's support for gender capacity-building among innovators and technical assistance providers
- Guides knowledge-sharing and peer learning approaches

Priority B: Gender balance, participation and women's leadership

- Frames AFCIA2's commitment to women's participation in innovation ecosystems, grant selection processes, and governance structures
- Informs targets for women's leadership in supported innovations

Priority C: Coherence (policy coherence across national and international levels)

[79] UNHR (2020). 25 Years in Review of the Beijing Platform for Action. https://www.ohchr.org/sites/default/files/Documents/Issues/Women/SR/Booklet_BPA.pdf

[80] UNFCCC (2019). Enhanced Gender Action Plan. https://unfccc.int/topics/gender/workstreams/the-gender-action-plan

- Guides AFCIA2's alignment with National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs)
- Ensures integration of gender considerations in climate finance access

Priority D: Gender-responsive implementation and means of implementation

- Directly relevant to AFCIA2's approach to gender-responsive technical assistance, capacity-building, and financing
- Informs gender-responsive budgeting and resource allocation

Priority E: Monitoring and reporting

- Guides AFCIA2's gender-sensitive M&E framework and sex-disaggregated data collection requirements
- Informs reporting on gender outcomes

Sectoral Frameworks and Guidelines

Nature-Based Solutions

- IUCN Global Standard for Nature-based Solutions (2020): Criterion 4 outlines that there needs to be equity in the distribution of benefits and cost for a NbS. Similarly, Criterion 5 highlights that NbS have to be based on inclusive, transparent and empowering governance processes, responding to the concerns of right holders.[81] This is particularly relevant when the interventions operates or impacts the territories of indigenous peoples.
- Convention on Biological Diversity Gender Plan of Action (2020-2030): Recognizes women as agents of change in biodiversity conservation and land use, and makes a call for women's full and effective participation in biodiversity-related decision making.[82]

Disaster Risk Reduction

- Sendai Framework for Disaster Risk Reduction (2015-2030): recognizes women's participation as critical to effectively manage disaster risk, and to design, resource, and implement gender-sensitive DRR policies, plans and programmes.[83]

Food Systems and Agriculture

- FAO Policy on Gender Equality (2020-2030): it sets targets for women's equal voice in decision-making, equal rights, access and control over natural resources, services, makets and decent work, and for a reduction of women's work burden, through enhanced access to technology, infrastructure, and redistribution of responsibilities at the household level.[84]
- Committee on World Food Security (CFS) Voluntary Guidelines on the Responsible Governance of Tenure (2012): emphasizes women's equal right to land, fisheries and forests

[81] IUCN (2020). Global standard for Nature-based Solutions. A user-friendly framework for the verification, design and scaling up of NbS. First edition. Gland, Switzerland: IUCN. https://portals.iucn.org/library/sites/library/files/documents/2020-020-En.pdf
[82] UNEP (2022). Convention on Biological Diversity Gender Plan of Action. https://www.cbd.int/doc/c/f64f/e1b9/e8da56802bc2c458a56fcefa/cop-15-l-24-en.pdf
[83] UNDRR (2015). Sendai Framework for Disaster Risk Reduction 2015 – 2030. https://www.undrr.org/media/16176/download?startDownload=20251017
[84] FAO (2020). Policy on Gender Equality 2020-2023. https://openknowledge.fao.org/server/api/core/bitstreams/a75d575e-9f7e-45ad-afd9-a2cbfda37ad7/content

while making a call for legal recognition for tenure rights that benefit women, including the right to inherit and bequeath.[85]

National-level Frameworks

AFCIA 2 recognizes that global commitments must be operationalized through national frameworks, including:

- National Adaptation Plans (NAPs): Increasingly integrate gender considerations following UNFCCC guidance. AFCIA 2 aligns supported innovations with gender-responsive NAP priorities.
- Nationally Determined Contributions (NDCs): AFCIA 2 contributes to gender-responsive NDC implementation by supporting innovations aligned with national adaptation priorities.
- National Gender Equality Policies and Strategies: AFCIA 2 will ensure supported innovations align with national gender policies once countries are selected.
- National Climate Change Gender Action Plans (ccGAPs): Some countries have developed dedicated climate-gender action plans. AFCIA2 will leverage and contribute to these where they exist.

By grounding the programme in this framework of international, regional, national and sectoral commitments, AFCIA 2 ensures that its approach to gender equality is not isolated but rather contributes to a broader effort toward inclusive, sustainable development.

IV. Gender analysis and recommendations

Gender analysis

The gender analysis undertaken at the onset and design of this project acts as an entry point for gender mainstreaming throughout implementation. It is grounded in an intersectional approach that recognizes how gender inequalities interact with other forms of marginalization—including age, ethnicity, disability, class, geographic location, and LGBTQI+ identity—to shape individuals' experiences of climate vulnerability and their ability to participate in and benefit from climate innovation.

This analysis draws on three primary sources: (1) stakeholder consultations with diverse actors across the climate innovation ecosystem, including AFCIA 1 grantees and partners, UNDP grantees from other projects, women entrepreneurs, and technical experts; (2) comprehensive review of secondary literature and cross-sectoral evidence on gender and climate adaptation in Nature-based Solutions, Disaster Risk Reduction, and Climate-Resilient Food Systems; and (3) analysis of existing gender gaps in climate finance, innovation ecosystems, and adaptation programming globally and across target regions.

Stakeholder consultations took place online, throughout October to December 2025. Results from the consultations are detailed below in the Stakeholder engagement section and Gender Action Plan and are included in full as an additional annex to this proposal.

The gender analysis, through stakeholder engagement and consultation enabled:

- Participatory engagement, development and input into the design of the AFCIA2, ensuring the project reflects the priorities, constraints, and innovations of women and marginalized groups

[85] FAO, CFS (2012). Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. https://www.fao.org/cfs/policy-products/vggt/en/

across target sectors and regions,
- Identification of key gender gaps and barriers in climate innovation ecosystems, including access to finance, networks, technical assistance, markets, and decision-making platforms,
- Documentation of women's roles, knowledge, and innovations in NbS, DRR, and CRFS that are often invisible or undervalued in formal innovation systems,
- Demonstration of the need for gender-disaggregated data and indicators to establish a baseline in which to measure improvements and identify areas of focus; and
- Establishment of recommendations to incorporate into the Gender Action Plan and project monitoring framework.

Project design and implementation

This Gender Assessment and Action Plan has informed the overall project design by identifying gender-differentiated risks, barriers and opportunities across the three thematic areas and by shaping the project's theory of change, selection criteria, grantee support mechanisms, monitoring framework and institutional arrangements. Several elements of the GAP, including gender-responsive enterprise support, mandatory gender analysis for grantees, requirements for sex-disaggregated data, and the inclusion of a Gender and Safeguards Analyst, have been incorporated directly into the design of AFCIA Phase 2. During implementation, the GAP will guide grant proposal development, selection processes, capacity-building activities, monitoring and reporting, and the development of rapid gender assessments and localized Gender Action Plans for each grantee.

The design of the project explicitly recognizes gender equality and women's empowerment as core principles. The project's enterprise development approach aims not only to strengthen climate resilience and regional collaboration but also to ensure that innovation ecosystems and adaptation investments are inclusive and transformative.

To achieve this, gender considerations must be mainstreamed across all project components, from the identification of locally led innovations and the provision of grants or technical assistance, to the structure of knowledge-sharing platforms and capacity-building activities. A deliberate focus on women, including those from marginalized groups such as people with disabilities or those living in rural areas will be essential to meet the objectives of climate resilience and social equity.

The project design and implementation will take into consideration the following gender implications:

Project design:

- Integrate gender across the 3 project components: Gender considerations are mainstreamed across:
    - Develop Specific strategies to include women-led adaptation innovations that integrate gender equality and social inclusion considerations through gender-responsive selection criteria that prioritize women-led innovations, assess innovations' gender impacts, and value diverse forms of innovation including community-based and social approaches
    - Grants and challenge funds: Set targets for women-led/women-inclusive innovations, simplify application processes and provide proposal development support.
    - Technical assistance: Provide tailored support addressing women entrepreneurs' specific needs
    - Capacity building and peer learning: Create women-focused mentorship programs, and networking platforms; ensure training timing, location, and format accommodate women's needs; integrate gender content into capacity building

    - Knowledge management: Document and amplify women's innovations, traditional knowledge, and adaptation practices; ensure knowledge platforms and events have gender-balanced participation and leadership
- Identification of gaps in gender equality through the use of sex-disaggregated data enabling development of a gender action plan to close those gaps, devoting resources and expertise for implementing such strategies, monitoring the results of implementation, and holding individuals and institutions accountable for outcomes that promote gender equality.

Address intersectionality explicitly: Design project activities to reach and benefit women across diverse identities and contexts, including: rural women, Indigenous women, young women, women with disabilities, LGBTQI+ individuals, women from ethnic minorities.These design elements stem from the findings of this Gender Analysis and provide the foundation for the operational measures that will be implemented once grantees are selected.

Grantee Requirements and Support

During implementation, these requirements will translate the strategic recommendations of the GAP into concrete, grantee-level actions, ensuring that each innovation supported by AFCIA 2 is gender-responsive and aligned with AF and UNDP policies.

- Mandatory gender analysis and safeguarding at grantee level. All grantees must:
    - Meet at least Gender Marker 2, signifying that gender equality is a significant objective of the project;
    - Conduct a gender analysis in their specific operating contexts, analysis to identify and address the specific needs, priorities, and structural barriers faced by different groups, particularly women and marginalized communities.
    - Apply environmental and social safeguards with gender lens, including: Free, Prior and Informed Consent (FPIC) for Indigenous peoples with specific attention to Indigenous women's participation; GBV prevention and response mechanisms; ensuring innovations do not increase women's unpaid labour burdens.
    - Develop simplified Gender Action Plans with concrete activities, timelines, responsibilities, and resources
- Grantees will screen for environmental and social risk, and formulate relevant risk mitigation measures, and based on this screening, they may be required to develop targeted management plans.
- AFCIA 2 Gender Specialist will provide: guidance on conducting gender analysis; review and feedback on analysis and Gender Action Plans, ongoing technical support during implementation.
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Gender-disaggregated data and reporting

- Grantees must collect, analyse, and report:
    - Quantitative data: Sex-disaggregated participation, leadership, and beneficiary data
    - Qualitative data: How innovation addresses gender-differentiated needs, unintended gender impacts (positive or negative)

This will be incorporated in the annual Project Implementation Report, Mid-Term Report, and Terminal Evaluation. Indicators to quantify the achievement of project objectives in relation to gender equality and social inclusion will capture the number of individuals from diverse groups — including women, men, youth, persons with disabilities, ethnic minorities, and other marginalized populations — who have been supported through grants, training opportunities, knowledge management

activities, and information dissemination.

Institutional arrangements

- Inclusion of a Gender Specialist position within the project to implement gender related activities.
- The project activities shall be required to be at least a Gender Marker 2, which that the output of these activities will promote gender equality in a consistent way. The project activities will be gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them.
- Gender-responsive Monitoring and Evaluation, tracking number of women receiving grants, types of organisations supported (sex-disaggregated by ownership and management), indicators capturing intersectionality (disaggregation by ethnicity, age, disability status). Gender-responsive Monitoring and Evaluation tracking will not only track the number of women receiving grants, but also the types of organisations supported, disaggregated by sex in terms of ownership and leadership. Indicators capturing intersectionality, with data disaggregated by ethnicity, age, disability status, and other relevant dimensions.
- Qualitative indicators to measure transformative change, whether the intervention contributed to closing gender gaps and how effectively it addressed gender-differentiated needs.

Stakeholder engagement

As detailed in the stakeholder Engagement Approach in the Project Proposal, at the stage of proposal formulation it was not yet feasible to conduct deeper consultations at the level of specific project sites or with stakeholders that will ultimately be engaged by the grantees. This is because the specific sub-projects and implementing partners (grantees) across the regions will be identified through a global open call for proposals, which will take place at the beginning of the implementation stage. As such, the project currently includes Unidentified Sub-Projects (USPs), consistent with the nature of the innovation process being supported and in line with guidance from the Adaptation Fund (Decision B.39/52).

Given this structure, UNDP´s approach to stakeholder consultation has been adapted accordingly in a two-phased approach to consultations: a) During project design and b) Once grantees are selected.

In line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy (GP), initial virtual consultations with key stakeholders were undertaken by UNDP. These consultations include past grantees from AFCIA 1, grantees supported by other UNDP Programmes (that advance adaptation, local action or innovation acceleration), representatives from other UN partner agencies, civil society organizations, research centres and other relevant institutions. Consultations inside UNDP with the five Regional Bureaus were also undertaken (mainly with the Environment Regional Technical Leads and additional teams which were brought in into these preliminary consultations) to strengthen the project design. These consultations inform the overall project framework, including implementation principles, the Gender Action Plan and Environmental and Social Framework. A full list of the stakeholders consulted is available in Annex 6- Stakeholder Mapping and the results and notes from said consultations are available in Annex 7-Stakeholder Consultations and Engagement.

Specific issues raised include:

- Outreach and communication barriers: Women and rural groups lack access to smartphones, internet, and digital platforms, limiting their visibility and ability to receive project or grant information. A consulted participant from a women-led STEM organisation highlighted that this is particularly strong in rural areas, "in Tajikistan, women rely on radio because they lack phones or internet". Lack of clear communication channels and complex application requirements discourage rural women and small CSOs from applying.
- Barriers to participation in climate action: there is severe underrepresentation of women in STEM, agritech and climate-related technical roles. Strong gender norms and restricted mobility limit women's ability to attend trainings and workshops, reducing the target audience to men even when women are the ones performing agricultural labour.
- Access to information, Early warning and technology: Women face barriers to accessing training, climate information, and decision-making tools due to limited control over technology. One participant of the consultations highlighted that women's vulnerability is high not only in terms of access to productive resources, but also when a disaster hits because women rarely receive early-warning alerts because SMS systems are tied to the mobile phones of male landowners.
- Financial and structural barriers: Women-led organizations and rural CSOs struggle with banking requirements, documentation, and formal financial processes during applications. Participants from Central Asia and Africa mentioned that land ownership remains concentrated among men, preventing women from accessing credit, finance, or grant opportunities that require land documentation.
- Capacity building and peer learning: participants mentioned that women require targeted capacity building and spaces to feel safe to share experiences and discuss gender-differentiated challenges. Women innovators lack access to peer networks, mentorship, and platforms where they can learn, collaborate, and gain visibility, in comparison to their male counterparts. Participants from investment roundtables also made a call for capacity building that addresses gender barriers, such as access to finance, leadership roles, and pitching/investment readiness for women-led enterprises.
- Opportunities to strengthen gender inclusion: participants highlighted that the use of local networks and community structures for the call for proposals are essential, particularly for women and young people as they often do not have access to the same information channels as men.

Monitoring and evaluation

The project is situated in a context of persistent underinvestment in climate adaptation, both globally and regionally. According to UNEP, the annual adaptation finance needs of developing countries range between $215–387 billion, yet international public flows for adaptation fall short.[86]

Baseline data on gender and climate adaptation is also weak or fragmented globally. There is a lack of consistent sex-disaggregated data on participation in climate programs, access to finance and land, and the uptake of climate-resilient technologies.[87] For AFCIA 2, this means establishing robust baseline data collection systems from project inception is critical.

[86] UNEP (2023). Adaptation Gap Report 2023: Underfinanced. Underprepared. Inadequate investment and planning on climate adaptation leaves world exposed.
[87] UNEP, UNDP, UN Women, UNDPPA/PBSO (2020). Gender, Climate & Security. Sustaining inclusive peace on the frontlines of climate change.

In order to monitor and evaluate progress of the project, the following indicators can be measured:

Quantitative outcomes:

- % of grants awarded to women-led or women-majority-owned organizations/enterprises
- % of direct beneficiaries who are women
    - Disaggregated by: age (youth <35, adults 35-60, elderly >60), location (rural/urban), ethnicity/Indigenous status, disability status, marital status
- Number of women in leadership positions within grantee organizations (founders, CEOs, board members, technical leads)
- % of grants or initiatives led by women or targeting women-led enterprises.
- % of training participants who are women
    - Disaggregated further by rural/urban, ethnic minority, youth, disability status.
- Number of new or scaled women-led climate innovations supported.
- Number of enterprise support component targeting % of rural women entrepreneur groups.

Qualitative outcomes:

- Opportunities to generate additional income. Women are more likely to respond to incentives that address climate adaptation;
- Opportunities for women to generate additional income through climate-resilient livelihoods and enterprises;
- Changes in women's confidence, skills, and agency to lead or engage in adaptation solutions;
- Expanded involvement of women in public and project decision-making as a result of expanded inclusion into active participation in income generating activities;
- Increased visibility and recognition of women-led innovation in national, regional or global platforms.
- Impact of training and educational activities related to adaptation to climate change, leadership, innovation, finance, entrepreneurship to women
- Effectiveness of global knowledge-sharing platforms and events in reaching women and amplifying their voices (measured through participation data, satisfaction surveys, follow-up engagement)
- Effectiveness of awareness raising.
- Engagement of men and boys as allies in promoting gender equality

Data collection and monitoring

Monitoring will be participatory, adaptive, and embedded in project learning processes, utilizing mixed methods to capture both breadth (quantitative data) and depth (qualitative insights):

- Annual progress report submitted to the Adaptation fund, which will also include monitoring of progress towards the Gender Action Plan and Environmental and Social Management Framework.
- Regular feedback loops (surveys, focus groups, interviews) will document how women and marginalized groups are engaging with and benefiting from the project.
- A report produced annually, summarizing insights, stories, challenges and stories of change of women and other beneficiaries with intersecting vulnerabilities.

- Grantees will receive training on gender equality and implementation of initiatives with gender lens, based on gender analysis development skills.
- Grantee reports every four months: Include mandatory sex-disaggregated quantitative data and narrative reporting on gender outcomes and challenges.

V. Proposed Gender Action Plan

The Gender Action Plan sets out strategic entry points for gender-responsive actions across all activity areas of the project. It ensures that gender equality and social inclusion are embedded throughout the design, implementation, and monitoring phases. Specific indicators and targets have been developed to measure progress on these actions, and these are fully integrated into the project's Monitoring, Evaluation, and Learning (MEL) framework. The plan also provides clear recommendations to guarantee that gender-related data—including sex-, age-, and disability-disaggregated information—continues to be collected and analyzed throughout implementation. A dedicated gender-specific budget has been allocated to support these measures.

Given that grantees and countries will be identified during implementation, the operationalization of this plan will follow a structured approach. All grantees will be required to conduct a rapid gender analysis during inception and prepare a simplified Gender Action Plan aligned with project standards. Gender indicators will be systematically integrated into project logframes and grantee-level budgets to ensure accountability and resource allocation for gender actions. Capacity-building will be a core component of technical assistance packages, including mandatory training sessions on gender integration, social inclusion, and safeguards as part of the Onboarding Learning Sprint.

Monitoring and reporting will include a dedicated section in quarterly and annual progress reports to track implementation of gender commitments. These reports will capture both quantitative and qualitative data, ensuring that progress toward gender equality is documented and lessons are fed back into adaptive management processes. In addition, the project will produce annual progress reports highlighting gender-transformative practices and case studies, which will be disseminated through knowledge-sharing platforms and peer-learning events. These measures collectively ensure that gender considerations are not treated as standalone activities but are mainstreamed into the project's operational and strategic framework, contributing to inclusive and equitable climate adaptation outcomes.

Objective	Actions	Indicator and Targets	Responsible Institutions	Allocated Budget ($US)
Outcome 1: High potential, locally led adaptation innovations, (NGOs/CSOs & SMEs) are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).				
Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.	Prioritize outreach to women-led businesses, placing focus on reaching women from rural areas and from minority communities Include gender and inclusion criteria in LVGA application templates and scoring mechanisms	1.1.1. % of innovations identified that demonstrate gender-responsive design or women's leadership in adaptation innovation 1.1.2. Gender and social inclusion criteria integrated in at least 70% of LVGA selection tools 1.1.3. Percentage of project data disaggregated by sex, age, and disability.	UNDP PMU	$ 350,000
Output 1.2: Selected innovations receive catalytic grants (up to USD 250K) and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.	Conduct training on integrating GESI in innovation design for all grants applicants Offer tailored technical assistance and mentorship to women-led or minority-led innovation project	1.2.1. % of supported innovations that integrate gender equality and social inclusion measures in their operational and impact plans. 1.2.2. 100% of grantees receive GESI integration training 1.2.3. 20% women-led or marginalized group-led projects supported	UNDP PMU, Gender Specialist	
Objective	**Action**	**Indicator and Targets**	**Responsible Institution**	**Allocated Budget ($US)**

Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.				
Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, gender-responsive design, MEL systems, financial planning and safeguard risk management.	Develop tailored business mentoring for women entrepreneurs Integrate gender and inclusion lens into business model canvases and investment pitches.	2.1.1. At least 10 women-led enterprises receive customized support packages 2.1.1. # of investment-ready cases featuring gender and inclusion dimensions	UNDP PMU	$ 100,000
Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school partners.	Conduct mapping of gender lens investors, women's funds, and climate finance facilities with gender criteria accessible to innovators # of supported women-led innovators that have identified and initiated engagement with at least one financing pathway. Design matchmaking events with intentional gender balance: quotas for women presenters/pitchers, gender-sensitive formats, timing/locations accessible to women	Comprehensive financing pathway map completed by Year 2 All women led innovators have been matched with a financing pathway. Gender composition of event participants, presenters tracked; format accommodations documented	UNDP PMU UNDP PMU	
Objective	**Action**	**Indicator and Targets**	**Responsible / Institution**	**Allocated Budget ($US)**
Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to influence replication, policy frameworks, and investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.				
Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge	A report produced annually, summarizing insights and stories of change Conduct assessments on gender roles across NbS, DRR	3.1.1. 4 reports produced summarizing insights, stories, challenges and stories of change of women	Knowledge & Comms Team, Gender specialist	$200,000

products, case studies, and evidence briefs targeting policymakers, investors, and adaptation practitioners.	and Food Systems and Agriculture to determine gender gaps and make use of assessments already undertaken in this regard Develop a global synthesis report/policy brief on gender in adaptation innovation	and other beneficiaries with intersecting vulnerabilities 3.1.2. 1 gender and social inclusion-focused regional learning synthesis brief produced and disseminated	Knowledge & Comms Team, Gender specialist	
Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organized to promote south-south collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners.	Document and promote stories of women innovators and entrepreneurs Facilitate peer learning among women innovators across grantees, countries, sectors through virtual/in-person exchanges	3.2.1. Number of global knowledge-sharing events with content explicitly addressing gender and social inclusion. 3.2.2. At least 4 reports produced (annual PPR) highlighting women-led adaptation innovations 3.2.3. # of peer learning events; # of women participating; learning documented	Knowledge & Comms Team, Gender specialist	

Annex 5.a: Gender Action Plan (GAP)–Results Framework Crosswalk (Indicator Numbering Alignment)

This annex demonstrates traceability between Gender Action Plan (GAP) indicators (Annex 5) and the Results Framework (RF), including numbering alignment, targets, disaggregation, means of verification, and required RF revisions.

GAP ref. (Annex 5)	GAP indicator & target	RF indicator	RF target	Alignment status	Disaggregation (where applicable)	Means of Verification (MoV)	RF revision / clarification notes
Outcome 1 / Output 1.1 (GAP 1.1.1)	Percentage of innovations identified that demonstrate gender-responsive design OR women's leadership in adaptation innovation.	O1.1.2 – % of innovations identified that demonstrate gender-responsive design in adaptation innovation.	100%	Aligned after clarification	N/A (selection /eligibility indicator)	Call documentation; screening/scoring sheets; selection records.	Gender-responsive design is a minimum eligibility standard at selection; women's leadership tracked via O1.2 disaggregation (women-led/co-led).
Outcome 1 / Output 1.1 (GAP 1.1.2)	Gender and social inclusion (GESI) criteria integrated in at least 70% of LVGA selection tools.	NEW – O1.1.3 % of LVGA selection instruments integrating explicit GESI criteria.	70%	Added to RF	N/A (process indicator)	Final versions of selection instruments: Annex 2a, Annex 2b, Annex 2c, and Annex B safeguards screening template.	Denominator is define as official selection instruments (templates, rubrics, safeguards screening tools).
Outcome 1 / Output 1.1	Percentage of project data disaggregated by	Outcome 1 O1.1 (beneficiaries reached) – disaggregation	As per beneficiary targets	Aligned after revision	Sex, age (incl. youth)	Grantee reports; beneficiary surveys; MEL aggregation.	RF updated to specify disability disaggregation for beneficiaries only (consistent with

(GAP 1.1.3)	sex, age, and disability.				and disability		delivery modality via sub-grants).
Outcome 1 / Output 1.2 (GAP 1.2.1)	% of supported innovations that integrate GESI measures in operational and impact plans.	O1.2.2 – % of supported innovations integrating GESI measures in workplans and results framework.	100%	Aligned	N/A	Grantee workplans and results frameworks; progress reports.	No change made
Outcome 1 / Output 1.2 (GAP 1.2.2)	100% of grantees receive GESI integration training.	O2.1.2: Percentage of supported innovators that have received tailored technical assistance in gender-responsive project design and implementation.	100%	Aligned	N/A (grantee-facing training)	Onboarding attendance and completion logs; training records; TA completion reports.	RF updated to explicitly track training completion.
Outcome 1 / Output 1.2 (GAP 1.2.3)	20% women-led or marginalized group-led projects supported.	Outcome 1 O1.2 – # innovations identified and supported (disaggregated by women-led/co-led).	26 total; 20% women-led/co-led	Aligned	N/A	Selection records; grant agreements.	No change is made

Outcome 2 / Output 2.1 – (GAP 2.1.1)	At least 10 women-led enterprises receive customized support packages	O2.1.2	≥10 women-led enterprises	Aligned		TA logs; customized support package records	
Outcome 2 / Output 2.1 – GAP (investment readiness cases) (GAP 2.1.2)	# of investment-ready cases featuring gender & inclusion dimensions	O2.1 (10 investment-ready innovations) + O2.2 (gender-responsive business model)	10 (investment readiness); 26 (gender-responsive business model)	Aligned		Pitch decks/business plans; business model documentation	gender/inclusion dimensions" are evidenced through gender-responsive business model documentation and investment materials
Outcome 2 / Output 2.2 – (GAP 2.2.1)	Comprehensive financing pathway map completed by Year 2	Output 2.2 (deliverable; optional RF indicator)	Completed by Year 2	Aligned	Published/internal pathway map; PMU deliverable records	Output 2.2 MOVs	
Outcome 2 / Output 2.2 – (GAP 2.2.2)	All women-led innovators matched with a financing pathway	O2.2.1	26 innovators initiate engagement with ≥1	Aligned	Matchmaking records; TA reports	women-led subset tracked" in MoV	

			financing pathway				
Outcome 2 / Output 2.2 (GAP 2.2.3)	Gender composition of event participants/presenters tracked; accommodations documented	O3.2.2 + MoV notes	40% women participation target (RF); tracking requirement	Reflected via RF event indicators	Event attendance lists; agendas; facilitator reports	tracking of gender composition and accommodations	
Outcome 3 / Output 3.1 (GAP 3.1.1)	4 reports produced summarizing insights/stories of change of women and beneficiaries with intersecting vulnerabilities	O3.1.3	4 (at least 1 per year starting year 2)	Aligned	Published reports; dissemination records	No RF change required	
Outcome 3 / Output 3.1 (GAP 3.1.2)	1 gender & social inclusion-focused regional learning synthesis brief produced and disseminated	O3.1.1 + O3.1.2 (captured within knowledge products)	Knowledge products schedule; 50% incorporate GESI lessons	Aligned	Published brief; dissemination analytics	No RF change required	
Outcome 3 / Output 3.2 (GAP 3.2.1)	# of global knowledge-sharing events with content explicitly addressing GESI	O3.2.2 (and O3.2.1 for # events)	Participant target 60% men / 40% women; # events target	Aligned (spread across indicators)	Event reports; agendas; recordings;		

					attendance lists		
Outcome 3 / Output 3.2 (GAP 3.2.2)	At least 4 reports produced (annual PPR) highlighting women-led adaptation innovations	O3.1.3 + O3.2.3 (events highlight women-led innovations)	4 reports; 50% events highlight women-led innovations	Aligned	Annual reports; communication outputs; event documentation	Are counted (knowledge products) and where women-led showcasing is tracked (events)	
Outcome 3 / Output 3.2 (GAP 3.2.3)	# of peer learning events; # women participating; learning documented	O3.2.1 + O3.2.2	Event count target; 40% women participation	Aligned	Attendance lists; learning notes; event documentation	No RF change required	

Stakeholders	Name
Grouped	*Name and Organization*
UNDP-AFCIA 1 grantees	**Vincent Mariadho** – World Neighbors (AFCIA 1 Grantee) **Greg Duggan** – ABALOBI (AFCIA 1 Grantee) **Joses Togase** - Santo Sunset Environment Network (AFCIA 1 Grantee) **Orawan Yafa** – Foundation for Community-Soul (AFCIA 1 Grantee) **Dr. Tim Ndezi** – Centre for Community Initiatives (AFCIA 1 Grantee) **Dr Dipayan Dey** – SAFE (AFCIA 1 Grantee)
STEM network organization - STEMinist Network	**Mahinakhon Suleymanova** – Neksigol Mushovir

UNDP- Innovation Challenge Fund and Accelerator Participants	**Salah A M ElSadi** - TADAMON Grantee **Azeez Salawu** - TADAMON Grantee **Joseph Fashola** - TADAMON Grantee **Dr. Homa Shamim** - TADAMON Grantee **Shamsa Khalil** - TADAMON Grantee **Shorooq Jamal Hamood Abu-rad** - TADAMON Grantee **Musheer Abdo Hamid Alsharabi** - TADAMON Grantee
UNDP AFCIA private sector (Impact investors- sector agnostic) contacts	**Francesco Valente** - Global Innovaion Fund **Adrian Bertrand -** Six Capital **Bridgit Evans -** SAB Foundation **Christopher Wayne -** Acumen
Global Resilence Partnership	**Jesper Hornberg** - Global Resilence Patnership
University students from former MBA fellows	**Chaudhary Abhijeet -** AFCIA Fellow **Sherab Dorji -** AFCIA Fellow **Juan Carlos -** AFCIA Fellow **Marco Saldana -** AFCIA Fellow

Oxford, Yale	**Annika Surmeier** - University of Cape Town **Abrar Chaudhury -** University of Oxford
UNEP CTCN AFCIA	**Eva Comba** - UNEP- CTCN **Nadege Trocellier** - UNEP- CTCN **Isabel Hagbrink** - UNEP- CTCN
UNIDO AFCIA	**Sunyoung Suh** – UNIDO **Rui Lopes** -UNIDO
UNDP Regional Bureaus Representatives	**Laura Altinger** - UNDP Europe & Central Asia **Montserrat Xilotl** - UNDP Latin America & Caribbean **Irena Cerovic** - UNDP Europe & Central Asia **Samar Taha** - UNDP Asia Pacific **Yusuke Taishi** - UNDP Asia Pacific **Dorine Jn Paul** - UNDP Africa **Charles Nyandiga** , UNDP Regional Team Leader – Africa **Akiko Yamamoto,** UNDP Regional Team Leader – Asia & Pacific, Environment & Energy
Impact Investment Partners from AFCIA 1	**AVPN** **Latimpacto** **AVPA**

Annex 6a. Stakeholder Consultations and Engage

Level of influence	Type of influence	Interests and how they are affected by the problem
Community level, national, regional, global	*Position: positive, neutral or negative about the problem Degree of influence: High, medium, Low in the problem*	*Summarize the stakeholder's main interests, priorities, or vulnerabilities—especially in relation to climate risks and the barriers they face in adaptation or innovation.*
Community level/ national	Positive; Medium-High	Need funding, TA, and market access to test adaptation solutions; face barriers in scaling and in meeting safeguards/gender requirements.
National/ regional	Positive; Medium	Promote women in STEM; seek visibility, partnerships, and opportunities for members.

Community level/ national/ regional	Positive; Medium	Similar to AFCIA grantees; seek scale-up and access to new markets/finance.
National / regional / global	Positive; Medium-High	Investment pipelines, innovation partnerships, CSR/sustainability goals; pilot opportunities.
National / regional / global	Positive; Medium-High	GRP aims to strengthen global evidence on climate resilience, support early-stage innovators, improve adaptation pipelines, and ensure solutions reach vulnerable populations. GRP is affected by weak data, fragmented learning systems, and insufficient long-term support for innovators.
Community level/national	Positive; Low-Medium	Exposure to climate innovation; real-world challenges; applied learning.

Global	Positive; Low-Medium	Applied research; access to field cases; knowledge co-creation on innovation and adaptation.
Global	Positive; High	Climate technology transfer; robust reporting; coherence across AFCIA implementers
Global	Positive; High	Industrial innovation; SME competitiveness; climate technologies.
Regional- Global	Positive; High	Regional strategy alignment; effective pipeline;
Regional	Positive; Medium-High	Social innovation ecosystems; impact investing; pipeline discovery

ement during the Design Phase

Potential Role in the Project	Possible actions to adress stakeholders interests in the project	Is the stakeholder working with vulnerable groups of population
Describe the role this stakeholder could potentially play. (e.g., implementing partner, advisor, grantee, beneficiary, knowledge partner, partner, policy advocacy, bring technical expertise, access to local communities, innovation networks)	*What actions can be taken to involve or support this stakeholder? (e.g., include in consultations, offer capacity-building, engage in project design or monitoring)*	*Vulnerable groups: women, youth, elders, Indigenous Peoples, racial minorities, people with disabilities, LGBTQ+ etc*
Grantee	Regular consultations; capacity building on ES/Gender; peer-learning; support on business modelling and safeguards.	Yes – varies by grantee (ecosystem- or community-based adaptation)
Grantee; Outreach to women innovators	Engage in consultations; invite as partners for gender-responsive innovation modules; mentorship channels.	Yes — work with women and girls in STEM fields.

Grantee	Include in south–south exchanges; invite to showcase days; harmonize M&E/learning.	Yes, varies
Partner	Set bilateral partnerships; match them with grantees; involve in demo days.	Varies
Partner	Set bilateral partnerships;	Yes
Technical Expertise	Engage in project implementation; Create volunteer/internship pathways.	Indirect

Technical Expertise	Global knowledge partners; reviewers	Indirect
Partner	Joint planning; harmonized M&E; coordinated communications; cross-portfolio learning	Indirect
Partner	Joint pipeline review; technical TA; harmonized safeguards and M&E.	Indirect
Strategic steering; cross-regional coordination; link to country offices	Involve in design review; update in learning agenda; coordinate CO engagement	Yes
Partner	Co-organize pitch events; investment readiness support; promote gender-lens investing	Yes, through portfolio of organisations

Can this stakeholder promote gender equality and women empowerment? how?
Indicate if the stakeholder affects negatively women gender issues (Yes – the stakeholder supports women-led cooperatives in climate-smart agriculture and offers leadership training to rural women. *OR* *Partially – while the stakeholder supports general community initiatives, there is limited engagement with women.* *OR* *No – stakeholder activities may unintentionally exclude women due to land ownership or decision-making norms etc.*
Yes — integrate GP/GE markers, gender-responsive innovation design, women-focused pilots.
Yes — direct channel to increase women's participation in climate tech and STEM.

Yes—experience applying GE markers; can support women innovators.
Yes — through gender-lens investing and women-led enterprise pipelines.
Yes – by embedding gender-responsive research, requiring gender-disaggregated data, promoting women-led adaptation solutions, and integrating GBV-sensitive design across learning tools and methodologies.
Partially.

Partially.
Yes - Integrate gender-responsive technology guidance.
Yes - integrate gender in green industry and innovation.
Yes
Yes - intregrate through their networks.

Stakeholders	Details
Project Board	Strategic oversight; compliance with donor requirements
UNDP Country Offices (COs)	National-level UNDP presence (only where grantees present)
UNDP Regional Bureaus	UNDP Regional Bureaus (only where grantees present)
National Implementing Entities (NIEs) & Regional Implementing Entities (RIEs)	AF-accredited entities
Adaptation Fund (AF)	Donor; policy compliance
Local Communities (women, youth, Indigenous Peoples, vulnerable groups)	Community leaders, women, youth, elderly, ethnic minotiries

Other AFCIA Partners (SPC, WFP, UNEP-CTCN, UNIDO)	Regional/global adaptation actors
Academic Institutions & Business Schools	Partners for technical assistance
Impact Investors & DFIs	Finance ecosystem actors

Annex 6b. Stakeholder Engagement Plan- During the implementation Phase

Potential Role in the Project	When to be consulted?	How it will be consulted?
The Project Board is described as the governing body responsible for strategic steering, approving annual work plans,TORs for the Governance Arrangements of the Project and the SOPs;Address project issues as raised by the project manage	Program start; annual reviews,approval of grantee selection and need base	Virtual meetings; Project Board meeting
Support grantee onboarding; local coordination;compliance monitoring and oversight of grantee activities:verify safeguard and gender related matters;facilitating connections with local innovation ecosystems through local networks (internal and external to UNDP).	At grantees screen, selection and After grantee selection stages	Virtual calls; coordination meetings; in country mission (as and when needed)
Provide technical oversight, ensure alignment with regional priorities, and facilitate scaling pathways.	Multiple stages of the project to leverage localised expertise, networks and contextual knowledge throughout the project life cycle.	Virtual calls
Technical coordination; policy alignment	Post-selection; during implementation	Virtual meetings; joint workshops; international events
Oversight; alignment with AF ESP & Gender Policy; project delivery as per signed agreement	During entire implementatino cycle; reporting cycles(annual)	Through Annual Progress Report; field missions, virtual calls
Direct beneficiaries	As a first activity, once each grant is signed and starts implementation on the ground	Individual Stakeholder Engagement Plan will be developed by each grantee/USP, reviewed and approved by UNDP, and carried out by the grantee in the first three months of their project

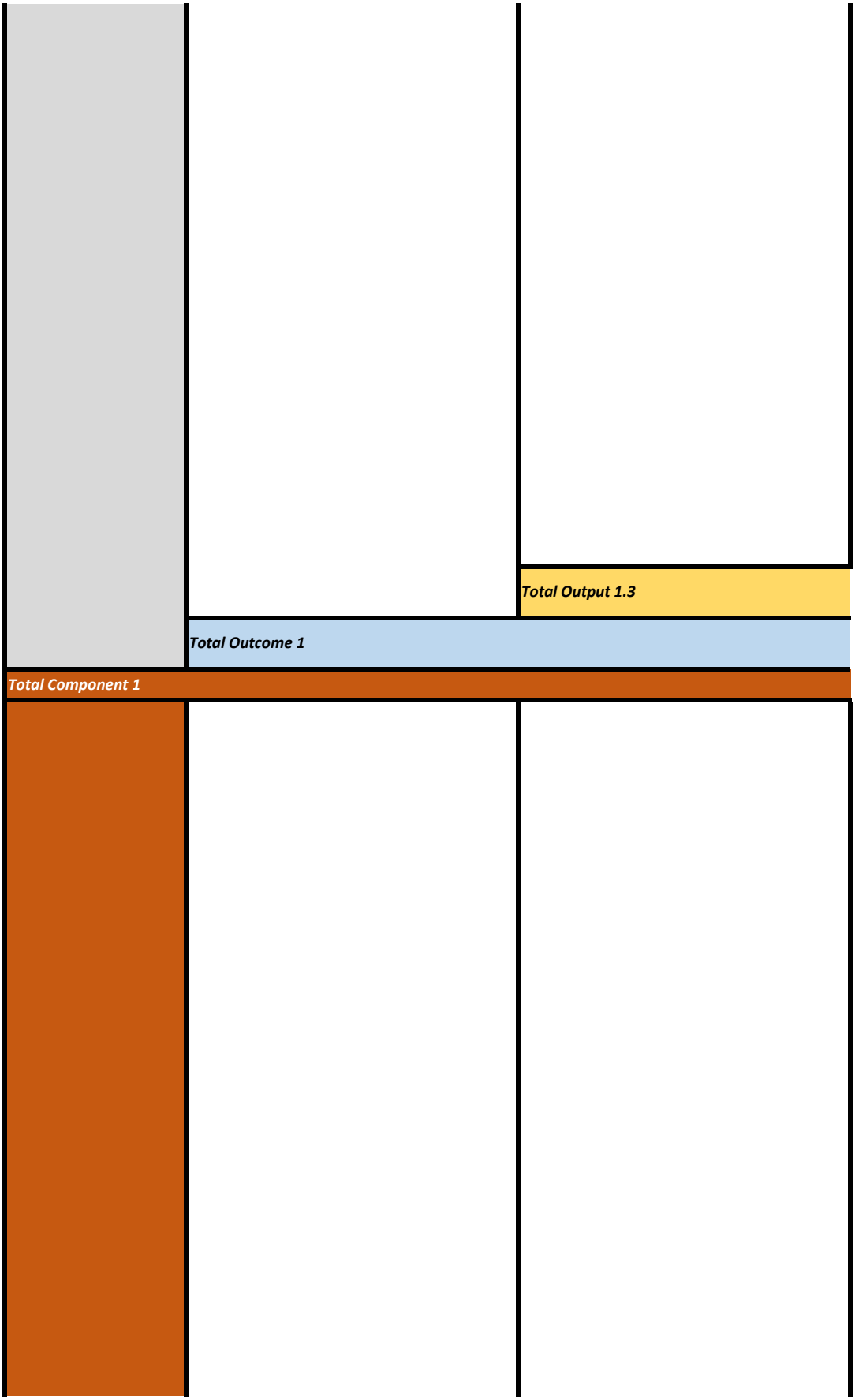
Knowledge sharing; technical support	During project implementation phase;knowledge events	Virtual meetings; joint webinars; in person events such as workshops, training
Provide mentorship and capacity building	During onboarding and TA delivery during implementation	Virtual sessions; training workshops; in person when and if possible
Facilitate investment readiness and scaling	During TA phase and investor roundtables	Investor matchmaking events; virtual meetings

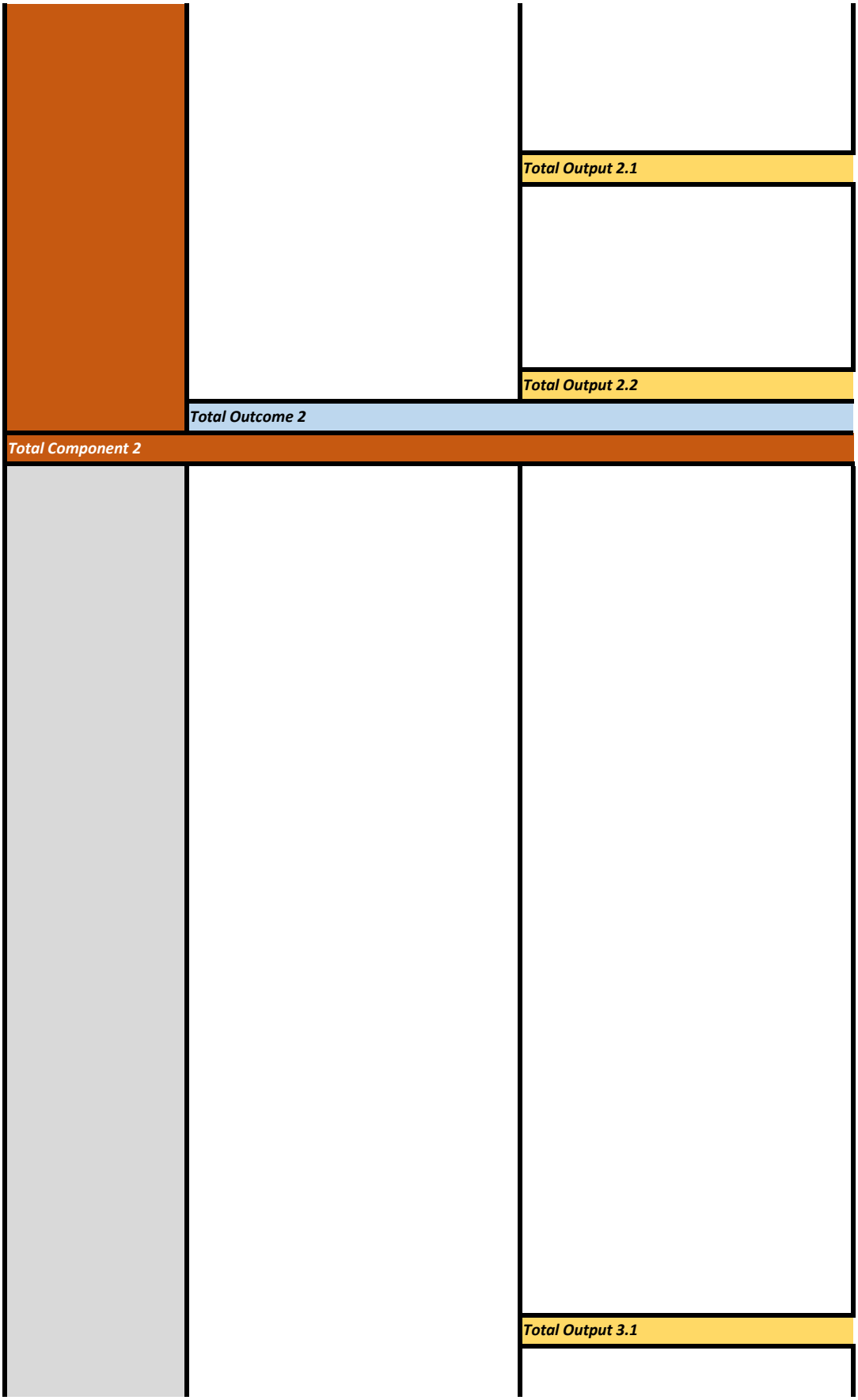
Who will carry out these consultations?	Budget considerations
PMU	Included in governance budget
PMU	Travel/coordination costs for site visits (included in budget)
PMU	Resources have been budgeted in project components
PMU	Resources have been budgeted in project components
AF&PMU	n/a
The grantee/USP	The resources required to implement the Stakeholder Engagement Plan, will be included in each grant agreement

PMU	Included in KM & communication budget
PMU	Included in TA budget
PMU	Included in TA budget

Total Budget and Work Plan	
Quantum Proposal or Award ID:	
Quantum Proposal or Award Title:	
Quantum Business Unit:	
Quantum Primary Output Project Title:	
UNDP-GEF PIMS No.	
Implementing Partner:	

Quantum Outcome (AF Component)	Quantum Output (AF Outcome)	Quantum Activity (AF Output)
Component 1. Catalytic grants to implement and accelerate innovative adaptation solutions with potential to scale	*Outcome 1: High potential, locally led adaptation innovations, including non for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with natio@al adaptation priorities (NAPs/NDCs).*	*Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.*
		Total Output 1.1
		Output 1.2: Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.
		Total Output 1.2


Total Output 1.3
Total Outcome 1
Total Component 1


Total Output 2.1
Total Output 2.2
Total Outcome 2
Total Component 2
Total Output 3.1

		Total Output 3.2
	Total Outcome 3	
Total Component 3		
Project Execution Costs	*Project Management Cost (PMC)*	

Total Project Management Cost (3%)		
Total Project Cost		
Implementing Entity Fee (10%)		
Total Project Grant		

		Project ID:		
	10376			

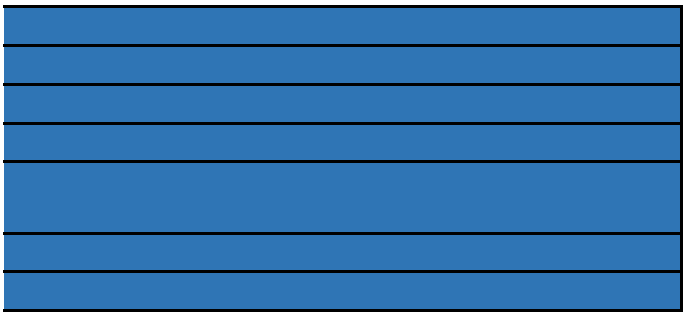
	Quantum Responsible Party	Quantum Fund ID	Quantum Donor ID	Quantum Budgetary Account Code	Quantum Budget Account Description
Activity 1.1.1 Design and launch inclusive and competitive global calls for proposals	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				72100	*Contractual Services-Companies*
				73100	*Rental & Maintenance-Premises*
Activity 1.1.2 : Screen, select, and contract high-potential adaptation innovations	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				73100	*Rental & Maintenance-Premises*
Activity 1.2.1: Establish and manage performance-based grant agreements	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71200	*International Consultants*
				71400	*Contractual Services-Individuals*
				72600	*Grants*
				73100	*Rental & Maintenance-Premises*
Activity 1.2.2: Disburse and manage performance-based grant tranches, monitor performance, and implementation progress	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71200	*International Consultants*
				71400	*Contractual Services-Individuals*
				71600	*Travel*
				73100	*Rental & Maintenance-Premises*
				61300	*Salary & Post Adj Cst-IP Staff*

Activity 1.3.1: Identify and select high-performing AFCIA 1 innovations for follow-on support	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*
				72600	*Grants*
				73100	*Rental & Maintenance-Premises*
Activity 1.3.2: Establish and manage performance-based grant agreements for AFCIA 1 grantees, which provide follow-on catalytic grants to consolidate and scale proven adaptation models	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				72600	*Grants*
				73100	*Rental & Maintenance-Premises*
Activity 1.3.3: Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				72600	*Grants*
				73100	*Rental & Maintenance-Premises*
Activity 2.1.1: Deliver an 8–10-week onboarding sprint for selected innovators	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71200	*International Consultants*
				71400	*Contractual Services-Individuals*
				71600	*Travel*
				72100	*Contractual Services-Companies*
				73100	*Rental & Maintenance-Premises*
Activity 2.1.2: Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71200	*International Consultants*
				71400	*Contractual Services-Individuals*
				71600	*Travel*
				72100	*Contractual Services-Companies*
				73100	*Rental & Maintenance-Premises*
				61300	*Salary & Post Adj Cst-IP Staff*
				71200	*International Consultants*

Activity 2.1.3: Assist selected grantees to prepare Gender Action Plans and ESMPs	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*
				72100	*Contractual Services-Companies*
				73100	*Rental & Maintenance-Premises*
Activity 2.2.1: Support innovators to identify and access appropriate financing pathways	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*
				71600	*Travel*
				72100	*Contractual Services-Companies*
				73100	*Rental & Maintenance-Premises*
Activity 2.2.2: Generate and consolidate evidence of impact, scale, and systemic influence	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*
				71600	*Travel*
Activity 3.1.1: Design and implement a structured learning and knowledge management architecture	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				73100	*Rental & Maintenance-Premises*
				74200	*Audio Visual&Print Prod Costs*
Activity 3.1.2: Develop, maintain, and operationalise a digital knowledge platform	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				73100	*Rental & Maintenance-Premises*
				74200	*Audio Visual&Print Prod Costs*
Activity 3.1.3: Produce, quality-assure, and disseminate innovation-focused knowledge products	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				73100	*Rental & Maintenance-Premises*
				74200	*Audio Visual&Print Prod Costs*
Activity 3.1.4: Operationalize the MBA Fellowship Programme and failure-learning protocol	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				73100	*Rental & Maintenance-Premises*
				74200	*Audio Visual&Print Prod Costs*
				61300	*Salary & Post Adj Cst-IP Staff*

Activity 3.2.1: Organise and facilitate structured peer-learning and knowledge exchange activities	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*
				71600	*Travel*
				74200	*Translation Costs*
				75700	*Training, Workshops and Confer*
Activity 3.2.2: Deliver targeted learning modules and peer exchanges to strengthen grantee capacities	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				71600	*Travel*
				74200	*Translation Costs*
				75700	*Training, Workshops and Confer*
Activity 3.2.3: Facilitate cross-country and cross-regional learning exchanges	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				71600	*Travel*
				74200	*Translation Costs*
				75700	*Training, Workshops and Confer*
Activity 3.2.4: Implement coordinated communication, visibility, and dissemination activities	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				71600	*Travel*
				74200	*Audio Visual&Print Prod Costs*
				74200	*Translation Costs*
				75700	*Training, Workshops and Confer*
PMC	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*
				71400	*Contractual Services-Individuals*
				71600	*Travel*
				72800	*Information Technology Equipmt*
				73100	*Rental & Maintenance-Premises*
				71200	*International Consultants*

				64300	Direct Project Cost-Staff



Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)	Budget Note No.
2,618	2,945	3,004	3,064	3,125	**14,756**	1
12,752	21,548	21,548	21,548	21,548	**98,944**	3
50,000	0	0	0	0	**50,000**	5
264	264	264	264	264	**1,320**	7
8,766	9,858	10,055	10,257	10,462	**49,398**	1
42,690	72,138	72,138	72,138	72,138	**331,242**	3
885	885	885	884	884	**4,423**	7
117,975	**107,638**	**107,894**	**108,155**	**108,421**	**550,083**	
4,379	4,924	5,023	5,123	5,226	**24,675**	1
6,563	13,125	13,125	13,125	13,125	**59,063**	2
21,324	36,033	36,033	36,033	36,033	**165,456**	3
0	700,000	700,000	700,000	700,000	**2,800,000**	6
440	442	442	442	442	**2,208**	7
13,135	14,773	15,069	15,370	15,677	**74,024**	1
19,688	39,375	39,375	39,375	39,375	**177,188**	2
63,972	108,100	108,099	108,099	108,099	**496,369**	3
0	26,250	26,250	26,250	26,250	**105,000**	4
1,325	1,325	1,325	1,325	1,325	**6,625**	7
130,826	**944,347**	**944,741**	**945,142**	**945,552**	**3,910,608**	
1,708	1,920	1,959	1,998	2,038	**9,623**	1

8,316	14,053	14,053	14,053	14,053	**64,528**	**3**
0	68,250	68,250	68,250	68,250	**273,000**	**6**
172	172	172	172	172	**860**	**7**
2,627	2,955	3,014	3,074	3,135	**14,805**	**1**
12,794	21,620	21,620	21,620	21,620	**99,274**	**3**
0	105,000	105,000	105,000	105,000	**420,000**	**6**
265	265	265	265	265	**1,325**	**7**
8,801	9,898	10,096	10,298	10,504	**49,597**	**1**
42,861	72,426	72,426	72,427	72,427	**332,567**	**3**
0	351,750	351,750	351,750	351,750	**1,407,000**	**6**
888	888	888	887	888	**4,439**	**7**
78,432	**649,197**	**649,493**	**649,794**	**650,102**	**2,677,018**	
327,233	**1,701,182**	**1,702,128**	**1,703,091**	**1,704,075**	**7,137,709**	
327,233	**1,701,182**	**1,702,128**	**1,703,091**	**1,704,075**	**7,137,709**	
31,946	35,928	36,646	37,380	38,127	**180,027**	**8**
0	25,935	25,935	0	0	**51,870**	**9**
15,738	26,034	26,233	26,434	26,638	**121,077**	**10**
270	1,122	1,077	1,078	1,078	**4,625**	**11**
0	0	25,881	25,881	9,705	**61,467**	**12**
686	686	686	686	686	**3,430**	**13**
119,377	134,258	136,943	139,681	142,475	**672,734**	**8**
0	96,915	96,915	0	0	**193,830**	**9**
58,811	97,287	98,028	98,780	99,543	**452,449**	**10**
1,149	4,783	4,597	4,597	4,597	**19,723**	**11**
0	0	96,714	96,714	36,268	**229,696**	**12**
2,563	2,563	2,563	2,563	2,563	**12,815**	**13**
16,814	18,910	19,288	19,673	20,067	**94,752**	**8**
0	13,650	13,650	0	0	**27,300**	**9**

8,283	13,702	13,807	13,913	14,020	**63,725**	**10**
0	0	13,622	13,622	5,108	**32,352**	**12**
361	361	361	361	362	**1,806**	**13**
255,998	**472,134**	**612,946**	**481,363**	**401,237**	**2,223,678**	
31,555	52,199	52,598	53,001	53,410	242,763	10
541	2,250	2,162	2,162	2,162	9,277	11
0	0	103,784	103,784	38,918	246,486	12
2,750	2,750	2,750	2,750	2,751	13,751	13
31,555	52,199	52,597	53,001	53,410	**242,762**	**10**
541	2,250	2,162	2,162	2,162	**9,277**	**11**
66,942	**111,648**	**216,053**	**216,860**	**152,813**	**764,316**	
322,940	**583,782**	**828,999**	**698,223**	**554,050**	**2,987,994**	
322,940	**583,782**	**828,999**	**698,223**	**554,050**	**2,987,994**	
9,022	10,147	10,350	10,556	10,768	**50,843**	**14**
8,607	16,365	16,436	16,508	16,581	**74,497**	**15**
232	232	232	232	232	**1,160**	**17**
0	1,805	1,805	1,805	1,805	**7,220**	**19**
9,022	10,147	10,350	10,556	10,768	**50,843**	**14**
8,607	16,365	16,436	16,508	16,581	**74,497**	**15**
232	232	232	232	232	**1,160**	**17**
0	1,805	1,805	1,805	1,805	**7,220**	**19**
18,044	20,293	20,699	21,113	21,535	**101,684**	**14**
17,213	32,731	32,872	33,016	33,163	**148,995**	**15**
464	464	464	464	464	**2,320**	**17**
0	3,610	3,610	3,610	3,610	**14,440**	**19**
36,088	40,586	41,398	42,226	43,070	**203,368**	**14**
34,426	65,461	65,745	66,034	66,326	**297,992**	**15**
928	928	928	928	928	**4,640**	**17**
0	7,220	7,220	7,220	7,220	**28,880**	**19**
142,885	**228,391**	**230,582**	**232,813**	**235,088**	**1,069,759**	
13,563	27,548	28,099	28,661	29,234	**127,105**	**14**

17,540	40,913	41,090	41,270	41,454	**182,267**	15
1,400	5,000	5,003	5,269	5,292	**21,964**	16
1,000	0	0	0	0	**1,000**	19
0	26,000	0	0	26,000	**52,000**	20
13,563	25,366	30,325	30,931	31,549	**131,734**	14
17,540	40,913	41,090	41,270	41,454	**182,267**	15
1,400	5,000	5,003	5,269	5,292	**21,964**	16
1,000	0	0	0	0	**1,000**	19
0	26,000	0	0	26,000	**52,000**	20
13,563	29,730	25,874	26,391	26,919	**122,477**	14
25,494	40,913	41,090	41,270	41,454	**190,221**	15
1,400	5,000	5,003	5,269	5,292	**21,964**	16
1,000	0	0	0	0	**1,000**	19
0	26,000	0	0	26,000	**52,000**	20
34,777	50,733	51,748	52,782	53,838	**243,878**	14
47,010	84,410	84,764	85,124	85,490	**386,798**	15
2,800	10,000	10,007	10,538	10,583	**43,928**	16
0	22,561	22,561	22,561	22,562	**90,245**	18
2,000	0	0	0	0	**2,000**	19
0	52,000	0	0	52,000	**104,000**	20
195,050	**518,087**	**391,657**	**396,605**	**530,413**	**2,031,812**	
337,935	**746,478**	**622,239**	**629,418**	**765,501**	**3,101,571**	
337,935	**746,478**	**622,239**	**629,418**	**765,501**	**3,101,571**	
19,400	21,819	22,256	22,701	23,155	**109,331**	21
2,172	17,178	17,339	17,505	17,677	**71,871**	22
0	3,512	5,200	5,200	5,200	**19,112**	23
8,000					**8,000**	24
8,743	8,743	8,743	8,743	8,743	**43,715**	25
0	23,750	23,750	23,750	23,750	**95,000**	26

2,061	15,000	15,000	15,000	15,000	**62,061**	**27**
40,376	**90,002**	**92,288**	**92,899**	**93,525**	**409,090**	
1,028,484	**3,121,444**	**3,245,654**	**3,123,631**	**3,117,151**	**13,636,364**	
102,848	**312,144**	**324,565**	**312,363**	**311,715**	**1,363,636**	
1,131,332	**3,433,588**	**3,570,219**	**3,435,994**	**3,428,866**	**15,000,000**	

Budget Note No.
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Project Output (Description)
Part time, cost shared positions (2 IPSAs) to support the process of issuing grants with MSMEs, monitor the grants, provide technical assistance and carry out the overall engagement with financiers and the private sector.
10% Project Manager (P3): Core PMU staff responsible for overall management, monitoring and supervision of project implementation , overseeing timely delivery of activities and results, based in Thailand.
10% Finance and Operations Analyst (P2): Core PMU staff responsible for financial management, budgeting, and operational oversight of the project, based in Thailand.
10% Procurement Analyst (P2): PMU staff (50% time) managing procurement processes in compliance with UNDP rules and regulations, based in Thailand.
Gender and Safeguard Analyst (Consultant): Consultant support (70 days/year) to provide technical expertise to ensure gender-responsive and transformative project implementation, including integrating gender into activities, monitoring gender-specific indicators, and advising on gender related aspects. This expert will also be in charge of the implementation of the SESP Stakeholder Engagement Plan and the ESFM trhoughout the project cycle at the AFCIA 2 general level and at the grantee level.
Data Analyst and Grant Coordinator (IPSA 10): PMU staff responsible responsible to streamline the data collection process from all the grantees. Support with the design of impact indicators (to be included in LVGAs). Including track results progress in line with the Results Framework. Includes the capturing of lessons learned and the development of Learning Briefs, as per MEL budgeted
Part-time cost shared positions for 21 NPSAs, to deliver local support to the PMU at the national level and liason with the Country Offices where there is an AFCIA grantee present.
Travel costs for UNDP Country Office staff to support local coordination, validation of grantee activities, and gender /safeguard monitoring at the country level.
External contract (RPA) or in house contract to develop an AI tool to assist with the the selection process (longlisting)
Grants for NGOs and CSOs: Catalytic grants (up to USD 200,000 each to be implemented in 3 years) to support 21 high-potential, locally led adaptation innovations, focusing on gender equality and social inclusion, and alignment with national adaptation priorities. Will follow UNDP policy on Low Value Grants
Grants for MSMEs / Innovation Challenges: 5 Catalytic grants (140,000 k each) to foster market-based adaptation pathways and scale viable business models.
20% Rental & Maintenance - Premises: Costs associated with the rental and maintenance of office space for the Project Management Unit (PMU).
41% Project Manager (P3): Core PMU staff responsible for overall management, monitoring and supervision of project implementation , overseeing timely delivery of activities and results, based in Thailand.
41% Finance and Operations Analyst (P2): Core PMU staff responsible for financial management, budgeting, and operational oversight of the project, based in Thailand.
41% Procurement Analyst (P2): PMU staff (50% time) managing procurement processes in compliance with UNDP rules and regulations, based in Thailand.
Expert in Climate-Resilient Food Systems: Consultant support (70 days/year) to provide specialized technical assistance and thematic expertise in climate-smart agriculture and food security to grantees.
Expert in Nature-Based Solutions (NbS): Consultant support (70 days/year) to provide specialized technical assistance and thematic expertise in ecosystem-based adaptation and NbS approaches to grantees.
Expert in Disaster Risk Reduction (DRR) and Recovery: Consultant support (70 days/year) to provide specialized technical assistance and thematic expertise in disaster risk reduction and recovery measures to grantees.
Partnerships and Investments Specialist (IPSA 11): PMU staff focused on investment and partnership development, facilitating connections with DFIs, venture capital, and other financial actors home based.
Business Development Specialist (IPSA 8): PMU staff (50% time) focused on strengthening grantees' business acumen, revenue diversification, and market entry strategies, home based.
40% Project Associate/Analyst (IPSA 9): Core PMU staff providing administrative and analytical support to project operations, based in Thailand.
40% Website consultant (25% time)
General Travel to Events: Travel expenses for project staff and grantees to attend learning events, workshops, conferences, and site visits for monitoring and technical support.
MBA Schools' RPA Engagement: Engagement through a Long-Term Agreement (LTA) for 3 years (USD 90,000/year) to provide business and financial capacity building to grantees via fellowships and tailored technical assistance.
RPA Engagement (LAC Impact Investor Network): Engagement through an RPA with duration for 2 years (USD 100,000) to connect grantees with impact investors and philanthropic networks in Latin America and the Caribbean, facilitating access to follow-on financing.
RPA Engagement (APAC Impact Investor Network): Engagement through a an RPA with duration for for 2 years (USD 100,000) to connect grantees with impact investors and philanthropic networks in Asia Pacific, facilitating access to follow-on financing.

RPA Engagement (Africa Impact Investor Network): Engagement through an an RPA with duration for 2 years (USD 100,000) to connect grantees with impact investors and philanthropic networks in Africa, facilitating access to follow-on financing.
30% Rental & Maintenance - Premises: Costs associated with the rental and maintenance of office space for the Project Management Unit (PMU).
44% Project Manager (P3): Core PMU staff responsible for overall management, monitoring and supervision of project implementation , overseeing timely delivery of activities and results, based in Thailand.
44% Finance and Operations Analyst (P2): Core PMU staff responsible for financial management, budgeting, and operational oversight of the project, based in Thailand.
44% Procurement Analyst (P2): PMU staff (50% time) managing procurement processes in compliance with UNDP rules and regulations, based in Thailand.
Learning and Knowledge Management Specialist (IPSA 10): PMU staff dedicated to the development of knowledge products, delivering the learning and capacity building plans, and coordinate and deliver the peer learning events. Produces high quality KM reports, factsheets, business cases from the grantees to strengthen the visibility of the project. Home based.
Communications Specialist (IPSA 9): PMU staff for developing and implementing communication strategies, increasing visibility, and disseminating knowledge products and success stories. Produces high quality stories, blogs and photo stories, about the grantees. Connects the narrative with the Climate Promise website and the overall CCA team portfolio. Home based.
45% Project Associate/Analyst (IPSA 9): Core PMU staff providing administrative and analytical support to project operations, based in Thailand.
60% Website consultant (25% time)
Part time, cost shared positions (2 IPSAs) to support the delivery of innovation methodologies such as crowdfunding academy and innovation sprints.
General Travel to Events: Travel expenses for project staff and grantees to attend learning events, workshops, conferences, and site visits for monitoring and technical support.
8.76% Rental & Maintenance - Premises: Costs associated with the rental and maintenance of office space for the Project Management Unit (PMU).
Print Communications Materials: Production and dissemination of printed communication materials, such as reports, brochures, and toolkits, for project visibility and knowledge sharing.
Videos and Other Graphics Design Subcontract: Subcontracted services for developing multimedia content, including videos and graphic designs, to enhance project visibility and disseminate information.
Cost to translate in the six UN languages the for call for proposals documents before grantee selection.
Global Workshops: Funding for organizing two global workshops (e.g., annual peer learning events, innovation showcases) to promote knowledge exchange, cross-country learning, and visibility for adaptation solutions.
5% Project Manager (P3): Core PMU staff responsible for overall management, monitoring and supervision of project implementation , overseeing timely delivery of activities and results, based in Thailand.
5% Finance and Operations Analyst (P2): Core PMU staff responsible for financial management, budgeting, and operational oversight of the project, based in Thailand.
5% Procurement Analyst (P2): PMU staff (50% time) managing procurement processes in compliance with UNDP rules and regulations, based in Thailand.
15% Project Associate/Analyst (IPSA 9): Core PMU staff providing administrative and analytical support to project operations, based in Thailand.
General Travel to Events: Travel expenses for project staff and grantees to attend learning events, workshops, conferences, and site visits for monitoring and technical support.
Information Technology Equipment: Laptop, monitor and accessories for the Project Management Unit (PMU).
41.24% Rental & Maintenance - Premises: Costs associated with the rental and maintenance of office space for the Project Management Unit (PMU).
Impact and Knowledge Reporting Consultant: Under the guidance of the 'Data Analyst and Performance Coordinator' and 'Knowledge and Learning Coordinator' this role will lead the synthesis of project achievements into structured knowledge products. Key responsibilities include consolidating qualitative and quantitative impact results, drafting the Impact reports, human-interest success and impact stories and visually designing knowledge assets to strengthen organizational learning and external donor visibility
UNDP operational support services, including recruitment/contract management, travel, approvals, and grants management.

EE Costs (USD 409,090) breakdown

Cost Item	Description / Basis of Calculation
Salary & Post Adj Cst-IP Staff	6% Project Manager (P3) (part of the PMU): 1 person @ $1,065.25/month for 60 months
Salary & Post Adj Cst-IP Staff	6% Procurement Analyst (P2) (part of the PMU): 50% time 1 person @ $351.18/month for 60 months
Salary & Post Adj Cst-IP Staff	6% Finance and Operations Analyst (P2) (part of the PMU): (1 person @ $450.85/month for 54 months)
Contractual Services-Individuals	15% Project Analyst (IPSA 9) (part of the PMU): 1 person @ $1,197.85/month for 60 months
Travel	1 Grantee Site Visit per year: $3,822.40 per trip x 5 years
Rental & Maintenance-Premises	41.24% Rental and Maintenance: Office space for PMU @ $728.58/month for 60 months
Equipment	Laptops, Monitors, Software: For Project Manager, Finance Analyst, Procurement Analyst, and Project Analyst @ $2,000
International Consultant	Impact and Knowledge Reporting Consultant (lumpsum IC contract including consultancy, honoraries and 2 mission travel. 170 days in 4 years- aproximate daily fee: 500 USD)
Direct Project Cost-Staff	UNDP Operational Support Services: Recruitment, contract management, travel, approvals, and grants management @ $ 13,791.23 per year for 4.5 years
TOTAL EE COSTS	

Justification for 3% EE costs (breakdown)

AFCIA Phase 2 has higher execution costs cover essential administrative and project management support personnel needed t
global project, with multiple grants and transactional services across numerous small organizations (NGOs/CSOs and MSMEs).
further heightened by the project's design, which necessitates the provision of support at both global, regional and national le
engagement with community organizations across multiple countries. To ensure effective implementation, this structure requ
administrative implementation support for each grantee, and real-time, in-country problem-solving all requiring a significant c

The higher execution costs of 3% ensure that project activities are implemented efficiently and accurately, while remaining re
needs of each grantee and maintaining sufficient flexibility to provide tailored support which may have greater implications fo
project management costs. This one-on-one dedicated administrative and operational support was one of the most valued ch
implementation of UNDP-AFCIA Phase 1 as expressed by the participating grantees, because it allowed them to conclude thei
with following an adaptative management process throughout the process.

The additional 1.5% requested relates exclusively to execution-level responsibilities that UNDP will deliver as an Executing En

-Global grant administration.
-Management of specific project components;
-Managing two competitive grant windows and administering at least 26 LVGAs issued to NGOs/CSOs and MSMEs;
-Providing direct operational support to grantees;
-Carrying out the due diligence before by the PMU before signing the LVGAs with grantees;
-Engaging/procuring consultants or companies to deliver technical assistance.
-Undertaking travel directly related to execution-level functions.

The above costs are demonstrably distinct from IE oversight or corporate functions which are itemized and costed under the '

Total Cost (USD)
63,915.00
21,071.00
24,345.00
71,871.00
19,112.00
43,715.00
8,000.00
95,000.00
62,061.00
409,090.00

- -

to administer a large-scale,
Operational demands are
evels, as well as sustained
uires operational and
operational budget.

sponsive to the specific
or administrative and
aracteristics during the
r LVGA´s implementation

tity (EE), more specifically:

'IE fee breakdown" tab.

Category
Identification, Sourcing and Screening of Ideas
Feasibility Assessment / Due Diligence Review
Development & Preparation
Implementation
Evaluation and Reporting
Total

Services Provided by UNDP
Provide information on substantive issues in adaptation and innovation associated with the purpose of the Adaptation Fund (AF).
Engage in upstream policy dialogue related to a potential application to the AF.
Verify soundness & potential eligibility of identified ideas for AF.
Provide up-front guidance on converting general idea into a feasible project/programme.
Source technical expertise in line with the scope of the project/programme.
Verify technical reports and project conceptualization.
Provide detailed screening against technical, financial, social and risk criteria and provide statement of likely eligibility against AF requirements.
Determination of execution modality and local capacity assessment of the executing entity.
Assist in identifying technical partners. Validate partner technical abilities. Obtain clearances from AF.
Provide technical support, backstopping and troubleshooting to convert the idea into a technically feasible and operationally viable project/programme.
Source technical expertise in line with the scope of the project/programme needs.
Verify technical reports and project conceptualization.
Verify technical soundness, quality of preparation, and match with AF expectations.
Negotiate and obtain clearances by AF. Respond to information requests, arrange revisions etc.
Technical support in preparing TORs and verifying expertise for technical positions.
Provide technical and operational guidance to project team. - Verification of technical validity / match with AF expectations of inception report/baseline report.
Provide technical information as needed to facilitate implementation of the project activities.
Prepare Project Baseline Report
Provide advisory services as required.
Provide technical support, participation as necessary during project activities.
Provide troubleshooting support if needed. Provide support and oversight missions as necessary.
Provide technical monitoring, progress monitoring, validation and quality assurance throughout.
Allocate and monitor Annual Spending Limits based on agreed work plans.
Receipt, allocation and reporting to the AFB of financial resources.
Oversight and monitoring of AF funds, including audit.
Return unspent funds to AF.
Technical, preparation of TORs, verification of expertise, participation in briefings/debriefings, supervision/development, validation and quality assurance for the Baseline Data Report, Mid-Term Evaluation, and Terminal Evaluation.
Participate in briefing / debriefing (including for the Mid-Term and Terminal Evaluations).
Verify technical validity / match with AF expectations of all evaluation and other reports (including supervision/development of the Baseline Data Report, Project Performance Report,and Project Completion Report, the Mid-Term and Terminal Evaluations).
Costs for contracting an independent consultant/firm to conduct baseline data collection and draft the Baseline Report. (All IE supervision and development/review functions are covered separately under the IE fee).
Undertake technical analysis, validate results, and compile lessons
Disseminate technical findings

IE fee (USD) AFCIA 2
68,182
204,545
272,727
613,637
204,545
1,363,636

	Upon Agreement signature	One Year after Project Start	Year 2
Scheduled Date	1-Jan-2027	1-Jan-2028	1-Jan-2029
Project Funds	1,089,482	6,808,130	2,303,778
Implementing Entity Fees	610,823	408,488	138,227
Total	**1,700,305**	**7,216,618**	**2,442,005**

Year 3	Year 4	Total
1-Jan-2030	1-Jan-2031	
1,839,350	1,595,624	13,636,364
110,361	95,737	1,363,636
1,949,711	**1,691,361**	**15,000,000**

Component	Outcome	Output
	Outcome 1: High potential, locally led adaptation innovations, including non-	Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.

Component 1: Catalytic grants to implement and accelerate innovative adaptation solutions with potential to scale	for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	Output 1.2: Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.
		Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact

		Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, thematic support on adaptation approaches, gender-responsive design, MEL systems, financial planning and safeguard

		risk management.
Component 2: Targeted technical assistance, Business development, and investment readiness support to enable scaling	Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.	

		Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school and investors partners

		Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting peers, government partners, investors, and adaptation practitioners.

Component 3: Knowledge, Learning, and Strategic MEL to drive innovation for adaptation, scaling pathways and inform government programs.	Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to influence replication, policy frameworks, and investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	

		Output 3.2 Annual peer learning events, global webinars, and cross-country exchanges are organisedorganized to promote south-south and south-north collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners.

Component 4: Project Management	Project Management Activites	AFCIA 2 project is managed efficiently and effectively.

Activity
Activity 1.1.1 Design and launch inclusive and competitive global calls for proposals
Activity 1.1.2: Screen, select, and contract high-potential adaptation innovations

Activity 1.2.1: Establish and manage performance-based grant agreements
Activity 1.2.2: Disburse and manage performance-based grant tranches, monitor performance, and implementation progress
Activity 1.3.1: Identify and select high-performing AFCIA 1 innovations for follow-on support
Activity 1.3.2: Establish and manage performance-based grant agreements for AFCIA 1 grantees, which provide follow-on catalytic grants to consolidate and scale proven adaptation models
Activity 1.3.3: Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress

Activity 2.1.1: Deliver an 8–10-week onboarding sprint for selected innovators
Activity 2.1.2: Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning

Activity 2.1.3: Assist selected grantees to prepare Gender Action Plans and ESMPs

Activity 2.2.1: Support innovators to identify and access appropriate financing pathways
Activity 2.2.2: Generate and consolidate evidence of impact, scale, and systemic influence

Activity 3.1.1: Design and implement a structured learning and knowledge management architecture
Activity 3.1.2: Develop, maintain, and operationalise a digital knowledge platform

Activity 3.1.3: Produce, quality-assure, and disseminate innovation-focused knowledge products
Activity 3.1.4: Operationalize the MBA Fellowship Programme and failure-learning protocol
Activity 3.2.1: Organise and facilitate structured peer-learning and knowledge exchange activities
Activity 3.2.2: Deliver targeted learning modules and peer exchanges to strengthen grantee capacities

Activity 3.2.3: Facilitate cross-country and cross-regional learning exchanges
Activity 3.2.4: Implement coordinated communication, visibility, and dissemination activities

Activity 4.1.1 Establish and operationalise programme management, governance, and baseline systems.

Sub-Activity
Design and Launch of open call for proposals targeting CSOs, NGOs, and community-led organizations
Design and Launch of open call for proposals targeting targeting MSMEs
Proposal Screening and Scoring
Selection and Due Diligence
Grant Agreement Finalization

Establish and manage performance-based grant agreements
Disbursement and Monitoring of Low Value Grant Agreements (LVGAs) to NGOs/CSOs and MSMEs
Business development plan; financial,ESG, M&E and gender action plan reporting; E and other Learning trainings for grantees
Establishment of a GRM system for the project
Development of a Knowledge Management Learning Framework
Performance-based grant agreements for AFCIA 1 grantees.
Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress

Innovation and Learning Sprint
Development of Technical Assistance Plans for grantees
Hiring of a firm for Investor Engagement Network
Hiring of Firm for the implementation of the MBA Fellowship Program
Tailored advisory support for grantees
Thematic Technical Assistance to grantees
Development of scalability assessments for grantees

Support grantees through University students and MBA Fellowship programme
Peer to Peer Learning Exchanges for grantees on scaling
One-on-one Coaching and mentoring to grantees.
Statifaction survey
Development of Gender Action Plans and Environmental and Social Management Plans (ESMPs) by grantees.
Identifcation of appropriate capital pathways
Development of coherent Business Cases

Development of practical adaptation-relevant screening tools and metrics
Organise investor roundtables, deal rooms, and thematic investment forums
Training on due diligence processes
Facilitate linkages between grantees and national implementing entities, UNDP country offices or national programmes
Facilitate the development of pilot innovative financing approaches
Broker grantee participation in key regional and global convenings
Track and document follow-on finance mobilised by grantees

Development and Implementation of a Communications Plan to support coordinated communication and visibility efforts.
Develop and Mandate Gender/Social Inclusion (GSI) Guidelines;Specialized Training and Sensitization for Content Teams
Design a learning and knowledge management architecture
Produce innovation-focused knowledge products

Integrate Learning Sprint outputs into the knowledge ecosystem
Structured Peer to Peer Learning Sessions on adaptation, MEL, gender and safeguards
Operationalise the EMBA/MBA Fellowship Programme as a core knowledge-generation mechanism
Establish and implement a ‘failure learning protocol’.
Organise regular peer-learning and replication events
Host regional webinars and podcasts on adaptation innovation

Plan and Execute AFCIA Global Workshops (1 at mid project, 1 at project final year)
Participation in various climate change and adaptation-focused events
Peer to Peer Learning Exchanges for grantees on scaling
Establish and maintain a multi-layered knowledge-sharing and learning activities
Project Inception
Hiring consultants, staff, that are part of the PMU
Agreements with Regional Bureous and Country Offices

Developing TORs for Grant Selection Committee, Project Board, SOPs etc
Preparation of baseline report
Mid term review
MTR management response
Impact Report Preparation and Design
Terminal Evaluation
Annual PPR to AF
Final audit of the project
Operational closure
Financial closure

Notes	2026			
	Q2	Q3	Q4	Q1
A global call for proposals targeting CSOs, NGOs, and community-led organizations working within priority themes including: (i) Water and Food Security, (ii) Nature-Based Solutions (NbS), and (iii) Disaster Risk Reduction (DRR). These organisations must demonstrate proven, context-relevant, and locally led adaptation solutions ready for scale-up. Launch full proposal call with detailed application package; Include templates for results framework, budget, and gender action plan				
An global call for proposals targeting MSMEs through a competitive process that prioritizes adaptation-focused and for-profit entities, including youth- and women-led ventures with tested, context relevant solutions and clear scaling potential. These organisations should be working within priotity themes that include: (i) Water and Food Security, (ii) Nature-Based Solutions (NbS), and (iii) Disaster Risk Reduction (DRR). Launch full proposal call with detailed application package; Include templates for results framework, budget, and gender action plan				
Use a standardized scorecard to assess innovation, feasibility, and impact; Include gender and social inclusion as scoring criteria				
Conduct background checks, financial assessments, and risk screening; Apply Environmental and Social Safeguards (ESS) and Gender Marker				
Review and finalize Low Value Grant Agreements (LVGAs); Ensure alignment with national adaptation priorities				

Disburse funds in tranches based on milestones; Set up bi-annual reporting (36 months of implementation for NGOS, 24 months of implementation for MSMEs)				
Support grantees to design and implement robust MEL systems that track operational, financial, adaptation, and gender outcomes, including development of simple indicators, data collection tools, and processes for regular learning and adaptive management.				
To help establish accouthability and transparency for the project; Develop comprehensive GRM standard operating procedures (SOPs), including intake forms, templates, investigation protocols, timelines for response/resolution				
Knowledge Management and Learning Framework designed to capture lessons from AFCIA 1 grantee implementation.				
Establish and manage performance-based grant agreements for AFCIA 1 grantees, which provide follow-on catalytic grants to consolidate and scale proven adaptation models.				
Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress				

Each grantee will participate in a mandatory 8–10 week Learning Sprint designed to strengthen implementation quality and accountability. This onboarding and capacity-building process will include practical modules on business-model refinement, financial and impact readiness, monitoring, evaluation and reporting, and gender-responsive and socially inclusive practices, and safeguards.				
Develop individual Technical Assistance Plans for each grantee, based on diagnostic assessments of their institutional capacity, financial systems, adaptation approach, gender and social inclusion practices, and existing partnerships.				
Firm to provide investor awareness raising on adaptation innovations, philanthropy and corporate foundations				
Firm to provide specialised technical assistance through universities				
Tailored technical assistance on Business Model Optimisation (including hybrid models for CSOs/NGOs), revenue diversification, pricing strategies, and cost-recovery mechanisms that enhance long-term financial sustainability.				
Thematic assistance provided to grantees on the following thematic areas: climate-resilient food systems, nature-based solutions and disaster risk reduction and recovery, , including agronomic advice, resource-efficient production practices, quality assurance and traceability systems, and community-based resilience measures.				
Scaling readiness assessments and post-grant support for selected innovation projects, including NIE engagement and investment matchmaking.				

Deploy MBA/EMBA fellows to work directly with grantees on strengthening internal systems—such as financial reporting, budgeting, cash-flow forecasting, risk management, and preparation of investor-ready data rooms and documentation throughout the Fellowship Programme duration.				
Peer-to-peer learning through quarterly replication clinics, thematic learning sessions, and south–south exchanges, enabling grantees to share tools, standard operating procedures, training materials, and other resources that can support replication and scaling. This will aslo include learning exchanges between AFCIA 1 and AFCIA 2 grantees and participation by the wider AFCIA partnership network.				
ongoing one-on-one coaching and mentoring to grantee leadership teams on organisational development, governance, succession planning, and change management to support operational resilience and responsible growth.				
annual statisfaction survey to assess relevance and quality of technical assistance.				
Assist selected grantees to prepare Gender Action Plans and ESMPs				
Conduct financing diagnostics with each grantee to identify appropriate capital pathways (e.g., grants, concessional loans, revenue-based finance, blended instruments, guarantees, or public procurement opportunities) aligned with their business model, risk profile, and stage of growth.				
Support grantees to develop coherent investment cases, including financial models, capital-raising strategies, and pitch materials, factual reports that clearly communicate their adaptation value proposition, resilience outcomes, and social and gender impacts.				

Worked closely with stakeholders for development of practical adaptation-relevant screening tools and metrics that help investors and lenders recognise, value, and track resilience benefits in their portfolios.				
Organise curated investor roundtables, deal rooms, and thematic investment forums—often hosted in collaboration with business schools and regional partners—to showcase AFCIA 2 grantees to DFIs, impact investors, local banks, philanthropic funds, and corporate partners.				
Provide hands-on support to grantees and facilitate learning during early-stage due diligence processes, including preparation of data rooms, documentation of track records, clarification of governance structures, and responses to investor queries.				
Explore opportunities for integration into larger public-sector or blended finance programmes.				
Examples include blended finance structures, concessionary credit lines, results-based or revenue-based mechanisms, and insurance-linked solutions—in collaboration with interested financial partners, drawing on lessons from AFCIA 1 and other AIM initiatives.				
Examples include impact investment summits, climate weeks, and adaptation forums and conferences—to increase visibility of adaptation enterprises and locally led solutions among funders and partners.				
Track and follow up: commitments, disbursements, and types of capital, and synthesise lessons into guidance for future adaptation investment programming and policy dialogue.Generate and consolidate evidence of impact, scale, and systemic influence				

Including the number and type of knowledge products produced, the number and diversity of learning events, and participation of women, youth, vulnerable groups, and local institutions, and use this information to refine the learning and knowledge management approach over time. Oversee synthesis, quality assurance, and dissemination of knowledge products, ensuring alignment with UNDP and Adaptation Fund standards, and contributing to global adaptation dialogues and evidence bases.				
Create and formally integrate mandatory, step-by-step Gender and Social Inclusion (GSI) Guidelines and a corresponding Checklist into the project's standard operating procedures (SOPs) for all knowledge and communication product development. Conduct targeted, hands-on training workshops for all staff and partners involved in producing knowledge and communication products. The training should focus specifically on identifying, extracting, and effectively communicating GSI-related lessons and data from adaptation innovations.				
Design and implement a learning and knowledge management architecture, including pre-selection webinars and mini-courses to strengthen proposals, followed by an intensive Learning Sprint to build technical, financial, and operational readiness of selected grantees.				
Examples include adaptation investment briefs, metrics toolkits, replication toolkits, evidence briefs, and gender-transformative case studies, to inform policy frameworks, public procurement, and investment practices.				

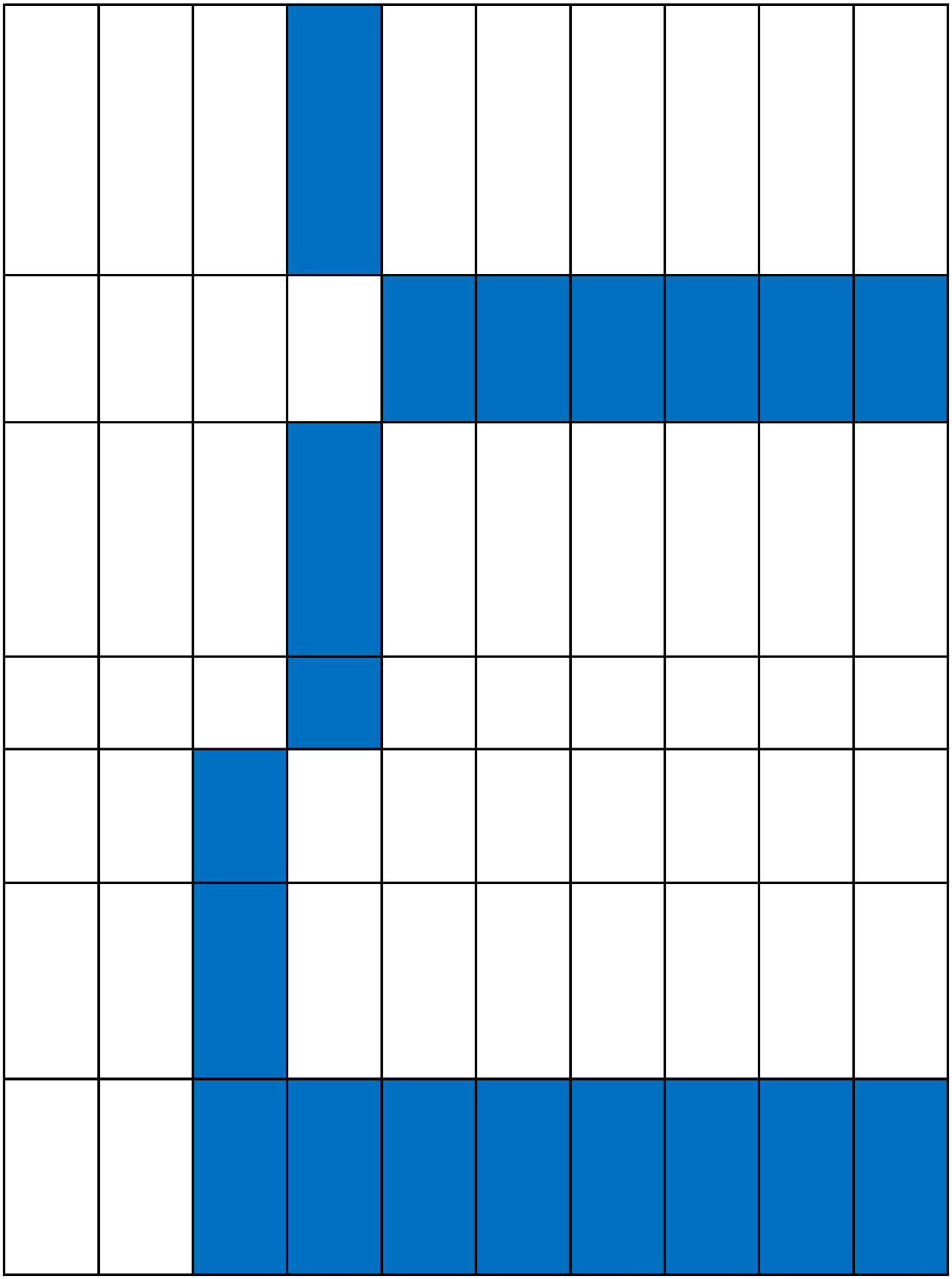
Ensuring early-stage lessons, templates, and tools developed during the onboarding period are shared widely across the AFCIA community.				
Structured peer-learning sessions and thematic exchanges aimed at strengthening capacities in monitoring and evaluation, gender integration, and the three thematica areas of adaptation and resilience building.				
Engaging fellows to document business models, conduct case studies, analyse unit economics and impact performance, and contribute to a shared library of scalable adaptation models.				
Where grantees can confidentially report and reflect on technical, operational, or market challenges, with lessons synthesised into guidance notes, peer to peer exchange and learning sessions for the wider portfolio.				
e.g. replication clinics, cross-country peer-learning sessions, innovation showcases, and South–South / South–North exchanges that connect AFCIA 1 and AFCIA 2 grantees and other AFCIA partner programmes to share models, tools, and implementation lessons.				
Thematic focus on finance, gender, nature-based solutions, etc.				

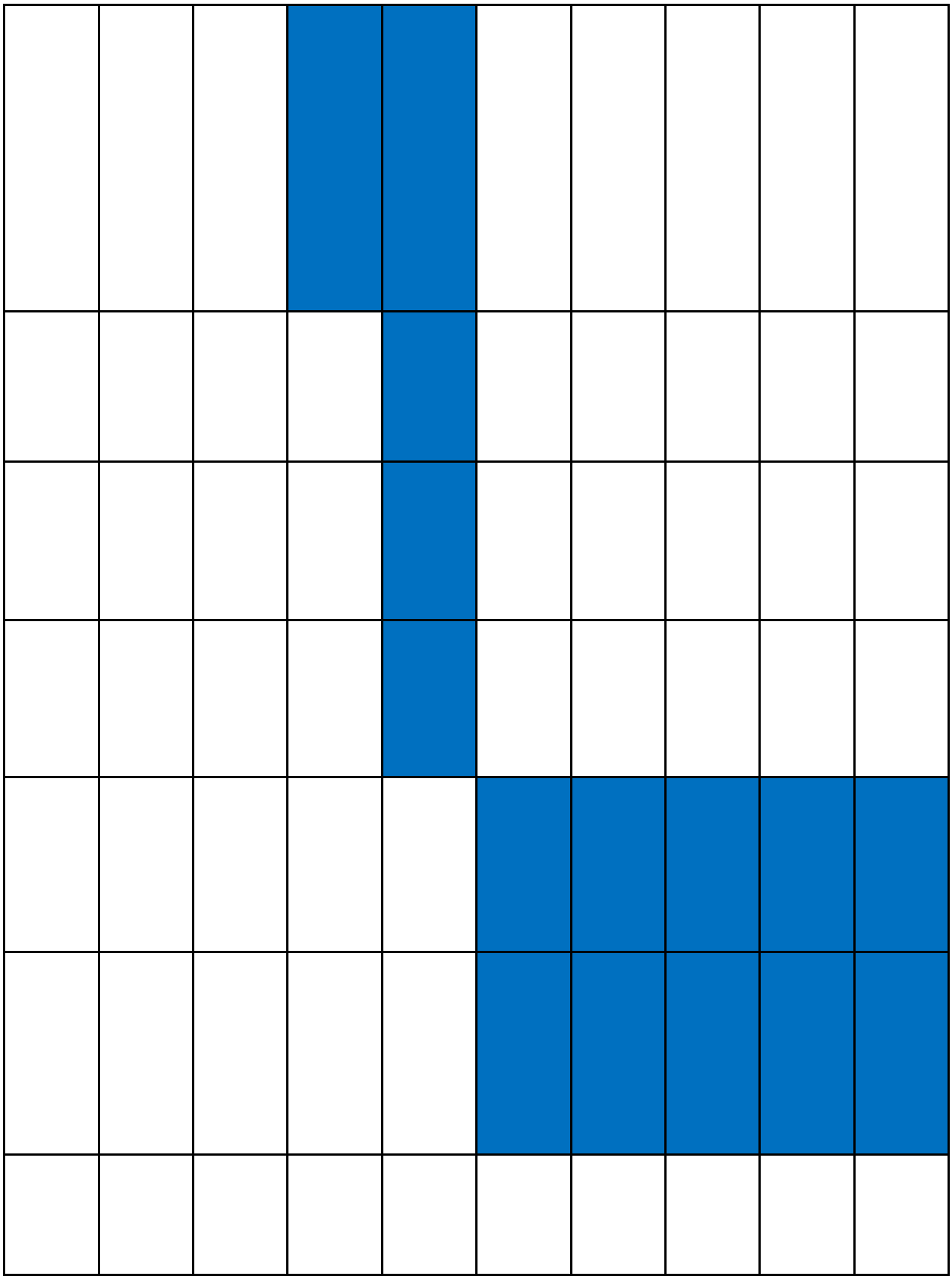
Convening of project partners to foster connections/collaborations/peer-to-peer learning between community innovators, investors and academia.				
Engaging in key climate change and adaptation events, including Adaptation Futures and the UNFCCC COP to showcase our project, build visibility, and strengthen engagement with global stakeholders.				
Project will aggregate data by gender and stakeholders by type of event ; this will include peer learning, webinars, exchanges				
Leveraging existing UNDP and AIM systems as well as the broader AFCIA infrastructure under UNEP–CTCN coordination to curate, organise, and disseminate lessons across regions.				
Hiring consultants, staff, that are part of the PMU				
Agreements with Regional Bureous and Country Offices				

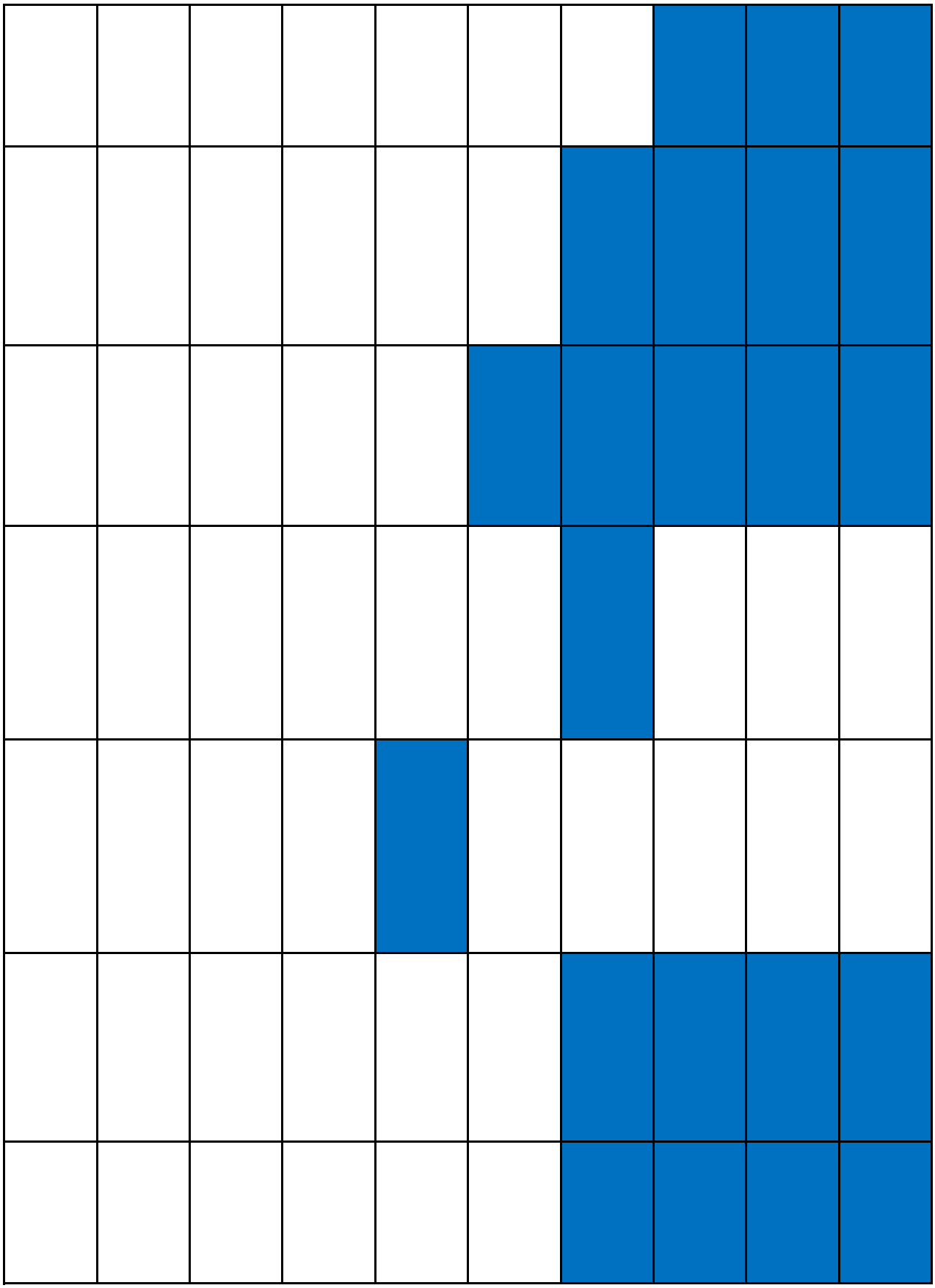
Developing TORs for Grant Selection Committee, Project Board, SOPs etc				
Preparation of baseline report				
Development of TORs, hiring consultant and conducting mid term review				
Preparing management response based on MTR recommendations, tracking, progress update and coordination with ERC office				
Development of TORs, hiring consultant and conducting terminal evaluation				
Project will produce annual PPRs to detail progress including stores, challenges, achievements, beneficiaries information and women specific data				
Final Report				
Final date by which project activities are eligible				
Final date to close the project financially				

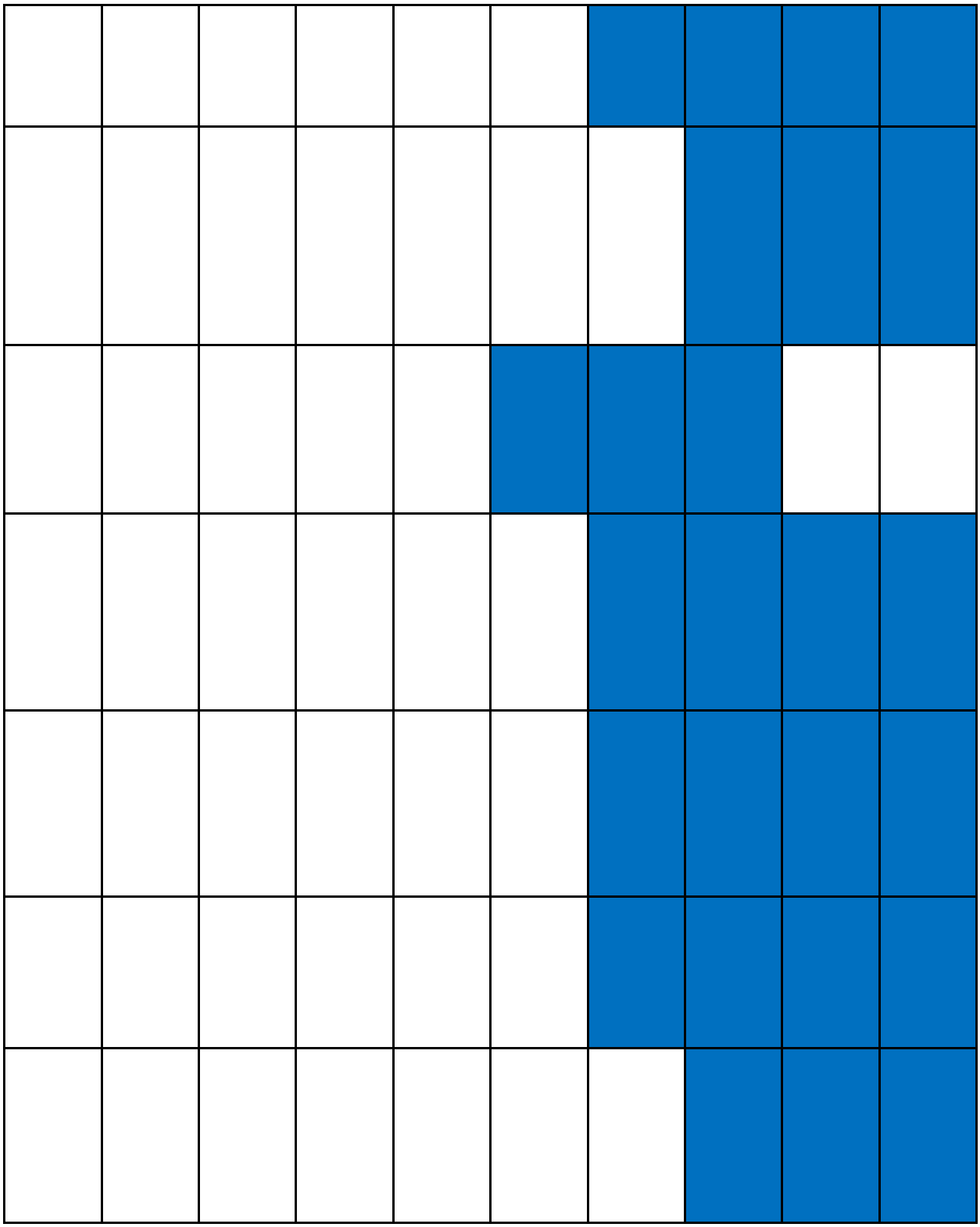


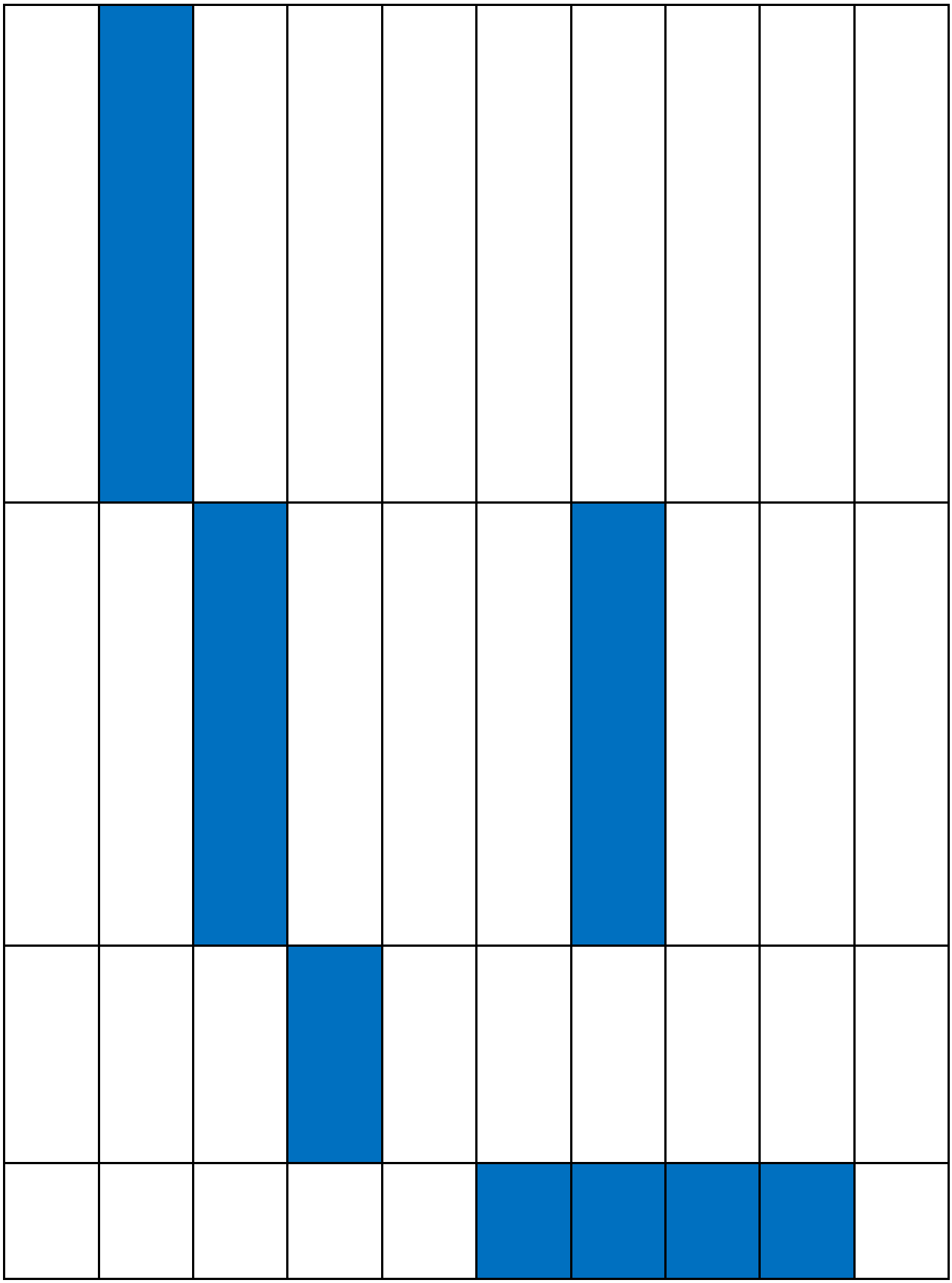
2027			2028				2029		
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3

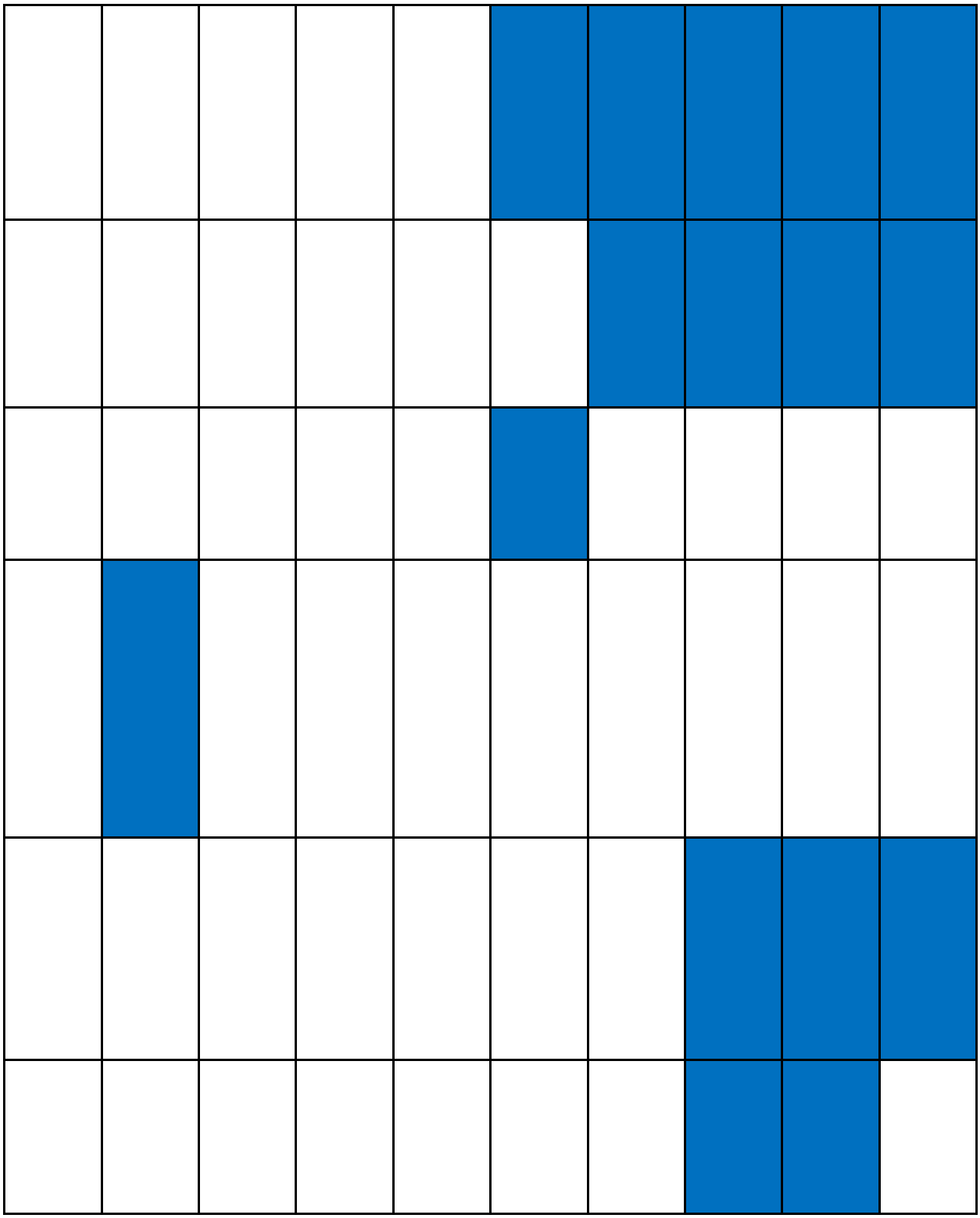


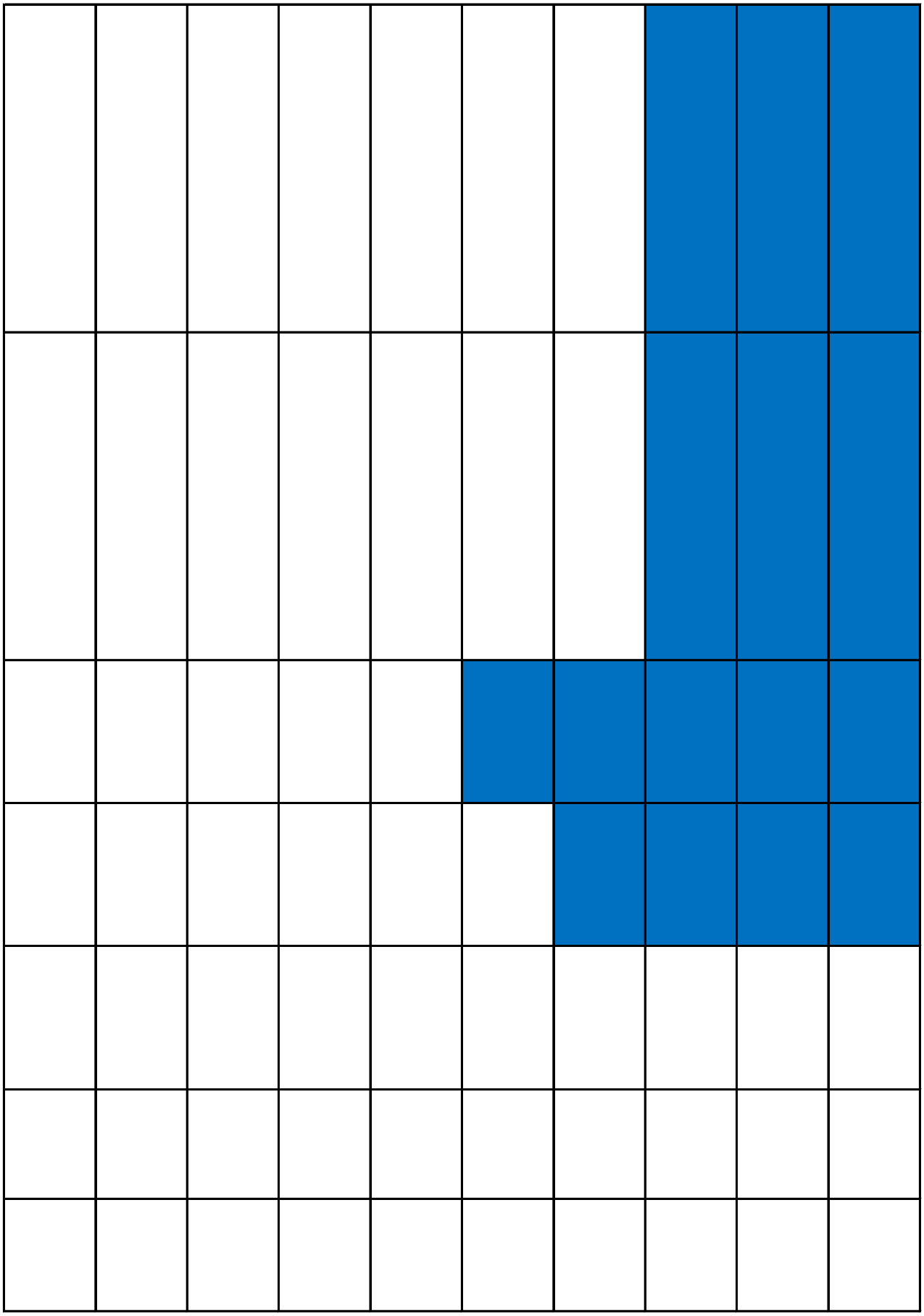


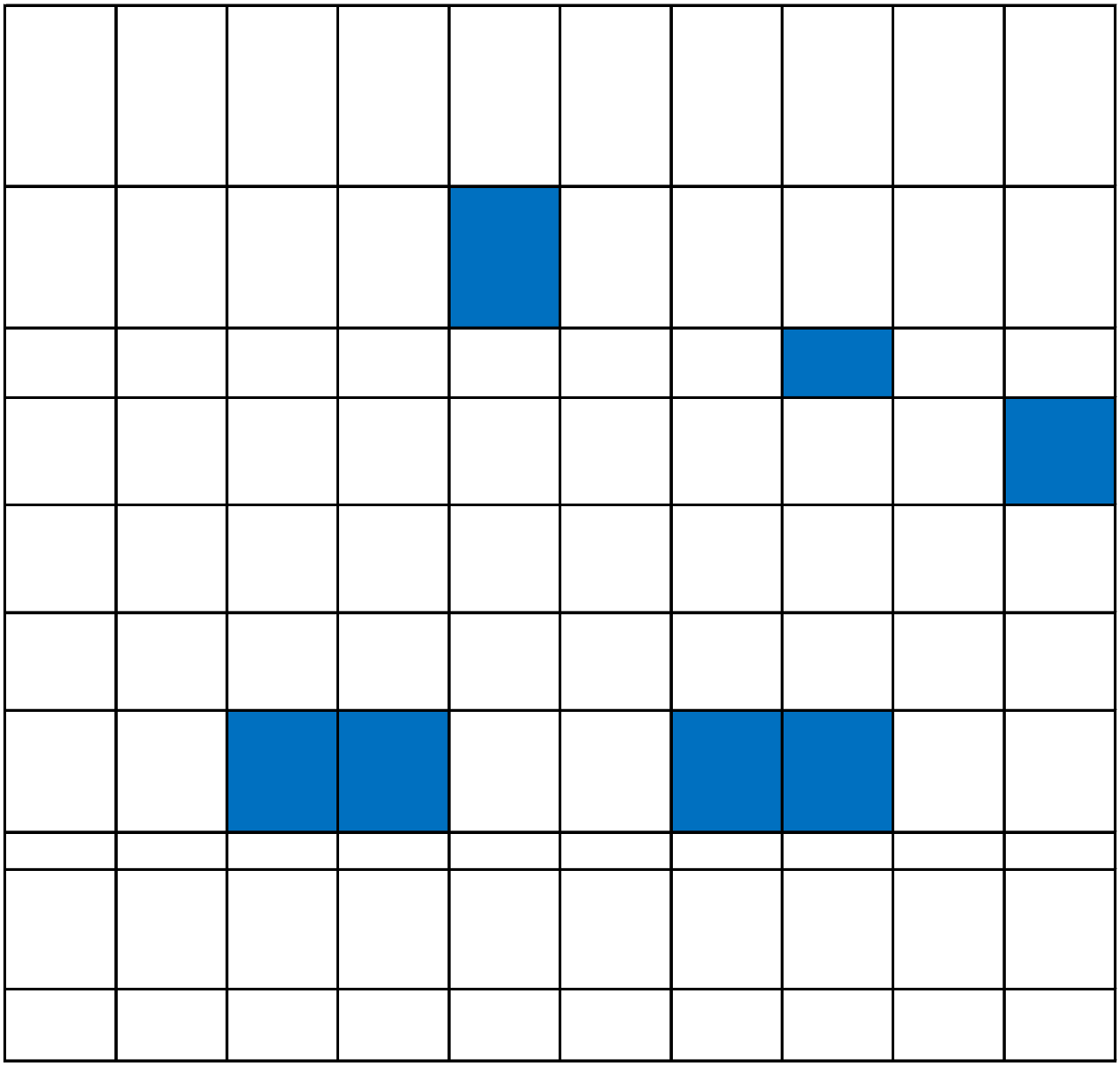




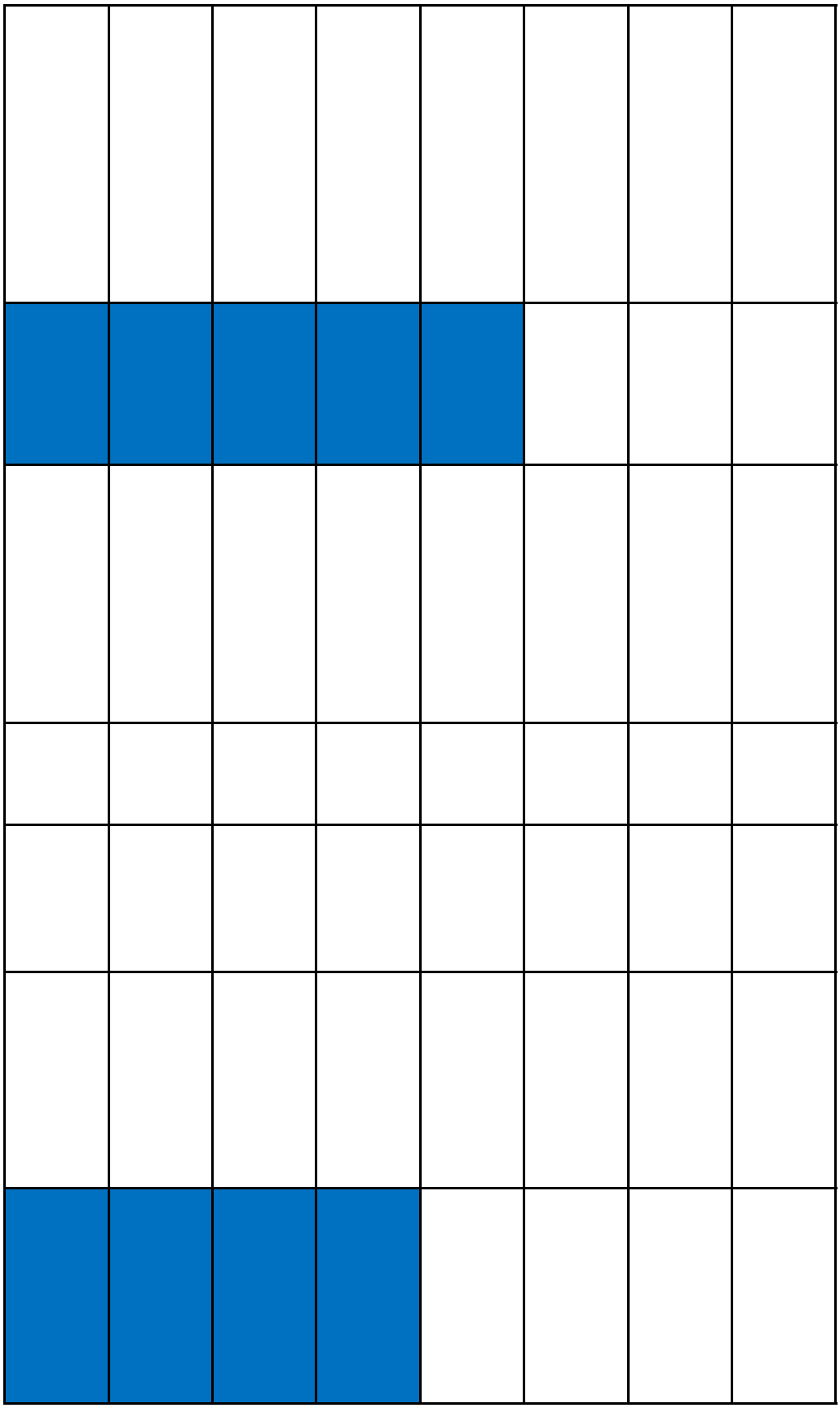


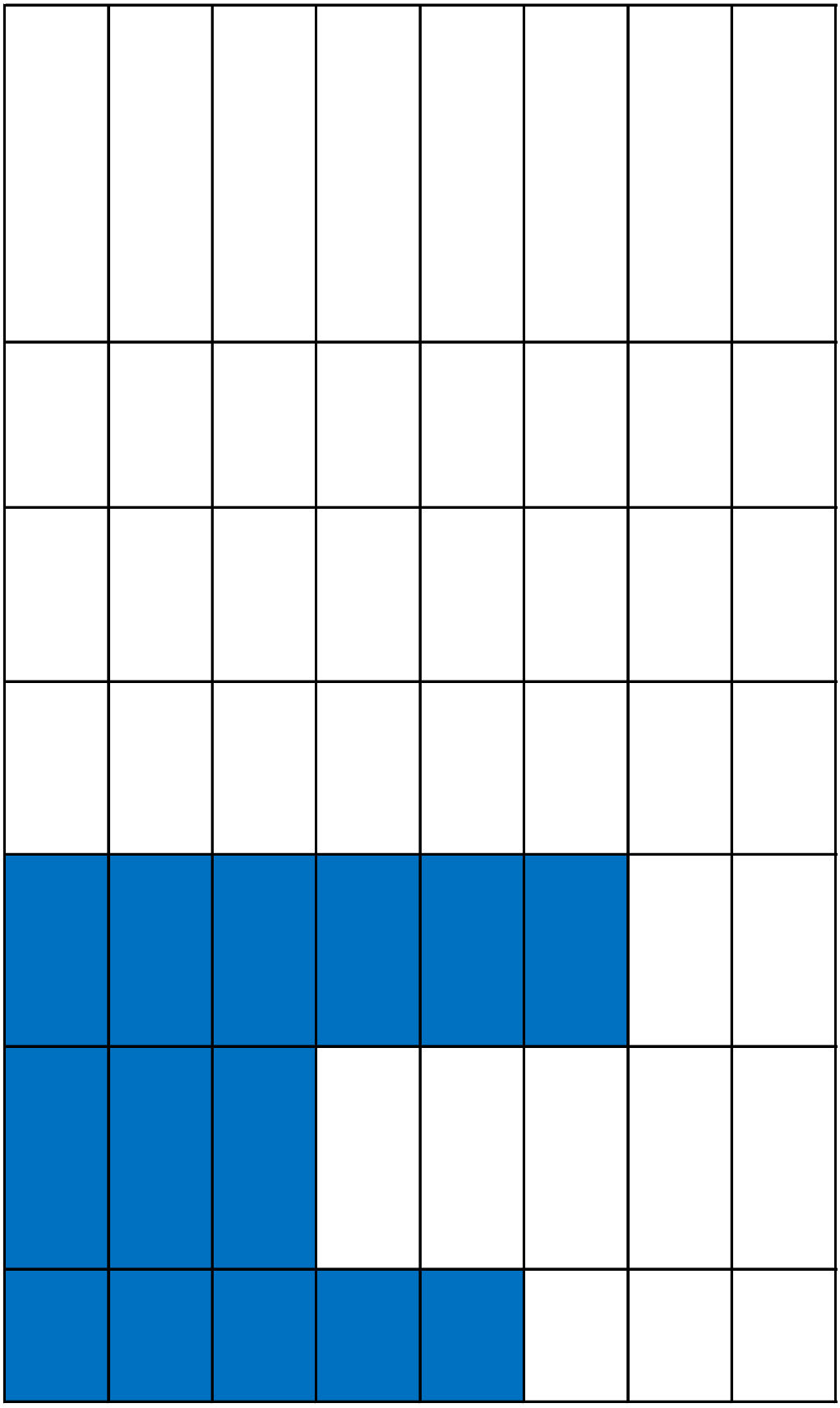


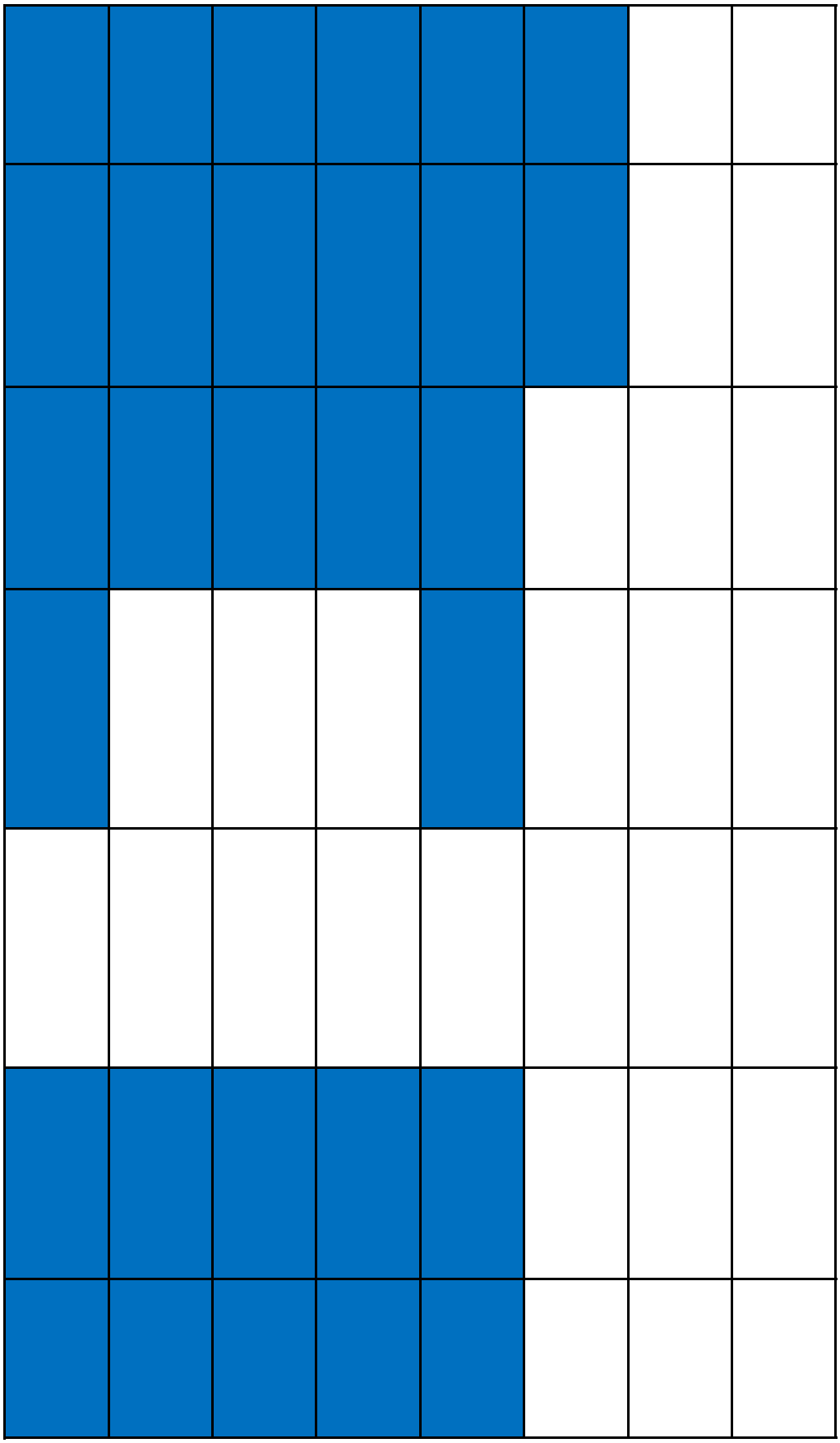


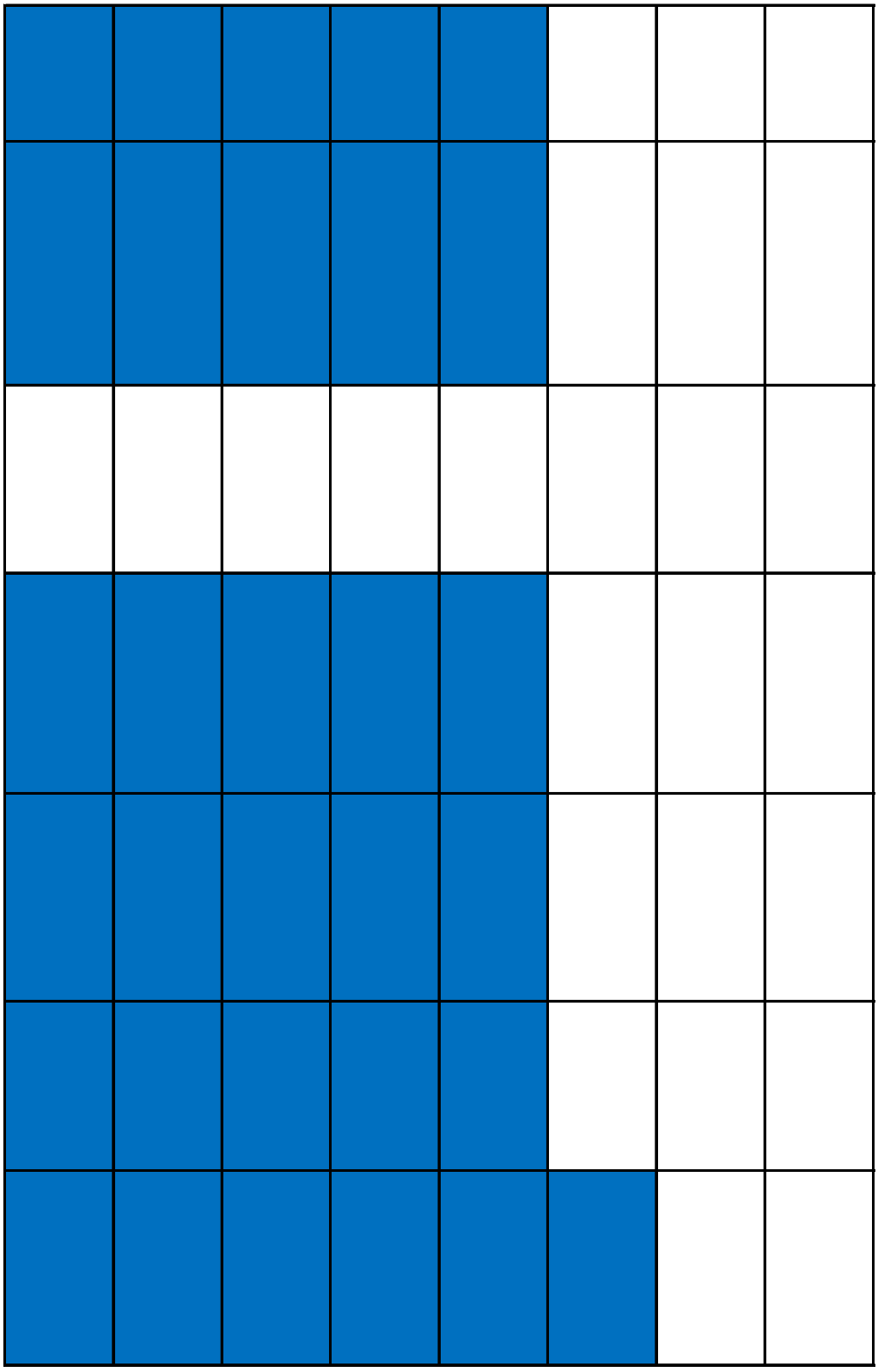


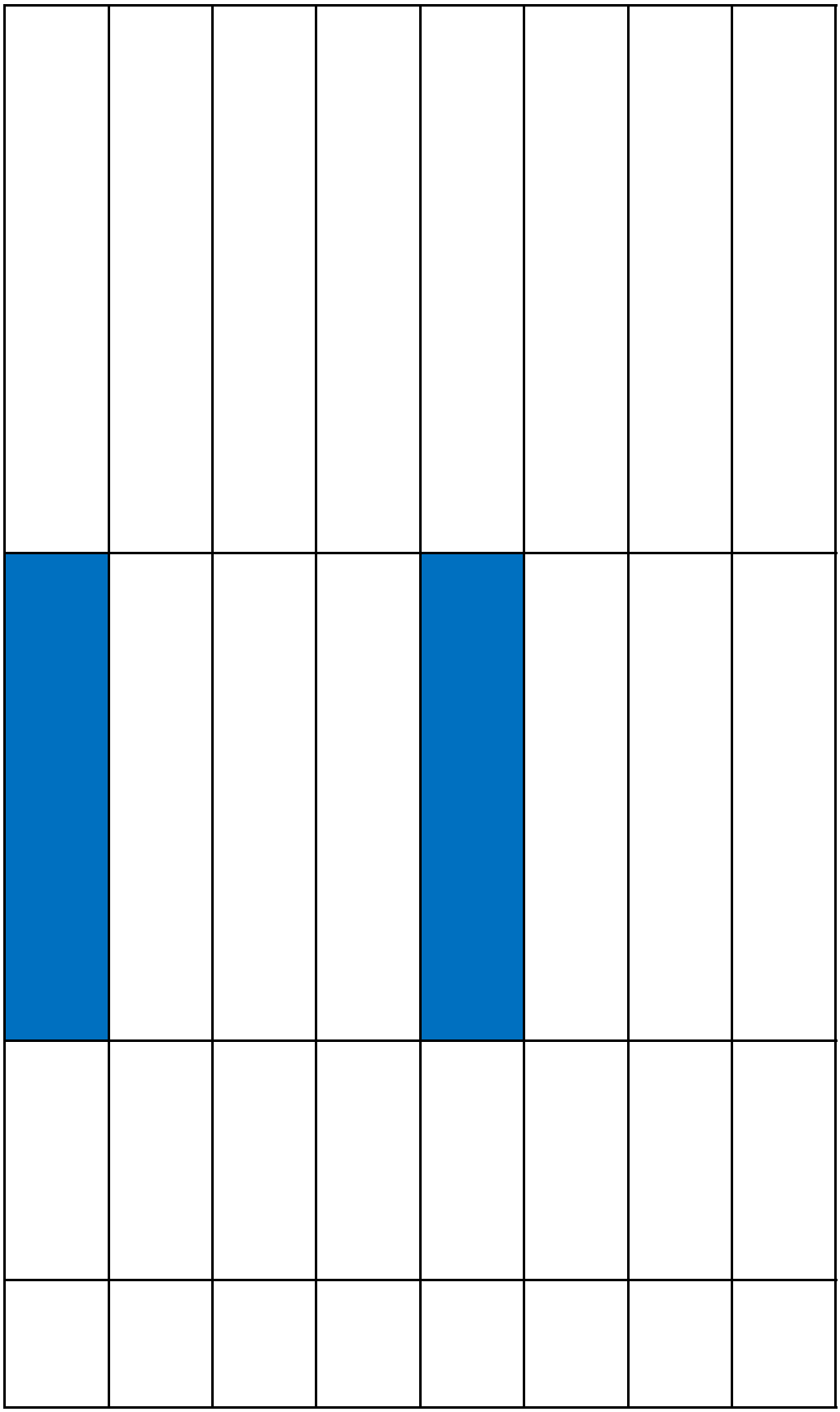
	2030				2031		
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3

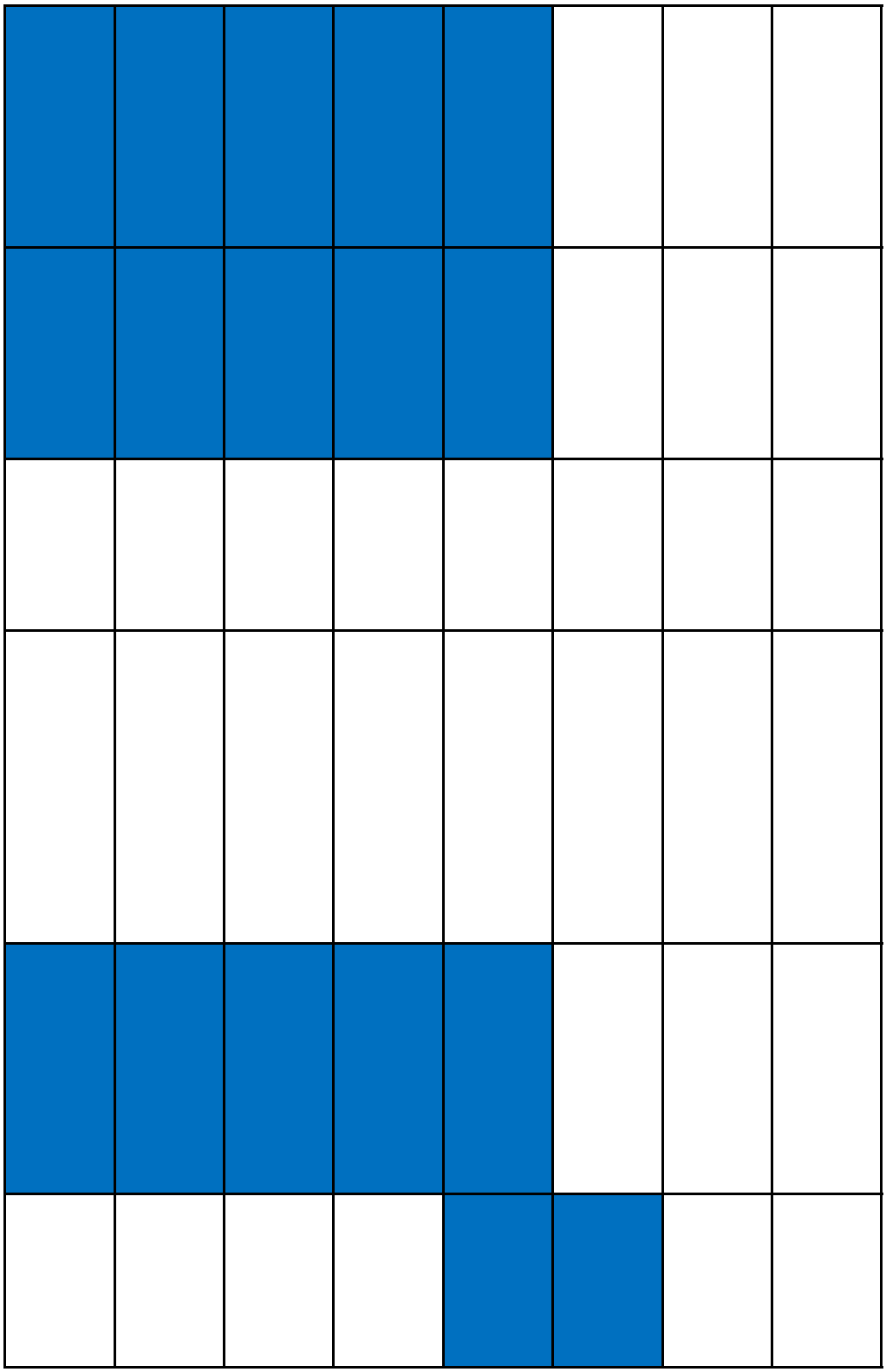


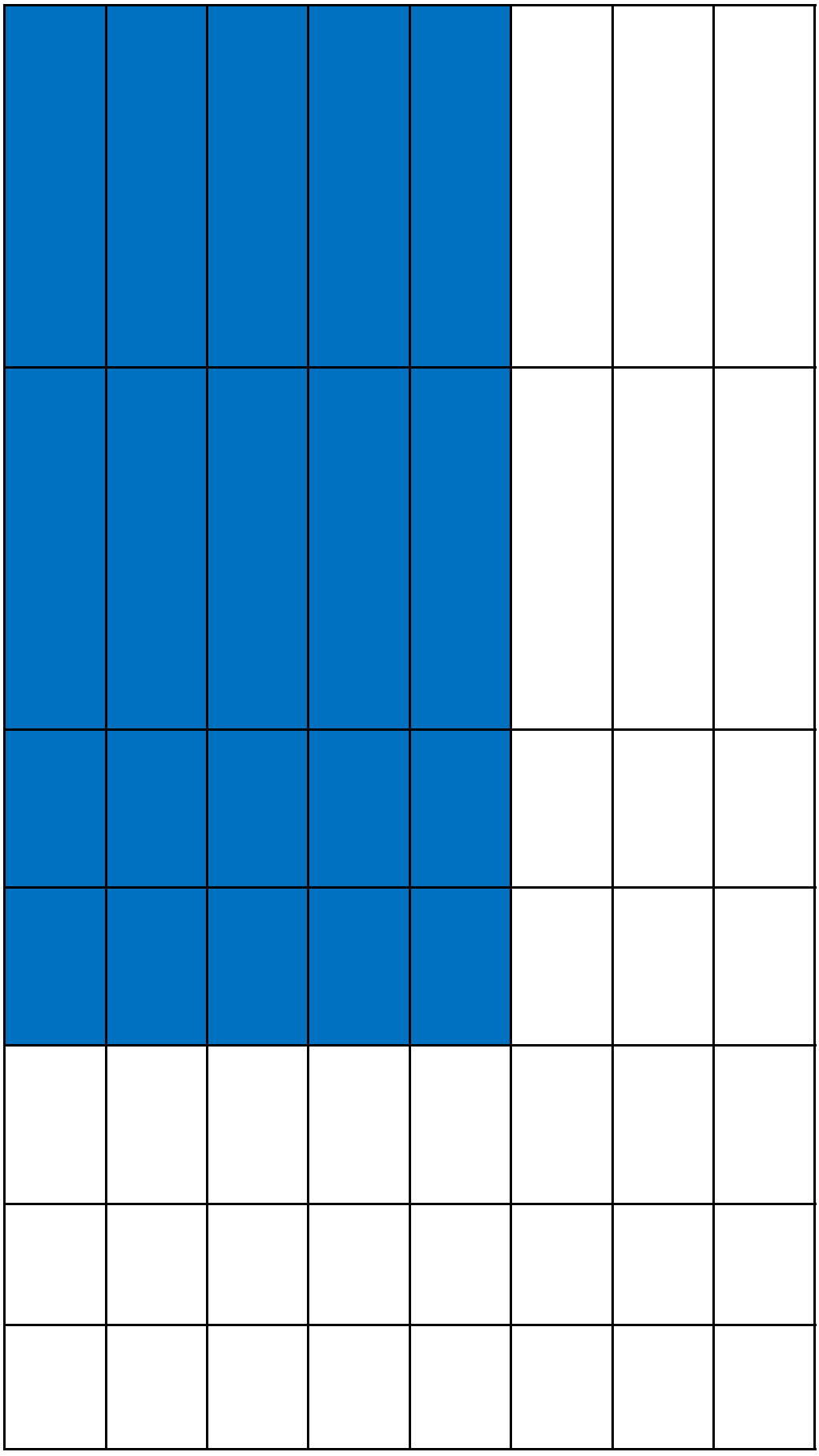


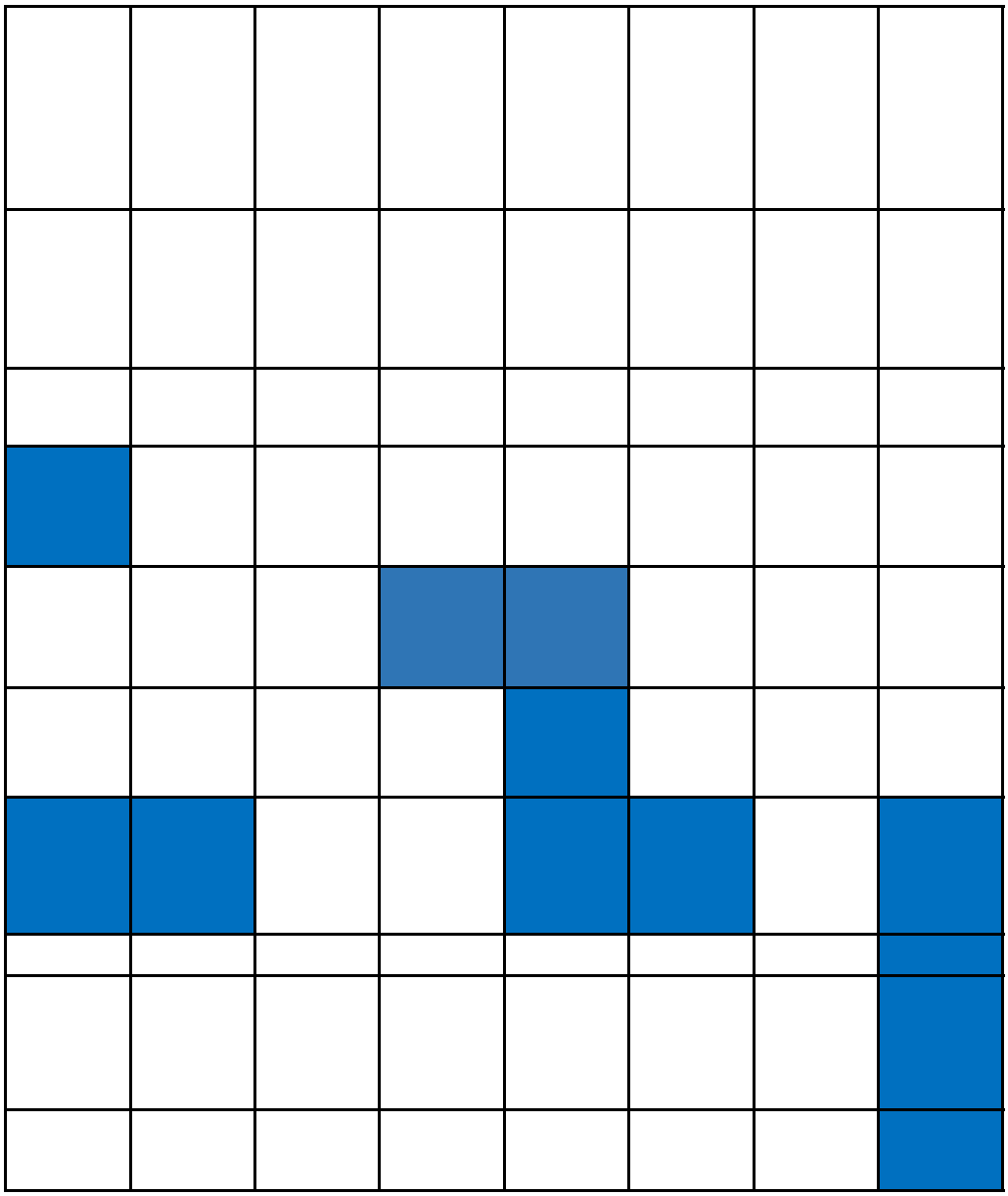












UNDP- AFCIA 2 Project Implementation and Oversight Organigram

Project Oversight

Vertical Fund Hub

- Financial oversight
- Legal Oversight
- Gender Oversight
- Safeguards Oversight
- Procurement Oversight

Head of Climate Adaptation

Regional Technical Advisor (RTA)

Oversight services

Coordination

UNDP Country Office 1

UNDP Country Office 2

UNDP Country Office 3

UNDP Country Office 4

UNDP Country Office 5...etc

Project Management Unit

Project Manager — P3

Finance and Operations Manager — P2

Procurement Analyst (50%) — IPSA P2- 50%

Project Associate /Analyst — IPSA 9

Expert on Climate Resillient Food Sytems — IC

Expert on Disaster Risk Reduction and recovery — IC

Expert on Nature Based Solutions — IC

Impact and Knowledge Reporting Consultant — IC

Learning and KM Coordinator — IPSA 10

Grant Coordinator and Data Analyst — IPSA 10

Partnerships and Investments Specialist — IPSA 11

Business Development Specialist (50%) — IPSA 8- 50%

Communications Specialist — IPSA 9

Gender and Safeguard Analyst — IC

Website consultant (25%) — IPSA 10 (25%)

Regional and International Partners

Responsible Party Agreements (procurement contracts) for specific tasks

Grantee 1 **Grantee 2** **Grantee 3** **Grantee 4** **Grantee 5** **Grantee 6**

Grantee 7 **Grantee 8** **Grantee 9** **Grantee 10** **Grantee 11** **Grantee 12**

Annex 11. Communications and Visibility Strategy

This communications and visibility plan sets out the rationale for communicating, guidelines for donor and partner acknowledgement, and key channels for dissemination. It is an evolving document which considers feedback from key stakeholders and adapts according to the local contexts in which UNDP-AFCIA supported solutions will be operating.

1. Introduction and rationale

This Communications and Visibility Strategy outlines the approach for promoting AFCIA 2. Building on the achievements of AFCIA 1, the strategy seeks to strengthen awareness, visibility and engagement around innovative, locally led adaptation solutions.

All activities will align with UNDP corporate communications policies and the Adaptation Fund's visibility requirements, ensuring that partner contributions are appropriately acknowledged and that communications are clear, inclusive and accessible.

2. Objectives

The key objectives of the Communications and Visibility Strategy are to:

1. Increase visibility of UNDP and AF as leaders in fostering innovate climate adaptation.
2. Highlight community-driven results and success stories from AFCIA grantees.
3. Support knowledge-sharing and South-South, as well as South-North cooperation on innovative adaptation practices.
4. Strengthen stakeholder engagement, including with governments, private sector, academia and civil society.
5. Ensure coherent and consistent branding, messaging and recognition of all partners.

3. Communication approach

Communications will adopt a **solutions-focused, participatory approach**, emphasizing tangible impacts and lessons learned from AFCIA projects.

- **Storytelling and visual content:** Production of high-quality photos, infographics and videos illustrating on-the-ground results.
- **Two-way engagement:** Active collection of feedback and voices from beneficiaries and implementing partners.
- **Strategic timing:** Communications linked to key milestones—project launch, implementation highlights and completion, as well as relevant external events and UNDP engagement strategies.
- **Knowledge integration:** Documentation and dissemination of lessons through briefs, webinars and thematic publications.

4. Target audiences and channels

Target audience	Purpose	Main channels / tools
National and local governments	Raise awareness of AFCIA results and encourage policy integration	Policy briefs, newsletters, media coverage, direct outreach
Private sector and investors	Promote engagement and investment in adaptation innovation	Case studies, partnership events, business forums

Civil society, academia, micro, small and medium enterprises (MSME) and non-governmental organizations (NGO)	Facilitate knowledge-sharing and replication of solutions	Webinars, learning networks, publications
Local communities and beneficiaries	Share stories and ensure feedback mechanisms	Local communication channels, community events and field visits in consultation with UNDP country offices
Donors and partners (Adaptation Innovation Marketplace partners and other AFCIA implementers including UNEP-CTCN, UNIDO, WFP, SPCN)	Ensure visibility and demonstrate added value	Reports, joint events, co-branded materials, social media
Media and general public	Raise awareness of adaptation innovation and human impact	Press releases, feature stories, online articles

5. Communication tools and activities

- **Digital presence:** Continuation of a dedicated AFCIA page on UNDP's adaptation portal; cross-promotion on AF and partner websites.
- **Social media:** Regular posts on X (Twitter) and LinkedIn using the hashtag **#AFCIA**.
- **Knowledge products:** Impact stories, case studies, fact sheets, dashboards, policy briefs, thematic briefs, reports, and others, targeted to different audiences.
- **Events:** Visibility at major adaptation fora (COPs, Adaptation Futures, regional workshops) and partner-led events, as well as global workshops, field visits and others, in line with our engagement plan.
- **Media engagement:** Press releases, interviews and targeted outreach to regional and development media.
- **Internal coordination:** Regular updates and communication toolkits shared with partners and grantees.

6. Partner and donor visibility

All communication products and activities will follow the Adaptation Fund's and UNDP's visibility guidelines.

- Logos of UNDP, AF and other partners will appear on all materials and digital outputs.
- Donor acknowledgements will be included in written and audio-visual content.
- Partners will be tagged in social media posts and invited to participate in events.
- Grantees will receive simplified guidance and templates to ensure compliance at project level.

7. Coordination and implementation

A dedicated **Communications Specialist** will coordinate implementation of the communication plan, working in collaboration with UNDP teams, AF and AIM partners. The specialist will also support with capacity building for grantees regarding communication materials to ensure consistency across communication platforms and channels (social media, websites, etc).

8. Monitoring and evaluation

Communications activities will be monitored annually through:

- Number and reach of outputs (media articles, social media posts, web stories);
- Participation in knowledge-sharing events;
- Partner feedback and qualitative assessments of visibility impact;
- Case studies demonstrating communications' contribution to uptake and scaling.

Findings will inform adaptive adjustments in annual communication and knowledge plans to enhance outreach and impact.

9. Resources

An indicative budget will be allocated to cover:

- Communications staffing (consultant/specialist);
- Content production (multimedia, design, editing, translation);
- Dissemination (web, media and event participation);
- Capacity support to grantees.

The communications budget will be managed within the overall project coordination and knowledge-management component.

Annex 12. Detailed Project Background and Context

1. Problem Statement:

The Global South bears a disproportionate share of climate impacts despite minimal historical responsibility for emissions.[1] Least Developed Countries (LDCs) and Small Island Developing States (SIDS) collectively account for less than 4% of global greenhouse gas emissions—LDCs approximately 1–3%, SIDS <1%, and Africa around 3.6–4%—yet these regions face escalating climate hazards with constrained fiscal space and limited adaptive capacity[2][3][4]. As global temperatures approach 1.5 °C above pre-industrial levels, they are already confronting intensifying heat stress, hydrological extremes, sea-level rise and ecosystem degradation that threaten lives, livelihoods, fiscal stability and long-term development gains[5][6].

Within these countries, vulnerability is multidimensional and intersectional. Vulnerable groups—including women, youth, indigenous peoples, ethnic minorities, persons with disabilities, migrants and the urban poor—experience heightened exposure and reduced adaptive capacity due to structural inequalities in land tenure, finance, information access and decision-making[7][8]. Gendered roles in water and food provisioning, unpaid care burdens during disasters and systematic exclusion from governance amplify these risks[9]. These climate stresses interact with existing economic and social fragilities—high poverty, informality, limited social protection and under-resourced public services—to deepen inequality and constrain development choices.

On paper, adaptation ambition has advanced: While most countries have submitted Nationally Determined Contributions (NDCs) and many have initiated National Adaptation Plans (NAPs), progress remains slow due to systemic barriers—fragmented governance, weak institutional capacity and insufficient finance[10][11]. Fragmented governance, weak institutional capacity, short project cycles and patchy knowledge-sharing ecosystems mean that climate risks are not systematically translated into bankable, locally grounded adaptation pipelines. Indigenous knowledge and community innovations are often overlooked, resulting in misaligned interventions and limited sustainability. The result is a widening gap between planning and delivery, particularly in LDCs, SIDS and fragile states.

This gap is reinforced by a severe and growing shortfall in adaptation finance, and by the way existing finance is structured and allocated. Global adaptation finance reached about US$63 billion in 2021–2022—just 5% of total climate finance—against needs of approximately US$212 billion per year by

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1 Nationally Determined Contributions (NDC) Global Outlook Report 2021 The State of Climate Ambition United Nations Development Programme. (2021). [online] United Nation Development Programme, p.12. Available at: https://climatepromise.undp.org/sites/default/files/research_report_document/State%20of%20Climate%20Ambition.pdf

[2] Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. IPCC Sixth Assessment Report. https://www.ipcc.ch/report/ar6/wg2/

[3] United Nations Conference on Trade and Development. (2021). Trade and Environment Review 2021: Trade-climate readiness for developing countries. https://unctad.org/publication/trade-and-environment-review-2021

[4] International Energy Agency. (2025). Global Energy Review 2025. https://www.iea.org/reports/global-energy-review-2025

[5] World Meteorological Organization. (2024). *State of the Global Climate 2024*. WMO. Retrieved from https://public.wmo.int/en/resources/state-of-global-climate

[6] Intergovernmental Panel on Climate Change. (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability*. IPCC Sixth Assessment Report. Retrieved from https://www.ipcc.ch/report/ar6/wg2/

[7] World Resources Institute. (2021). *State of Climate Action 2021: Systems Transformations Required to Limit Global Warming to 1.5°C*. Retrieved from https://www.wri.org/research/state-climate-action-2021

[8] Steinbach, D., Bahadur, A., Shakya, C., et al. (2022). *The good climate finance guide for investing in locally led adaptation*. IIED. Retrieved from https://www.iied.org/21231iied

[9] PinhoGomes-, A.-C., & Woodward, M. (2024). *The association between gender equality and climate adaptation across the globe*. *BMC Public Health*, 24, Article 1394. Retrieved from https://bmcpublichealth.biomedcentral.com/articles/10.1186/s12889-024-18880-5

[10] United Nations Environment Programme. (2024). *Adaptation Gap Report 2024: Come hell and high water*. UNEP. Retrieved from https://www.unep.org/resources/adaptation-gap-report-2024

[11] Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. IPCC Sixth Assessment Report. Retrieved from https://www.ipcc.ch/report/ar6/wg2/

2030 and approximately US$310–365 billion by 2035 for developing countries alone.[12] International public adaptation flows to developing countries were approximately US$28 billion in 2022 and approximately US$26 billion in 2023, far below the Glasgow pledge to double 2019 levels by 2025. Distributional inequities are stark: LDCs have received less than 3% of tracked adaptation finance, and the ten most climate-affected countries (2000–2019) received under 2% of total climate finance; fragile and conflict-affected states remain severely underfunded despite acute vulnerability[13][14][15].

At the same time, the very actors best placed to deliver context-specific, scalable adaptation solutions remain trapped in a "missing middle". Community-based organizations, micro, small and medium enterprises (MSMEs) and social enterprises—critical for context-specific, scalable solutions—are often too large for micro-grants yet too early-stage for commercial investment, and too unconventional for traditional development funding.[16][17][18].This structural gap limits innovation diffusion and scalability. Risk-averse funding modalities, rigid eligibility criteria and limited risk-sharing mechanisms mean that responsible risk-taking and the testing of novel approaches are the exception rather than the norm. Promising local innovations therefore struggle to move from idea and pilot to replication and scale, even where they directly address documented climate risks and vulnerable groups.

The desired future is one in which adaptation finance is significantly scaled up, predictable and better targeted: where LDCs, SIDS and fragile states receive a fair share of resources commensurate with their needs; where local and non-traditional actors—including women-, youth- and indigenous-led organisations, MSMEs and social enterprises—can access flexible, appropriately structured, risk-tolerant capital and tailored technical support; and where institutions and knowledge systems are configured to reward learning, responsible experimentation and the uptake of successful innovations. In that future, climate-vulnerable communities are not merely recipients of projects but co-designers and implementers of adaptation pathways that safeguard their economies, societies and ecosystems.

Development challenges to be addresses ("the Problem")

The core problem AFCIA 2 aims to solve is therefore the gap between this desired future and the current reality: climate-vulnerable countries and communities in global south, LDCs and SIDS—and the diverse innovation actors who are best positioned to serve them—lack accessible, adequately scaled and appropriately structured adaptation finance, alongside the enabling conditions and risk-sharing mechanisms needed to design, test and scale locally led, innovative adaptation responses at the speed and scale demanded by accelerating climate risks.

Therefore, **AFCIA 2** will be designed to directly confront the systemic challenges hindering climate adaptation in Least Developed Countries (LDCs), Small Island Developing States (SIDS), and other vulnerable regions. These areas face escalating climate hazards despite contributing minimally to global emissions, and they remain severely underfunded and underserved in global adaptation efforts.

At the heart of AFCIA 2 is a commitment to bridging the "missing middle"—the structural gap where community-led, early-to mid-growth solutions are too large for micro-grants or micro-finance, too nascent for commercial investment, and too unconventional for traditional development finance. This

12Climate Policy Initiative (2023). Global Landscape of Climate Finance 2023. [online] CPI. Available at: https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[13] Christian Aid. (2024). Annual Report 2024. Retrieved from https://www.christianaid.org/wp-content/uploads/2025/04/FY24-Corporate-Annual-Report.pdf

[14] Watson, C. (2025). Revitalising finance for adaptation: What role for the multilateral climate process? ODI Working Paper. Retrieved from https://odi.org/en/publications/revitalising-finance-for-adaptation-what-role-for-the-multilateral-climate-process/

[15] Shawoo, Z., Browne, K., Canales, N., & Nazareth, A. (2025). Assessing the distributive equity of adaptation finance: A framework. Climate Policy. https://doi.org/10.1080/14693062.2025.2456552 Retrieved from https://www.tandfonline.com/doi/pdf/10.1080/14693062.2025.2456552

16 Uncdf.org. (2021). *Addressing the 'missing middle' challenge in least developed countries By Anders Berlin and Abdul-Rahman Lediju*. [online] Available at: https://www.uncdf.org/article/6520/addressing-the-missing-middle-challenge-in-least-developed-countries? [Accessed 6 Jul. 2025]

[17] United Nations Capital Development Fund. (2024). UNCDF Annual Report 2024: Unlocking finance for local development. Retrieved from https://www.uncdf.org/article/1234/annual-report-2024

[18] SEED. (2024). SEED Annual Report 2024: Accelerating green and inclusive enterprises. Retrieved from https://seed.uno/publications/annual-report-2024

gap stifles innovation, limits scalability, and excludes the very actors—grassroots organisations, MSMEs, and social enterprises—who are best positioned to deliver context-specific, locally grounded adaptation.

AFCIA 2 also addresses distributional inequities in adaptation finance. Despite their acute vulnerability, LDCs and fragile states receive a disproportionately small share of climate finance, and marginalized groups—including women, youth, indigenous peoples, persons with disabilities, and the urban poor—are often excluded from decision-making and resource allocation. AFCIA 2 prioritizes inclusive innovation ecosystems that elevate these voices and ensure their leadership in adaptation efforts.

Recognising that vulnerability is multidimensional and intersectional, AFCIA 2 invests in strengthening local capacities, promoting gender-responsive approaches, and integrating Indigenous and community knowledge. It seeks to overcome enabling environment constraints such as short project cycles, fragmented knowledge-sharing, and weak institutional support, which have historically undermined the effectiveness and sustainability of adaptation interventions.

By building on lessons from AFCIA 1, the AFCIA 2 aims to accelerate the replication and integration of impactful solutions into broader systems. It supports faster, more equitable progress toward climate resilience—empowering vulnerable communities not just to adapt, but to lead. Given the above scenario project will focus on three key thematic areas.

3. Global and Regional Climate Change Scenarios

3.1. Climate Risk and Climate Change Vulnerabilities

Global context.

Climate change is pushing Earth's systems toward dangerous tipping points and exceeding their capacity to adapt. Many critical ecosystems – from tropical coral reefs and coastal wetlands to mountain glaciers and low-lying islands – are already nearing or surpassing their "hard" adaptation limits[19]. Above about 1.5 °C of warming, the frequency and intensity of climate extremes (heatwaves, droughts, wildfires, cyclones, floods, etc.) rise sharply[20]. These extremes increasingly hit together or in succession, so that concurrent heat, drought and storm events cascade through infrastructure, food and water systems, health services and natural ecosystems. In practice, this means physical shocks compound one another and amplify impacts – for example, floods on top of storms or fires during heatwaves can overwhelm relief efforts and damage multiple systems at once. Crucially, these escalating hazards tend to hit the poorest and vulnerable communities hardest. Inequity and poverty limit adaptive capacity, so that low-income, vulnerable groups face far greater exposure and fewer means to cope[21]. In other words, intensifying climate hazards directly magnify socio-economic vulnerability, linking the physical threats of warming to the human development risks that follow.

Climate change is therefore not only an ecological challenge, but also a socio-economic challenge. The world's poorest populations, particularly in the Global South, bear a disproportionate share of climate impacts. Nearly 80% of the global poor (≈887 million people) live in regions exposed to hazards such as heatwaves, flooding, drought, and air pollution[22]. In low- and middle-income countries, successive shocks have reversed development gains: pandemics, conflicts, and climate disasters pushed 23 million more people into extreme poverty and 100 million more into hunger in

[19] IPCC. (2022). Summary for Policymakers. *www.ipcc.ch*. IPCC. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/chapter/summary-for-policymakers/

[20] IPCC. (2018). Summary for Policymakers — Global Warming of 1.5 °C. *IPCC*. Retrieved November 8, 2025, from https://www.ipcc.ch/sr15/chapter/spm/

[21] IPCC. (2022b). Summary for Policymakers. *www.ipcc.ch*. IPCC. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/chapter/summary-for-policymakers/

22 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025b). (pp. 14–16).

Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

2022 compared to 2019[23]. About 83% of all poor people live in two regions—Sub-Saharan Africa (565 million) and South Asia (390 million), both climate hotspots[24]. Figure 1 illustrates the quantum of climate hazard. In South Asia, 99% of the poor face at least one climate hazard, and more than half face multiple hazards simultaneously[25].

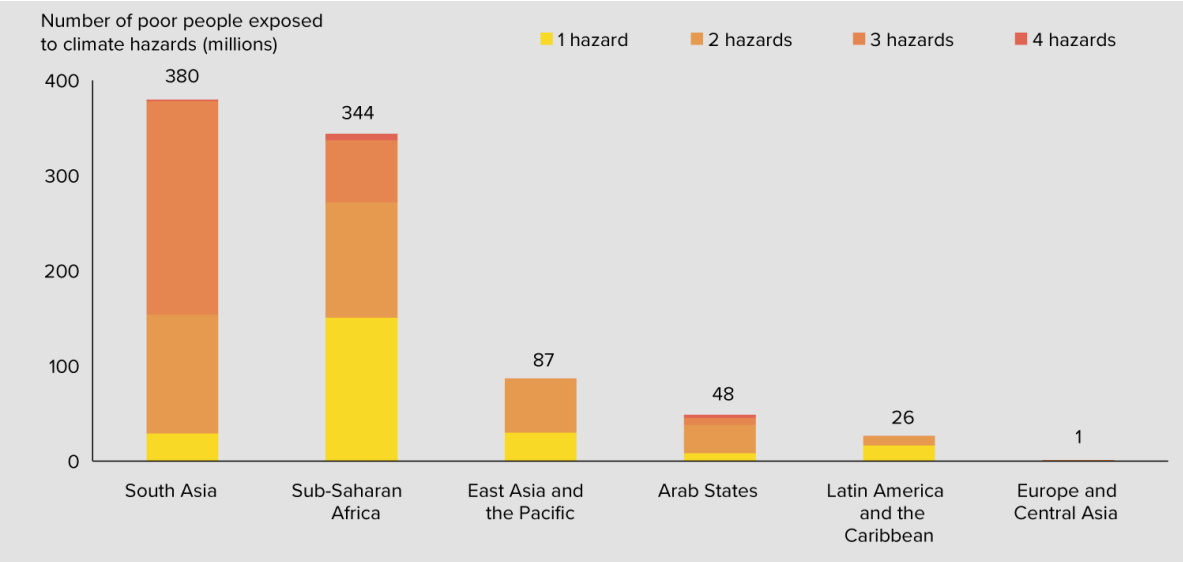


Figure 1: Millions of poor people in South Asia and sub-Saharan Africa are exposed to concurrent climate hazards

Source: Global Multidimensional Poverty Index 2025, UNDP

The adaptation finance gap is stark. Developing countries need USD 310–365 billion annually for adaptation by 2035, yet in 2023, only USD 26 billion in public adaptation funds reached them—roughly 12–14 times less than required[26]. Global adaptation finance totalled just USD 63 billion (≈5% of climate finance), far below the USD 212 billion per year needed by 2030[27]. Most of these scarce resources flow

23 United Nations. (2024b). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 3). Retrieved November 8, 2025, from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

24 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025c). (p. 3). Retrieved from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

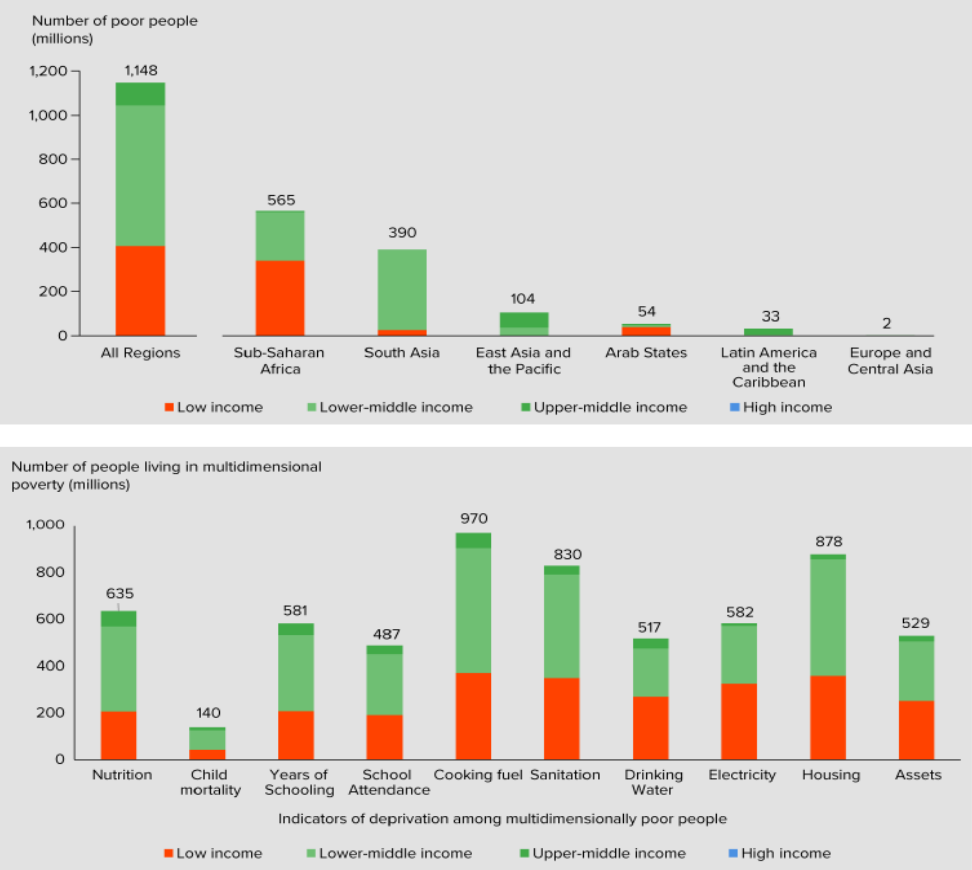
25 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025d). (p. 18). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

26 Environment, U. (2025). Adaptation Gap Report 2025. *UNEP - UN Environment Programme*. Retrieved November 8, 2025, from https://www.unep.org/resources/adaptation-gap-report-2025

27 Buchner, B., Naran, B., Padmanabhi, R., Stout, S., Strinati, C., Wignarajah, D., Miao, G., et al. (2023). *Global Landscape of Climate Finance 2023 AUTHORS* (p. 6). Retrieved November 8, 2025, from https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf

to richer economies: LDCs have received under 3% of adaptation finance, and the most climate-vulnerable countries under 2%[28].

The interplay of poverty and climate risk deepens vulnerability. The latest UNSDG report warns that *"climate change is hindering poverty reduction, and disasters result in millions of households becoming poor or remaining trapped in poverty"*[29]. Food insecurity is rising as record-high prices—partly driven by climate shocks—worsen access to nutrition globally. About 65% of poor people live in middle-income countries, underscoring that hunger and vulnerability persist even where nations are not classified as "low income"[30]. Upper-middle-income countries have fewer poor people in absolute terms. But their exposure to climate hazards is disproportionately high—91 percent of poor people in these countries face at least one climate hazard[31]. Figure 2 illustrates that the middle-income countries have become the hidden epicentre of multidimensional poverty.



28 Buchner, B., Naran, B., Padmanabhi, R., Stout, S., Strinati, C., Wignarajah, D., Miao, G., et al. (2023). *Global Landscape of Climate Finance 2023 AUTHORS* (p. 6). Retrieved November 8, 2025, from https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Global-Landscape-of-Climate-Finance-2023.pdf

29 United Nations. (2024c). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 8). Retrieved November 8, 2025, from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

30 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025e). (p. 6). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

31 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025f). (p. 18). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

Figure 2: Middle-income countries have high shares of people in poverty across regions and types of deprivation
Source: Global Multidimensional Poverty Index 2025, UNDP)

Socio-economic factors compound these risks. Vulnerable groups—women, youth, indigenous peoples, ethnic minorities, persons with disabilities, migrants, and the urban poor—consistently lack adaptation support and voice. Women shoulder disproportionate unpaid care work, limiting resilience, while indigenous knowledge is often excluded from planning. Children under 18 make up just 33.6% of the population covered by the global MPI. Yet they account for 51% of people in multidimensional poverty. Among all children, 28% live in multidimensional poverty, more than double the rate among adults (13.5%)[32]. Many communities—such as informal urban settlements, remote villages, and nomadic pastoralists—already lack access to finance, markets, education, and services, leaving them highly exposed to climate threats.

Taken together, the evidence is clear: climate shocks are now intertwined with development challenges. Asia and Africa are epicentres of overlapping poverty and hazards, while even middle-income and urban populations face growing risks (e.g., heat in cities, coastal floods). The result is a vicious cycle: poor households and marginalised and vulnerable communities have fewer resources to adapt, so climate disasters deepen poverty and inequality. Closing this gap requires scaling up inclusive climate action that prioritises those most at risk.

Regional context:

Africa

Africa is experiencing rapid warming and intensifying extremes across the continent. According to the World Meteorological Organisation, 2024 was the warmest or second-warmest year on record for Africa, with surface temperatures about 0.86°C above the 1991–2020 average; North Africa warmed the fastest (≈1.28°C above that baseline)[33]. Human-driven climate change has already increased heatwaves and hot extremes (high confidence) in Africa. In 2024, extreme heat affected many parts of the continent, disrupting agriculture, reducing labour productivity and even forcing school closures during record heatwaves. Coastal and marine temperatures around Africa have also climbed: sea-surface waters in the Atlantic and Mediterranean reached record highs in 2024, fueling massive marine heatwaves unseen since measurements began[34].

Rainfall patterns are becoming more erratic and extreme. Intense short-duration storms have grown more frequent, causing catastrophic floods in places like the Sahel and East Africa, while other regions face prolonged drought. The WMO notes “exceptional flooding” in some countries from excessive rainfall and “persistent droughts and water scarcity” in others. For example, the drought in north-western Africa has lasted for about six years. A precipitation excess was observed in parts of the Sahel region[35]. Over the Mediterranean and Sahara margins, declining precipitation has increased aridity – the balance of evaporation over rainfall – exacerbating water stress in North Africa[36]. In contrast, East African highlands and parts of the Sahel have seen more intense downpours, consistent with warming-driven increases in atmospheric moisture and heavy rainfall

32 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025g). (p. 6). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

[33] Extreme weather and climate change impacts hit Africa hard. (2025, May 7). *World Meteorological Organization*. Retrieved November 8, 2025, from https://wmo.int/news/media-centre/extreme-weather-and-climate-change-impacts-hit-africa-hard

[34] [34] Extreme weather and climate change impacts hit Africa hard. (2025, May 7). *World Meteorological Organization*. Retrieved November 8, 2025, from https://wmo.int/news/media-centre/extreme-weather-and-climate-change-impacts-hit-africa-hard

[35] WMO. (2024). *State of the Climate in Latin America and the Caribbean 2024 WEATHER CLIMATE WATER State of the Climate in Africa 2024* (p. 5). Retrieved November 8, 2025, from https://wmo.int/sites/default/files/2025-05/Africa_2024final1.pdf

[36] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

intensity[37] [38]. Meanwhile, southern Africa has seen both record-breaking cyclones and multi-year droughts – trends that, under warming scenarios, will yield fewer but stronger tropical storms and more frequent multiyear droughts[39] [40].
Africa's long coastline and rapidly growing coastal cities are also at rising risk. Relative sea level is projected to climb by many tens of centimetres by 2100, threatening shorelines from the Nile Delta to West African coasts. One IPCC assessment estimates that 108–116 million Africans will be exposed to sea-level rise by 2030 (up from approximately54 million in 2000), growing to 190–245 million by 2060[41]. Storm surges and coastal flooding driven by higher seas and more intense cyclones compound these threats to low-lying cities and infrastructure. By mid-century, the damages from sea-level rise and coastal storms could reach tens of billions of dollars for African coastal megacities[42] [43].

These climatic shifts compound existing social and economic vulnerabilities. As WMO warns, "extreme weather and climate change impacts are hitting every single aspect of socio-economic development in Africa and exacerbating hunger, insecurity and displacement". In practice, higher temperatures and erratic rain hurt rainfed agriculture, food and water security, and public health. For example, intense heat in 2024 disrupted planting and harvest seasons and forced schools to close; heavy rains wrecked crops and infrastructure; and prolonged drought cut hydropower and water supply. Consequently, Africa's rapid warming, stronger heatwaves, heavier floods and deeper droughts set the stage for the socio-economic crises to follow. These climate pressures will amplify poverty, food insecurity and conflict in the region's vulnerable communities.

Africa is home to the largest concentration of climate-vulnerable people. Sub-Saharan Africa, with only 18.7% of the 6.3 billion people covered by the global MPI, accounts for nearly half of all people in acute multidimensional poverty: 49% or 565 million people[44]. Extreme weather is worsening: Sahelian droughts have devastated rainfed agriculture, the Horn of Africa sees repeated failed rains, and Southern Africa faces intensifying cyclones. Smallholder farmers and pastoralists (especially women and youth) bear the brunt: according to the SDG Report 2024, in 95% of countries, small-scale producers earn less than half the income of large farmers, making them extremely sensitive to price shocks and yield losses[45]. Water scarcity is acute in North and parts of Southern Africa. Food crises and locust swarms have plagued the region recently, threatening already low food security. Fragile states (e.g. Somalia, South Sudan) compound risks with conflict and weak institutions. A recent example of such conflict can be seen in Sudan, where clashes between the Sudanese Armed Forces (SAF) and the paramilitary Rapid Support Forces (RSF) have resulted in the displacement of 12.7 million people. This violence has exacerbated the already severe food insecurity, leaving 24.6 million Sudanese facing acute hunger, with 637,000 people on the verge of famine[46].

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[37] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[38] WMO. (2024). *State of the Climate in Latin America and the Caribbean 2024 WEATHER CLIMATE WATER State of the Climate in Africa 2024* (p. 5). Retrieved November 8, 2025, from https://wmo.int/sites/default/files/2025-05/Africa_2024final1.pdf

[39] WMO. (2024). *State of the Climate in Latin America and the Caribbean 2024 WEATHER CLIMATE WATER State of the Climate in Africa 2024* (p. 5). Retrieved November 8, 2025, from https://wmo.int/sites/default/files/2025-05/Africa_2024final1.pdf

[40] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[41] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[42] IPCCC. (n.d.). Chapter 9. *IPCC Sixth Assessment Report*. Retrieved November 8, 2025, from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter09.pdf

[43] WMO. (2024). *State of the Climate in Latin America and the Caribbean 2024 WEATHER CLIMATE WATER State of the Climate in Africa 2024* (p. 5). Retrieved November 8, 2025, from https://wmo.int/sites/default/files/2025-05/Africa_2024final1.pdf

44 *Overlapping Hardships: Poverty and Climate Hazards MULTIDIMENSIONAL POVERTY INDEX 2025*. (2025h). (p. 7). Retrieved November 8, 2025, from https://hdr.undp.org/system/files/documents/global-report-document/mpireport2025en.pdf

45 United Nations. (2024d). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 11). Retrieved November 8, 2025, from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

46 United Nations. (2024e, September 16). The Sudan Conflict. *UN News*. Retrieved November 8, 2025, from https://news.un.org/en/focus/sudan-conflict

Economically, Africa's growth is slowing: for the first time this century, half of Africa's most vulnerable countries are growing more slowly than wealthy economies. Among the world's 75 most vulnerable countries – those eligible for concessional financing from the World Bank's International Development Association, over half of which are in Africa[47] – around one in four people live on less than US$2.15 a day, an extreme poverty rate more than eight times higher than in the rest of the world[48]. Furthermore, despite a falling working poverty rate, more than half of workers living in extreme poverty were still in sub-Saharan Africa (145 million)[49]. Working poverty disproportionately affects some groups. Globally, youth are twice as likely as adults to be in working poverty. Women typically experience higher working poverty rates than men, with the most pronounced gender gap observed in the least developed countries (LDCs). Underinvestment in rural infrastructure and social protection means climate shocks easily push people into hunger and debt. Innovation ecosystems remain nascent: while entrepreneurship is growing (e.g. tech hubs), financing is scarce. Many local climate-adaptation startups are trapped in the "missing middle" – too large for micro-finance or grants and too small or risky for commercial finance[50].

Arab States (MENA)

Arab States (MENA): Arab League countries – from the wealthy Gulf monarchies to the Maghreb and Mashreq – are warming at alarming rates, roughly twice the global average[51]. Extreme heat is becoming the "new normal," with heatwaves intensifying and land aridity increasing. As UNDP notes, "temperatures in the Arab States region are increasing twice as fast as the global average," driving frequent droughts and water scarcity. In fact, today the region contains 14 of the world's 20 most water-stressed countries. By mid-century, all Arab countries are expected to live under "extremely high" water stress, which could slash regional GDP by up to approximately14% by 2050[52] [53]. Nearly half of the region's farmland is already degraded by soil erosion, salinisation or nutrient loss. The combined effect is a harsher desertification trend: staple agriculture faces steep productivity declines, threatening food security for millions.

Although the climate is drying on average, rainfall is becoming more erratic and extreme. Satellite data confirm that when desert storms hit, they can pour massive amounts of rain in a short time[54] (Figure 3). For example, a September 2024 extratropical cyclone drenched parts of NW Africa (Morocco, Algeria, Tunisia, Libya) with up to 200+ mm in days – the equivalent of a whole year's rain. These cloudbursts trigger flash floods and mudflows in cities and wadis that lack drainage. The Sept 2023 Derna disaster is emblematic: Storm Daniel's approximately150–240 mm deluge overwhelmed

47 IDA Borrowing Countries | What is IDA? | International Development Association - World Bank. (n.d.). *ida.worldbank.org*. Retrieved November 8, 2025, from https://ida.worldbank.org/en/about/borrowing-countries

48 United Nations. (2024f). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 8). Retrieved from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

49 United Nations. (2024g). *The Sustainable Development Goals Report 2024*. *United Nations* (p. 8). Retrieved November 8, 2025, from https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf

50 Advisors, I. (2025). *The case of missing middles: Gaps in the development finance landscape, and UNCDF's positioning in it*. Retrieved November 8, 2025, from https://isfadvisors.co/wp-content/uploads/2025/08/ISF-UNCDF-Position-Paper.pdf

51 UNDP. (2023). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

52 Hall, N. (2024, March 22). Surviving Scarcity: Water and the Future of the Middle East. *features.csis.org*. Retrieved from https://features.csis.org/surviving-scarcity-water-and-the-future-of-the-middle-east/

53 UNDP. (2023). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

54 A Deluge for the Sahara. (2024, September 13). *Nasa.gov*. NASA Earth Observatory. Retrieved from https://www.earthobservatory.nasa.gov/images/153320/a-deluge-for-the-sahara

two ageing dams, unleashing 30 million m³ of water onto Derna's streets. The result was catastrophic: an estimated 11,000–24,000 people killed or missing, and vast displacement[55]. (Nearly two years later, Derna still lacks basic water/sanitation infrastructure.) Across the region, urban and rural poor bear the brunt: informal settlements and slums (e.g. around Cairo, Amman, Tripoli) flood easily and lack cooling infrastructure, making heatwaves and sudden storms especially deadly.

The IPCC and regional scientists warn of "increased extreme precipitation events" even as average rainfall declines. In arid and Mediterranean zones, winters and autumns may see more intense storms, while summers get drier. Evidence from 2023–24 shows climate change is amplifying these extremes. World Weather Attribution analysis confirms that climate warming made events like Storm Daniel up to 50x more likely and 50% more intense than in pre-industrial times. The upshot: arid cities face growing flash-flood hazards amid heat, even as the overall water supply dwindles.

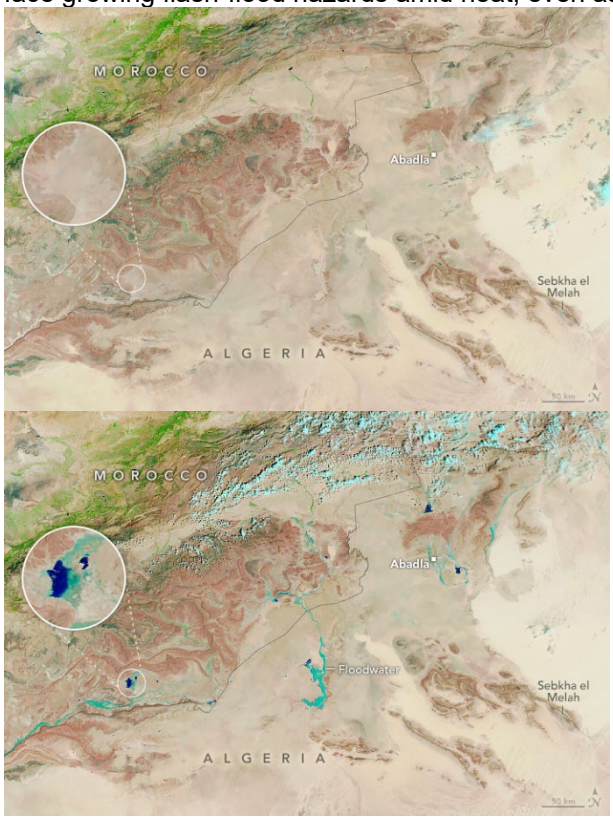


Figure 3: NASA satellite imagery over the Sahara (September 2024) shows widespread floodwater (blue) after an unusually intense storm ("Storm Daniel"). Such rare deluges in hyper-arid regions – which normally see almost no rain – are becoming more common and dangerous. In September 2023, Storm Daniel unleashed torrential rains over Libya, washing away two dams and the city of Derna. Over 10,000 people died or went missing, and thousands more were displaced, underscoring how fragile infrastructure magnifies disaster risk.
(Source: NASA Earth Observatory)

Large low-lying areas and deltas in the Arab region – notably the Nile Delta, Arabian Gulf coasts, and Mediterranean fringes – are highly vulnerable to sea-level rise and storm surges. Currently, about 9%

[55] Murphy, G. (2025, October 16). Two years after Libya's disastrous floods, dam neglect remains a global risk. *International Water Management Institute (IWMI)*. Retrieved from https://www.iwmi.org/news/two-years-after-libyas-disastrous-floods-dam-neglect-remains-a-global-risk/

of the Arab population lives within approximately5 m of sea level, often in densely settled coasts[56]. As seas rise, saltwater is intruding into coastal aquifers and farmland (especially in Egypt's delta). NASA analyses show the Nile Delta's most fertile soils are already being lost: roughly 15% of Egypt's prime farmland has suffered permanent salinisation due to rising seas and subsidence[57]. Rapid urbanisation compounds the problem: cities like Alexandria and Cairo have been expanding onto delta land, eating away at agricultural buffers (Figure 4). Without massive adaptation, millions could be forced to abandon coastal zones in the coming decades – UNDP projects tens of millions region-wide by 2050.



Figure 4: The Satellite imagery shows how much farmland has been lost to development around the city of Alexandria between the 1980s and 2021. (Source: NASA Earth Observatory)

The Arab region's climate risks play out against sharp economic and social divides. Oil-rich Gulf states (e.g. UAE, Saudi Arabia, Qatar) have high per-capita wealth but also astronomical emissions footprints – their per-capita CO_2 levels rank among the world's highest. They are investing in solar and "green" mega-projects, yet still rely heavily on fossil fuels. In contrast, populous Mashreq and Maghreb countries (Egypt, Iraq, Lebanon, Syria, Tunisia, etc.) have far lower incomes and weaker governance. Many suffer from conflict, refugee flows or political fragility, which exacerbate climate impacts. Vulnerable groups – women, rural youth and the poor – are hit especially hard. UNDP notes that women and girls are often "more vulnerable and affected by disasters"[58] and are under-represented in planning. Limited land rights and patriarchal norms in rural areas further curtail

[56] UNDP. (2023b). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

[57] Voiland, A. (2021, December 15). The Nile Delta's Disappearing Farmland. *earthobservatory.nasa.gov*. Retrieved from https://earthobservatory.nasa.gov/images/149183/the-nile-deltas-disappearing-farmland

[58] EL Nahlawy, H. (2023b). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

adaptation options for women and youth. All told, the region's poorest populations face a compounding squeeze: rising heat and water scarcity strain agriculture and jobs, while lack of resources prevents them from coping.

Overall, Arab states suffer "some of the world's fastest warming"[59], yet the region receives among the lowest levels of climate finance in the world. One UNDP analysis finds Arab countries need roughly $600 billion by 2030 to adapt and decarbonise, but received only approximately$35 billion from 2010–2020[60]. Adaptation is especially underfunded: United Nations Economic and Social Commission for Western Asia reports the region still gets 8.5x more loans than grants and about 3.5× more funding for mitigation vs. adaptation[61]. Financial flows are concentrated in a few wealthy states, while fragile or low-income countries see only approximately5% of total climate aid. Credit remains scarce: the region "has the largest gap in access to credit in the world," hampering private investment in green projects. Small and medium enterprises – which make up approximately96% of firms and 50% of jobs – struggle to get financing for clean-tech innovations.

Despite challenges, some Arab states are pushing forward with climate solutions. Gulf countries are pouring resources into renewable energy and nature-based ideas. For example, Saudi Arabia's Saudi Green Initiative and the UAE's Masdar City aim to ramp up solar power, afforestation and carbon reduction. Morocco and Egypt are building world-scale solar farms (e.g. Morocco's Ouarzazate CSP plant) and expanding desalination. UNESCWA notes that almost all Arab countries have updated their NDCs to include ambitious renewable energy and water-conservation targets. National plans consistently highlight water security, agriculture, and renewable energy as priority adaptation sectors. On the ground, innovative projects abound: solar microgrids are empowering rural communities in Jordan, Lebanon and Tunisia, for instance. Youth-driven startups are tackling everything from drip irrigation to waste upcycling across the region.

Nonetheless, implementation lags. Governance bottlenecks – from centralised decision-making to corruption – slow climate action. Many adaptation projects are still piecemeal or donor-driven. A UNDP review points out that climate finance in the Arab states remains "mostly state-driven," and that mobilising private capital is a major hurdle[62]. In sum, the Arab region faces a clear imperative: it must close its financing gap, democratize adaptation planning, and scale up proven technologies (solar, water recycling, climate-smart agriculture) if it is to cope with the intensifying heat, droughts and floods ahead.

Asia Pacific (including SIDS)

Asia–Pacific is a climate hotspot: UNDP Human Development Report warns climate change is a "profound existential threat" to the region. It is home to roughly 60% of the world's population[63] in fast-growing economies (China, India, Southeast Asia) that still rely heavily on coal and oil (about 85% of

[59] EL Nahlawy, H. (2023a). Rising to the challenge: Climate action in the Arab region. *UNDP*. Retrieved November 8, 2025, from https://www.undp.org/arab-states/stories/rising-challenge-climate-action-arab-region

[60] How young people in the Arab States region are shaping climate action. (2024). *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/arab-states/stories/how-young-people-arab-states-region-are-shaping-climate-action

[61] *Needs-based Climate Finance Project Arab States Climate Finance Access and Mobilization Strategy*. (2022). (p. 6). Retrieved November 9, 2025, from https://www.unescwa.org/sites/default/files/event/materials/Arab-States-Climate-Finance-Access-Mobilization-Strategy%20%28English%29-Draft-July2022.pdf

[62] How young people in the Arab States region are shaping climate action. (2024a). *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/arab-states/stories/how-young-people-arab-states-region-are-shaping-climate-action

[63] *Climate, Peace and Environmental Resilience in the Asia-Pacific Region*. (2025). Retrieved from https://weatheringrisk.org/sites/default/files/document/%28Final%29%20Climate%20Peace%20and%20Environmental%20Resilience%20in%20Asia_Pacific_Report_0.pdf

energy). By contrast, vulnerable small islands contribute only approximately 0.01% of global emissions but face “immediate and existential” risks from rising seas and marine heatwaves[64].

Extreme weather already pummels the region. Asia–Pacific averages about six climate disasters per year – roughly double Latin America’s rate and triple Africa’s. In 2022 alone, storms and floods in the region caused approximately 7,500 deaths, affected 64 million people and inflicted approximately $57 billion in damage. Coastal megacities amplify these impacts: six of the world’s largest flood-prone coastal cities (Tokyo, Mumbai, etc.) are here, and about 70% of the global population vulnerable to sea-level rise lives in Asia–Pacific[65]. At the same time, warming is intensifying regional hydrology: heavy monsoon downpours are expected to become much more extreme[66]. The Asia–Pacific region contains some of the world’s highest mountains and most extensive glacier systems. The Tibetan Plateau and surrounding Pamir–Hindu Kush Himalaya (HKH) mountain ranges and the Hengduan, Tien Shan and Qilian mountains encompass 5 million km2 of high mountains, with 100,000 km2 of glaciers. This so-called Third Pole – also sometimes referred to as the water tower of Asia – stores more ice and snow than any other region outside the Antarctic and Arctic. The mountains and glaciers in the Asia–Pacific region are among the most vulnerable to ongoing climatic, societal and environmental changes. Glaciers in the HKH region are disappearing at an alarming rate: 65% faster in 2011–2020 than in the previous decade according to UN World Water Development Report 2025[67]. They are also melting faster than the global average. It has been projected that under global warming scenarios of 1.5–2°C, glacier volume in the HKH region may reduce by 30–50% by 2100. If global warming exceeds 2°C, these glaciers may shrink down to 20–45% of their 2020 volume. These warming and melting trends will cause important changes. Increases in total runoff in the Third Pole region have been projected, with the largest impacts in the monsoon-dominated river basins. For rivers like the Indus where the contributions of glacier- and snow-melt are high, increasing streamflow is expected to peak, then diminish. While impacts vary by river basin, research reiterates the role of glacial melt as a contributor to GLOFs, flash floods and landslides and elevated damage to human settlements, farm and pasture production, transport networks and hydropower energy systems. The risk of GLOFs occurring in the HKH region has been predicted to triple by the end of the century, with a significant number of GLOFs affecting other downstream countries, primarily in the eastern Himalayas.

The human toll is compounded by poverty and inequality. The region holds 60% of the world’s population, including fast-developing economies and huge concentrations of poor people (e.g. India, Bangladesh, Indonesia). Disasters strike frequently: Asia-Pacific sees approximately 6 natural disasters per year on average, roughly twice Latin America’s rate and three times Africa’s[68]. In 2022

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[64] For Asia-Pacific, climate change poses an “existential threat” of extreme weather, worsening poverty and risks to public health, says UNDP report. (2023, December 7). *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/asia-pacific/news/asia-pacific-climate-change-poses-existential-threat-extreme-weather-worsening-poverty-and-risks-public-health-says-undp-report

[65] For Asia-Pacific, climate change poses an “existential threat” of extreme weather, worsening poverty and risks to public health, says UNDP report. (2023, December 7). *UNDP*. Retrieved November 9, 2025, from https://www.undp.org/asia-pacific/news/asia-pacific-climate-change-poses-existential-threat-extreme-weather-worsening-poverty-and-risks-public-health-says-undp-report

[66] *SIXTH ASSESSMENT REPORT*. (n.d.). Retrieved from https://www.ipcc.ch/report/ar6/wg1/downloads/factsheets/IPCC_AR6_WGI_Regional_Fact_Sheet_Asia.pdf

[67] UNESCO. (2025). The United Nations World Water Development Report 2025 - Mountains and glaciers Water towers. *Unesco.org*. Retrieved November 9, 2025, from https://unesdoc.unesco.org/ark:/48223/pf0000393070

68 Akash. (2023, December 7). For Asia-Pacific, climate change poses an “existential threat” of extreme weather, worsening poverty and risks to public health, says UNDP report. *UNDP*. Retrieved November 8, 2025, from https://www.undp.org/asia-pacific/news/asia-pacific-climate-change-poses-existential-threat-extreme-weather-worsening-poverty-and-risks-public-health-says-undp-report

alone, weather disasters caused 7,500 deaths and affected 64 million people in the Asia-Pacific, with damages of USD 57 billion. Poor regions suffer most of this impact. Coastal megacities and small island states are especially exposed: Asia-Pacific contains six of the world's largest flood-prone cities, and about 70% of the global population is at risk from sea-level rise[69].

Poverty trends have improved, but climate risks loom. Over 740 million poor people (65% of Asia's poor) live in middle-income countries, reflecting rising inequality. South Asia (India, Pakistan, Bangladesh) is a hotspot: almost all of its 380 million poor face climate hazards, including intensified monsoon floods and heatwaves. Water stress is mounting: the Hindu Kush–Himalaya glaciers retreat, threatening irrigation; island nations confront saltwater intrusion. Moreover, climate change compounds health risks (disease vectors, air pollution) and triggers migration: Asia accounted for 70% of the 32.6 million global disaster displacements in 2022.

Innovation in the region varies widely. East Asia (China, Korea, Japan) has significant R&D and climate-tech firms, while South Asia has growing start-ups but limited patient capital. Pacific SIDS (Sustainable Development Goals figures warn LDCs in the Pacific) often lack local innovation capacity, relying on external technology. Overall, Asia-Pacific's "existential threat" requires drastically scaled climate-smart development.

Europe and Central Asia (ECA)

Across Europe and Central Asia, climate hazards are intensifying. Heatwaves have grown more frequent and severe in all sub-regions, while precipitation patterns are shifting – winters are wetter in the north and summers drier around the Mediterranean[70]. These changes fuel compound extremes, such as concurrent heatwaves and droughts that heighten wildfire and crop-failure risks[71].

Despite relatively lower overall poverty in ECA than in other parts of the world, stark disparities persist. Central Asian republics and the Caucasus are especially at risk, facing glacier retreat, chronic drought, and competition over dwindling water supplies. Recent droughts have slashed agricultural yields by 30–40% in parts of Central Asia[72], spurring food and water crises. Vanishing glaciers and reduced river flows are already stoking tensions over shared waters like the Fergana Valley[73]. Rural mountain communities – pastoralists and subsistence farmers in the Pamirs, Tien Shan or Caucasus – are also highly vulnerable, as erratic rainfall and thawing permafrost trigger floods and landslides in

69 Akash. (2023, December 7). For Asia-Pacific, climate change poses an "existential threat" of extreme weather, worsening poverty and risks to public health, says UNDP report. *UNDP*. Retrieved November 8, 2025, from https://www.undp.org/asia-pacific/news/asia-pacific-climate-change-poses-existential-threat-extreme-weather-worsening-poverty-and-risks-public-health-says-undp-report

[70] *SIXTH ASSESSMENT REPORT Regional fact sheet -Europe*. (n.d.). Retrieved from https://www.ipcc.ch/report/ar6/wg1/downloads/factsheets/IPCC_AR6_WGI_Regional_Fact_Sheet_Europe.pdf

[71] Regional trends in extreme events in the IPCC 2021 report. (2022, March 21). *World Meteorological Organization*. Retrieved from https://wmo.int/media/magazine-article/regional-trends-extreme-events-ipcc-2021-report

[72] Climate change poses major security risks to Europe and Central Asia | United Nations Development Programme. (n.d.). *UNDP*. Retrieved from https://www.undp.org/eurasia/blog/climate-security

[73] Climate change poses major security risks to Europe and Central Asia | United Nations Development Programme. (n.d.). *UNDP*. Retrieved from https://www.undp.org/eurasia/blog/climate-security

remote villages with fragile infrastructure[74].

In the Western Balkans, drought combined with socio-political fragility has made the region a climate-security hotspot, where water shortages and farm losses could inflame unrest. Eastern Europe, meanwhile, faces compounding stresses: the war in Ukraine and energy price spikes have heightened social vulnerabilities alongside climate impacts. Even the wealthier EU countries are not immune – the deadly 2022 heatwaves and wildfires revealed that urban populations are also at risk, with thousands of mainly elderly people perishing from extreme heat[75]. Pockets of rural poverty persist too – in Moldova, a 30% collapse in harvests led to massive job losses and a recession. Climate change thus acts as a threat multiplier across ECA, hitting the poorest communities hardest and sometimes fueling instability.

The region's innovation landscape presents both strengths and gaps. Western Europe boasts robust climate research and a thriving green-tech sector – the EU pours billions into climate R&D (for example, through the Horizon Europe program)[76]. However, a gap remains in translating innovation into widespread adaptation on the ground. Many adaptation-focused small enterprises and community initiatives struggle for capital and scale. Private adaptation investment in Europe remains only on the order of 0.2–0.9% of GDP[77], far below what's needed, indicating that promising solutions often lack funding. Central Asian economies, still dominated by oil, gas and other natural resources[78], have only nascent climate innovation ecosystems. Finally, making climate action inclusive is still an unfinished agenda. A few initiatives link adaptation with social inclusion (for example, hiring refugees for reforestation work in Uzbekistan[79]), but broadly such measures are limited. In sum, while there are high-capacity hubs in ECA, unlocking innovation to build resilience for all – especially the most vulnerable – will require greater investment and a more inclusive approach moving forward.

Latin America and the Caribbean (LAC)

Latin America and the Caribbean are facing an alarming convergence of climate hazards and socio-economic vulnerabilities, underscoring the urgency for targeted intervention. Intensifying climate extremes are already exacting a heavy toll. In recent years, multiple hazards have battered the region: dying Andean glaciers, record-breaking Caribbean hurricanes, severe droughts and deadly floods have all scarred LAC's socio-economic landscape[80]. Tropical cyclones in the Caribbean are

[74] Protecting Central Asia's mountains and landscapes to transform people's lives and livelihoods. (n.d.). *World Bank Blogs*. Retrieved from https://blogs.worldbank.org/en/europeandcentralasia/protecting-central-asias-mountains-and-landscapes-to-transform-peoples-lives

[75] Niranjan, A. (2025, July 9). Climate breakdown tripled death toll in Europe's June heatwave, study finds. *the Guardian*. The Guardian. Retrieved from https://www.theguardian.com/environment/2025/jul/09/europe-june-heatwave-study-climate-breakdown-tripled-death-toll

[76] EU funding of adaptation — English. (n.d.). *climate-adapt.eea.europa.eu*. Retrieved from https://climate-adapt.eea.europa.eu/en/eu-adaptation-policy/funding

[77] Ignasi Cortés Arbués, Theodoros Chatzivasileiadis, Storm, S., Ivanova, O., & Filatova, T. (2025). Private investments in climate change adaptation are increasing in Europe, although sectoral differences remain. *Communications Earth & Environment*, *6*(1). Nature Portfolio.

[78] Climate and Environment Program in Central Asia. (2021, June 9). *World Bank*. Retrieved from https://www.worldbank.org/en/topic/environment/brief/climate-and-environment-program-in-central-asia

[79] Migrants can be climate action champions. (n.d.). *UNDP*. Retrieved from https://www.undp.org/blog/migrants-can-be-climate-action-champions

[80] Extreme weather and climate impacts bite Latin America and Caribbean. (2025b, March 27). *World Meteorological Organization*. Retrieved from https://wmo.int/news/media-centre/extreme-weather-and-climate-impacts-bite-latin-america-and-caribbean

growing more destructive; for example, Hurricane Beryl in 2024 was the strongest on record to strike Grenada, wreaking devastation across the islands. Cyclical El Niño events now fuel unprecedented floods and droughts – in 2024, El Niño conditions contributed to widespread drought across the Amazon Basin, with major rivers like the Negro in Manaus dropping to record lows and parts of the Paraguay River hitting their lowest level in 60 years. The high Andes are experiencing dramatic glacier loss: Venezuela has now lost its last remaining glacier, and the Andes have shed roughly 25% of their ice since the late 19th century, with tropical glaciers melting ten times faster than the global average. Meanwhile, low-lying small islands face existential threats from coastal erosion and rising seas; ocean warming and melting ice are accelerating sea-level rise, heightening the peril for coastal communities and island nations in the Caribbean. From the vanishing glaciers of the Andes to drought-stricken Amazonian rainforests and eroding beaches in the Caribbean, climate hazards are intensifying on all fronts in LAC, inflicting damage that lasts long after each disaster's headlines fade[81].

For the region's most vulnerable people, these escalating hazards hit hardest. Rural smallholder farmers (campesinos) and indigenous communities, who rely on climate-sensitive agriculture and ecosystems, have seen their livelihoods devastated by erratic rains, extreme droughts and other shocks. In cities, the urban poor – often crowded into informal settlements on flood-prone hillsides or coastlines – also bear disproportionate risk. Afro-descendant and indigenous populations are overrepresented in high-exposure zones due to historical marginalisation. For instance, Afro-descendants in Latin America are roughly twice as likely to live in urban slums as non-Afro-descendants[82], meaning they often inhabit the least protected, most hazard-exposed parts of cities. Indigenous groups, too, are directly in harm's way: during the severe 2024 Amazon drought (the worst in 45 years), at least 16 indigenous groups across 42 territories in Brazil were directly affected by water shortages and wildfires[83]. These intersecting inequalities translate into a climate vulnerability gap – those with the fewest resources are the most exposed and least able to recover. Decades of social development gains are now at risk of unravelling. The COVID-19 pandemic, combined with recent climate catastrophes, has already reversed earlier progress in poverty reduction. Despite remarkable progress in recent decades, during which LAC successfully halved its poverty rate, approximately 1 in 4 people still live in poverty (figure 5).

Moreover, the region has not yet consolidated a stable middle class; an additional 31 per cent of the population is categorised as vulnerable, hovering just above the poverty line. With limited access to assets that could serve as buffers when adversity strikes, this group remains at risk of slipping back into poverty. Nowhere is this fragility more evident than in the small island developing states (SIDS) of the Caribbean, where virtually the entire population is in harm's way: in several island countries (e.g. the Bahamas, Guyana, Suriname), over 80% of inhabitants live in low-elevation coastal zones highly susceptible to hurricanes and sea-level rise[84]. Repeated climate shocks – from Category 5 storms to protracted droughts – are undermining livelihoods and pushing vulnerable communities back into destitution, intensifying socio-economic inequalities across LAC.

[81] Extreme weather and climate impacts bite Latin America and Caribbean. (2025b, March 27). *World Meteorological Organization*. Retrieved from https://wmo.int/news/media-centre/extreme-weather-and-climate-impacts-bite-latin-america-and-caribbean

[82] Flamand-Lapointe, O., Lumsden, C., Pablo, S., Pareira, I., & Seppey, P. (n.d.). *Climate Change Impacts on the Rights of People of African Descent*. Retrieved from https://www.ohchr.org/sites/default/files/Documents/Issues/Racism/WGEAPD/Session28/written-input/capstone.pdf

[83] UNICEF. (2025). Latin America and Caribbean Region. *www.unicef.org*. UNICEF. Retrieved November 10, 2025, from https://www.unicef.org/media/165706/file/2025-HAC-LAC.pdf

[84] Climate emergency threatens 41 million people, their livelihoods and health care in low-elevation coastal areas in Latin America and Caribbean. (2022). *United Nations Population Fund*. Retrieved from https://www.unfpa.org/press/climate-emergency-threatens-41-million-people-their-livelihoods-and-health-care-low-elevation

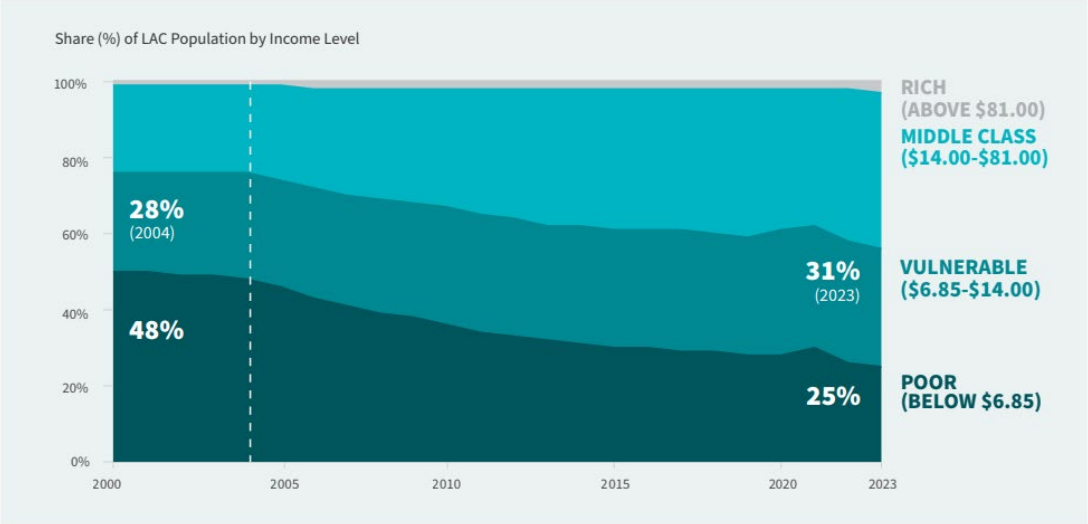


Figure 5: Despite decreasing poverty levels, vulnerability in LAC remains unchanged

Food security is a poignant barometer of this crisis, and it has deteriorated sharply since 2020. Climate extremes are disrupting food production and supply chains, causing crop failures, livestock losses and income instability for rural families[85]. At the same time, global economic turbulence has driven up food prices, compounding the hardship for the poor. The region has witnessed a worrying surge in hunger: between 2019 and 2021, the number of people suffering from undernourishment in LAC jumped by 13.2 million, reaching 56.5 million people in hunger by 2021[86]. This trend was fueled not only by pandemic-related economic contractions and disaster-related crop losses, but also by worldwide inflation in food and fuel costs. Since 2020, international food price spikes – exacerbated by the war in Ukraine – have hit LAC consumers hard, with regional food inflation rising far above general inflation rates. The result is that staples have become unaffordable for millions of low-income households. Particularly affected are those who were already vulnerable: small farmers, rural women, indigenous and Afro-descendant communities, who spend a disproportionate share of their income on food and now struggle to afford a healthy diet. This convergence of climate shocks and economic pressures has created a perilous food insecurity trajectory, threatening to reverse the region's prior gains in nutrition and poverty alleviation. It underscores that climate resilience and socio-economic resilience in LAC are inextricably linked – and both are under strain in the current context.

Yet amid these daunting challenges, Latin America and the Caribbean also hold tremendous potential for climate innovation and resilience. The region's rich natural capital and diverse knowledge systems provide a strong foundation for pioneering adaptation solutions – from agroforestry and climate-smart agriculture to ecosystem-based approaches in cities and rural landscapes. In fact, LAC's capacity for natural climate solutions is often noted as *exceptional*: no other region has greater potential to deliver nature-based climate benefits, thanks to its vast rainforests, biodiversity and land for sustainable use[87]. This means LAC not only faces high risks, but also harbours unique opportunities for transformative, green development. Promising innovations are already emerging at the grassroots level. Across the region, hundreds of local enterprises, cooperatives and community initiatives are developing adaptive solutions tailored to local needs. Despite the region's talent and urgency for climate adaptation, the communities and entrepreneurs leading these efforts often lack access to capital and investment. Adaptation initiatives led by smallholders, indigenous organisations or start-ups struggle to attract funding, as mainstream finance tends to bypass small-scale, unconventional projects in favour of larger, established ventures. More broadly, there is a large adaptation funding gap in LAC.

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[85] Extreme weather and climate impacts bite Latin America and Caribbean. (2025b, March 27). *World Meteorological Organization*. Retrieved from https://wmo.int/news/media-centre/extreme-weather-and-climate-impacts-bite-latin-america-and-caribbean

[86] UN Report: 131 million people in Latin America and the Caribbean cannot access a healthy diet | World Food Programme. (2023). *www.wfp.org*. Retrieved from https://www.wfp.org/news/un-report-131-million-people-latin-america-and-caribbean-cannot-access-healthy-diet

[87] Georgetown Americas Institute. (2023). The Nature Conservancy's Paula Caballero Discusses Sustainable Development in LAC. *Georgetown.edu*. Retrieved November 9, 2025, from https://americas.georgetown.edu/features/the-nature-conservancy-s-paula-caballero-discusses-sustainable-development-in-lac

3.1.2. Current Climate Status and Future Projections

The global climate system is warming at an unprecedented pace. The year 2023 was the hottest on record, with temperatures averaging about 1.45°C above pre-industrial levels (1850–1900). Ocean heat content reached record highs, global mean sea level continued to rise, Antarctic sea ice hit historic lows, and glaciers experienced severe mass loss. Marine heatwaves were widespread—on any given day in 2023, nearly one-third of the global ocean was affected, and by year-end, more than 90% of ocean areas had experienced heatwave conditions at least once[88].

Regional patterns reveal the scale and diversity of impacts. In Africa, multiple cities endured extreme heat stress episodes, while West Africa and the Sahel faced damaging pluvial floods. Coastal regions continued to experience sustained relative sea-level rise[89]. Across the Arab States, recurrent multi-year droughts combined with record-breaking heat, and short, intense rainfall triggered destructive urban flash floods in parts of the Gulf and Levant[90]. In Asia and the Pacific, marine heatwaves and coral bleaching intensified, glaciers lost mass at accelerating rates, and monsoon Asia saw urban flood emergencies following sudden, heavy downpours[91].

Europe and Central Asia were not spared: the region recorded unprecedented heatwaves, longer wildfire seasons, and high-impact pluvial floods, while snow cover duration at high altitudes continued to decline[92] (IPCC, 2021d). In Latin America and the Caribbean, heat extremes grew more intense, and El Niño–Southern Oscillation (ENSO) cycles drove alternating flood and drought emergencies. Rising sea levels increased storm-tide risks, compounding vulnerabilities for coastal communities[93]

3.1.3. Observed Climate Change

Climate change is already reshaping weather and water systems worldwide. Hot extremes and heavy precipitation have intensified across most regions, while some subtropical and mid-latitude areas are experiencing more frequent droughts. Tropical cyclones now bring heavier rainfall, and coastal flooding during storms is worse because sea levels are higher. Global mean sea level has risen about 20 centimeters since 1901, with a clear acceleration—reaching roughly 3.7 millimeters per year between 2006 and 2018[94].

Regional observations confirm these global trends. In Africa, heat extremes beyond natural variability have emerged across all sub-regions, heavy-rain days have become more frequent and intense, and a drying signal is evident in the Mediterranean and North Africa[91]. Across the Arab States, the number of high heat-stress days is rising, mean precipitation has decreased in parts of the western and central

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[88] World Meteorological Organization. (2024). State of the Global Climate 2024. WMO. Retrieved from https://wmo.int/publication-series/state-of-global-climate-2024

[89] Intergovernmental Panel on Climate Change. (2021a). Regional fact sheet – Africa. In Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (V. Masson-Delmotte et al., Eds.). Cambridge University Press. Retrieved from https://www.ipcc.ch/report/ar6/wg1/downloads/factsheets/IPCC_AR6_WGI_Regional_Fact_Sheet_Africa.pdf

[90] ntergovernmental Panel on Climate Change. (2021b). Chapter 12: Climate change information for regional impact and risk assessment. In Climate Change 2021: The Physical Science Basis. Cambridge University Press. Retrieved from https://www.ipcc.ch/report/ar6/wg1/chapter/chapter-12/

[91] Intergovernmental Panel on Climate Change. (2021c). Chapter 9: Ocean, cryosphere and sea level change. In Climate Change 2021: The Physical Science Basis. Cambridge University Press. Retrieved from https://www.ipcc.ch/report/ar6/wg1/chapter/chapter-9/

[92] Intergovernmental Panel on Climate Change. (2021d). Regional fact sheet – Europe. In Climate Change 2021: The Physical Science Basis. Cambridge University Press. Retrieved from https://www.ipcc.ch/report/ar6/wg2/downloads/outreach/IPCC_AR6_WGII_FactSheet_Europe.pdf

[93] Intergovernmental Panel on Climate Change. (2021e). Regional fact sheet – Central and South America. In Climate Change 2021: The Physical Science Basis. Cambridge University Press. Retrieved from https://www.ipcc.ch/report/ar6/wg1/resources/factsheets/

[94] Intergovernmental Panel on Climate Change. (2021a). Chapter 9: Ocean, cryosphere and sea level change. In V. Masson-Delmotte et al. (Eds.), Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (pp. 1211–1362). Cambridge University Press. https://doi.org/10.1017/9781009157896.011

Mediterranean, and short-duration rainfall extremes are causing flash floods in urban areas[92]. In Asia and the Pacific, monsoon rainfall events are becoming heavier, glaciers are retreating rapidly, and marine heatwaves are increasing in frequency and intensity[94] .

Europe and Central Asia show similar patterns: extreme heat events are more frequent, winter precipitation extremes have intensified in many regions, and summer drying is evident in the Mediterranean basin[93] In Latin America and the Caribbean, heat extremes are increasing, hydro-meteorological disasters are strongly influenced by El Niño–Southern Oscillation (ENSO), and storm surge impacts are worsening as sea levels rise[95] .

3.2.1. Projected Climate Change

By the end of the century (2081–2100), global temperatures are projected to rise significantly under all scenarios. Warming is very likely to range from about 1.0–1.8°C under the low-emission pathway (Shared Socioeconomic Pathway (SSP1)-1.9) to approximately 3.3–5.7°C under the high-emission pathway (SSP5-8.5), relative to pre-industrial levels (1850–1900)[96]. Heavy precipitation events are expected to intensify almost everywhere, even in regions where average rainfall may decline. Global mean sea level is projected to rise between 0.28 and 0.55 meters under SSP1-1.9 and between 0.63 and 1.01 meters under SSP5-8.5, with mid-range scenarios such as SSP2-4.5 showing a median rise of about 0.44 meters. Low-likelihood but high-impact processes, such as rapid ice-sheet collapse, could push sea-level rise beyond these ranges, which should be considered when stress-testing critical coastal infrastructure[8997].

Regional climate projections show big differences across the world. In Africa, very hot days will become much more common in all areas. Short, intense rainstorms will happen more often, while parts of North Africa and the Mediterranean will keep getting drier. Rising sea levels will make coastal flooding worse[90].

In the Arab States, especially the Middle East and North Africa, extreme heat days will increase sharply. The Mediterranean region will continue to dry out, and sudden heavy rain will cause flash floods in cities. Low-lying coasts and river deltas will face serious flooding risks as sea levels rise[91].

Across Asia and the Pacific, monsoon rains will come in heavier bursts, but dry spells may still occur between storms. Melting glaciers will raise the risk of dangerous glacier lake outburst floods, and small island countries will face regular flooding as sea levels rise[91].

Europe and Central Asia will see more hot days and warm nights. Northern areas will get more winter rain, while Mediterranean regions will become drier in summer. Heatwaves and droughts will often happen together, and coastal flooding will become more frequent[92].

In Latin America and the Caribbean, heat extremes will intensify. Some models suggest the Caribbean may become drier by the end of the century, but when rain does fall, it will be heavier. Tropical cyclones will bring more rainfall, and rising seas will make storm surges more dangerous for coastal communities[93144].

4. Climate-Change Adaptation Priorities

4.1. Global adaptation priorities

[95] Intergovernmental Panel on Climate Change. (2021b). Chapter 11: Weather and climate extreme events in a changing climate. In V. Masson-Delmotte et al. (Eds.), Climate Change 2021: The Physical Science Basis (pp. 1513–1766). Cambridge University Press. https://doi.org/10.1017/9781009157896.013

[96] Intergovernmental Panel on Climate Change. (2021). Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (Masson-Delmotte, V., Zhai, P., Pirani, A., et al., Eds.). Cambridge University Press. https://www.ipcc.ch/report/ar6/wg1/

[97] Intergovernmental Panel on Climate Change. (2023). Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (A. Reisinger et al., Eds.). IPCC. https://doi.org/10.59327/IPCC-2023-SYR

Adaptation is now a global imperative, especially for Least Developed Countries (LDCs) and Small Island Developing States (SIDS) that face escalating hazards while contributing little to historical emissions (e.g., coastal flooding, heat, drought, storms)[298]. The financing reality is clear: the adaptation finance gap is estimated at US$187–359 billion per year by 2030, and >US$310 billion annually by 2035, yet international public adaptation finance to developing countries was about US$28 billion in 2022 and approximately US$26 billion in 2023—a small fraction of needs[10]. Tracked flows in 2021–2022 reached approximately US$63 billion (public + private), only approximately 5% of total climate finance; Africa received approximately 20% of adaptation flows despite high exposure[130].

While more countries are submitting NAPs, implementation remains slow and projectized due to fragmented governance, constrained institutional capacity, and weak monitoring, evaluation and learning (MEL) systems[Error! Bookmark not defined.]. This is precisely why global guidance now emphasizes locally led adaptation (LLA) and the elevation of indigenous knowledge and gender-responsive climate services—principles the Adaptation Fund has mainstreamed in its 2023–2027 strategy[15211].

Global evidence-based priorities: what to scale

The themes outlined below were selected through a synthesis of global evidence, policy signals, and lessons from AFCIA 1, reflecting interventions that combine high impact, cost-effectiveness, and scalability in climate-vulnerable contexts. They align with priorities consistently highlighted in National Adaptation Plans (NAPs), the Global Goal on Adaptation (GGA), and the Adaptation Fund's 2023–2027 strategy, which emphasize systemic resilience and equity[99] [100]. Each theme addresses a critical bottleneck identified in the above sections: gaps in early warning coverage, food and water security, resilient infrastructure, and urban adaptation finance, alongside the need for risk-layered instruments to protect households and economies. Importantly, Locally Led Adaptation (LLA) is included as a standalone priority because global reviews confirm that empowering communities as decision-makers—not just beneficiaries—improves relevance, uptake, and sustainability of adaptation measures[101] [102]. LLA also responds to persistent equity gaps and the "missing middle" challenge, ensuring that grassroots innovators, MSMEs, and Indigenous knowledge systems are central to adaptation pathways. Together, these priorities represent actionable levers for closing the adaptation delivery gap and accelerating progress toward resilience at scale.

Early Warnings for All, climate services & anticipatory action: Universal multi-hazard early-warning systems (MHEWS) are among the most cost-effective adaptation investments, with strong benefit–cost ratios and measurable life-saving impact. Yet coverage is still incomplete, particularly in LDCs and SIDS. The 2024 Global Status of MHEWS shows countries with limited MHEWS suffer approximately 6-time higher disaster mortality than those with substantial coverage; progress is uneven and finance must accelerate to close the gap[15188].

Water security across flood–drought cycles: Integrated measures—forecast-informed reservoir operations, floodplain restoration, drought risk management, and climate services for agriculture—reduce cascading risks to food, health, and cities and are prioritized in many NAPs[Error! Bookmark not defined.103].

[98] SDG Knowledge Hub. (2025, November 5). UNEP report reveals progress in adaptation planning amid financing gaps. International Institute for Sustainable Development (IISD). https://sdg.iisd.org/news/unep-report-reveals-progress-in-adaptation-planning-amid-financing-gaps/

[99] UNFCCC. (2024). Synthesis of National Adaptation Plans.

[100] Adaptation Fund. (2023). Medium-Term Strategy 2023–2027. Retrieved from https://www.adaptation-fund.org

[101] Steinbach, D., Bahadur, A., Shakya, C., et al. (2022). The good climate finance guide for investing in locally led adaptation. IIED. https://www.iied.org/21231iied

[102] United Nations Environment Programme (UNEP). (2024). Adaptation Gap Report 2024: Come hell and high water. Retrieved from https://www.unep.org/resources/adaptation-gap-report-2024

[103] United Nations Framework Convention on Climate Change. (2024). *Progress in the process to formulate and implement National Adaptation Plans (NAPs)*.

Risk informed, resilient infrastructure through locally led Nature based Solutions (NbS): NbS—such as mangrove restoration, urban wetlands, floodplains, and ridge to- reef watershed management—reduce climate risks now by lowering flood depths, buffering storm surge, cooling urban heat, stabilizing slopes, and improving water availability. When we count all the benefits (avoided losses, fisheries and food security, recreation, biodiversity, and carbon), NbS- often deliver higher net benefits and lower lifecycle costs than grey- -only options, especially in coastal and riverine settings[11104].

Risk layered finance and adaptive social protection: Blending contingency funds, forecast-based finance, and parametric insurance with adaptive social protection (for example, shock-responsive cash transfers) helps governments and households bounce back faster aftershocks[105].

Urban adaptation: Cities concentrate risk, but urban adaptation finance remains tiny. In 2024, adaptation flows to cities were approximately US$10 billion (1.2% of urban climate finance), and EMDE cities received just 11% of urban climate finance; LDC cities, approximately 1%[106]. Scaling urban NbS and heat/flood resilience requires better budget tracking and stock-takes; UNEP's State of Finance for Nature in Cities 2024 provides an Urban NbS framework and shows the global NbS finance gap[107].

4.1.2. Regional adaptation priorities

Africa

Across Africa, NAPs commonly elevate water resources management (including drought and flood risk), agriculture and food security, multi-hazard early warning/DRR, and ecosystem-based or NbS approaches—with many plans integrating these themes into sector strategies and budget pipelines[108]. These priorities are reflected in the UNFCCC's 2024 synthesis of submitted NAPs and in regional dialogues that underline the centrality of water and risk information for planning and finance access[109]. In East and Southern Africa, UNFCCC reporting highlights formal NAPs moving into implementation, with action lines on early warnings, sustainable land and watershed management, and risk-informed relocation, framed explicitly as NAP priorities[110]. Given the cross-border nature of many basins, African climate policy also references transboundary water cooperation and WASH service resilience as part of NAP–NDC alignment. In parallel, continent-wide early-warning initiatives (EW4All) are being institutionalized as a delivery track inside national adaptation frameworks and roadmaps110[111].

Arab States (MENA)

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[104] The Nature Conservancy. (2022). *Reducing Caribbean risk: Opportunities for cost-effective mangrove restoration and insurance*. https://www.nature.org/content/dam/tnc/nature/en/documents/TNC_MangroveInsurance_Final.pdf

[105] World Bank. (2020). *Adaptive social protection: Building resilience to shocks*. https://documents1.worldbank.org/curated/en/579641590038388922/pdf/Adaptive-Social-Protection-Building-Resilience-to-Shocks.pdf

[106] Climate Policy Initiative. (2024). 2024 state of cities climate finance. https://www.climatepolicyinitiative.org/publication/2024-state-of-cities-climate-finance/

[107] United Nations Environment Programme. (2024, October 26). From grey to green: State of finance for nature in cities 2024. https://www.unep.org/resources/report/grey-green-better-data-finance-nature-cities-state-finance-nature-cities-2024

[108] NAP Global Network (IISD). (2025). *Progress and learning report 2024*. https://napglobalnetwork.org/wp-content/uploads/2025/04/napgn-en-2025-nap-gn-progress-learning-report-2024.pdf

[109] GWP. (2019). Addressing water in National Adaptation Plans: Water supplement to the UNFCCC NAP technical guidelines (2nd ed.). NAP Central. https://www.napcentral.org/supplementary-materials/133

[110] UNDRR. (2024). *Global status of multi-hazard early warning systems 2024*. United Nations Office for Disaster Risk Reduction. https://www.undrr.org/reports/global-status-MHEWS-2024

[111] WMO. (2024). *Global status of multi-hazard early warning systems 2024* (press summary). World Meteorological Organization. https://wmo.int/publication-series/global-status-of-multi-hazard-early-warning-systems-2024

Across the Middle East and North Africa, NAP processes and regional briefs show a water centric portfolio: demand management, reuse and groundwater governance, alongside heath planning, urban flood/flash flood risk reduction, and coastal risk management for deltas and low-lying coasts[112]. Countries describe ongoing work to downscale climate information, run sectoral vulnerability assessments, and mainstream adaptation into national development plans—often starting with water, agriculture, health, and cities. Regional guidance from UNECE and partners also documents NAP linkages to transboundary aquifers, WASH resilience, and cooperative water governance—issues that recur across national priority lists in arid and semiarid settings. UNFCCC technical materials note that updated NAP guidance is being used to integrate these measures into costed implementation pathways and national monitoring systems[112].

Asia & the Pacific (including SIDS)

In Asia and the Pacific, NAPs frequently prioritize monsoon related early warning and flood management, coastal resilience (including NbS) approaches linking uplands to coasts, and, in mountain states, cryosphere risk management (notably GLOF early warning and downstream reservoir rules)[113,114]. Small Island Developing States (SIDS) embed chronic inundation planning, ecosystem restoration (reef and mangrove systems), and alignment with Loss and Damage interfaces within their NAPs/NDCs/Adaptation Communications, emphasizing institutions, targets, and indicative costs. UN ESCAP assessments and regional forums point to national priorities that combine coastal protection, all hazard warning coverage, and resilient public services, with NAPs functioning as the integrating vehicle. Development partners and knowledge platforms track these same emphases, noting that a growing set of Asia–Pacific countries have submitted NAPs and is revising them around coasts, water, cities and health[113].

Europe & Central Asia (ECA)

European and Central Asian adaptation strategies (and DRR assessments that interface with them) emphases on green and blue infrastructure in cities (for heat and cloudbursts), river and floodplain restoration (room for the river approaches), health systems, risk-informed land use, and updating standards/codes with sea level rise and heat in mind[115]. Increasing drought periods are also a major concern in the region, and NAPs highlight measures such as agricultural drought plans, efficient water reuse, and contingency planning to manage prolonged dry spells[116]. Policy briefs and EU guidance echo these live priorities, describing how Member States and municipalities are mainstreaming urban nature-based measures and cooling/health actions as part of their national adaptation strategies and local plans. UNDRR's regional assessment further shows that national agendas increasingly address system interdependencies and ageing grey assets, reinforcing the role of nature-positive and systemic measures within national strategies[117].

Latin America and the Caribbean

[112] UNFCCC. (2025). Updated technical guidelines for the national adaptation plan process. Retrieved from https://unfccc.int/sites/default/files/resource/Draft_Updated_NAP_technical_guidelines_July_2025.pdf

[113] ESCAP. (2023). Asia-Pacific disaster report 2023: Seizing the moment—Targeting transformative disaster risk resilience. United Nations. https://digitallibrary.un.org/record/4016071

[114] Asia-Pacific Climate Change Adaptation Information Platform (AP-PLAT). (2025). Status of adaptation in the Asia-Pacific. https://ap-plat.nies.go.jp/adaptation_plan/status_of_adaptation/index.html

[115] European Commission. (2021). EU Adaptation Strategy: Climate action. Retrieved from https://climate.ec.europa.eu/eu-action/adaptation-and-resilience-climate-change/eu-adaptation-strategy_en

[116] United Nations Framework Convention on Climate Change (UNFCCC). (2024). Synthesis of National Adaptation Plans. UNFCCC Secretariat

[117] UNDRR. (2023). Regional Assessment Report on Disaster Risk Reduction 2023: Europe and Central Asia. Retrieved from https://www.undrr.org/rar/rar-2023-europe-and-central-asia

Across LAC, national documents (NAPs, DRR strategies, and sector plans) emphasize tropical cyclone rainfall/surge early warning, urban drainage and watershed retrofits, NbS for coasts and hillslopes (mangroves, reefs, dunes; bioengineered slopes), and agricultural water efficiency; many plans also reflect human mobility and displacement as crosscutting adaptation concerns[118]. Urban adaptation agendas reference ecosystem based adaptation in cities and decision support for integrating NbS into municipal planning, complementing national priorities around flood, heat, and landslide risk. Country level NAP profiles in the region illustrate these themes—spanning integrated water resource management, coastal/marine ecosystems, health, and risk management, with large action menus and MEL provisions[119]. Regional thinktanks also note that governments are positioning NbS as a mainstream infrastructure option to deliver adaptation outcomes at scale, consistent with the priorities recorded in NAPs[120]

The table below summarizes regional adaptation priorities across five regions, highlighting thematic focus areas—Water & Food Security, Nature-based Solutions (NbS), Disaster Risk Reduction (DRR) & Early Warning, Coastal/Urban Resilience, and Finance & Governance—based on signals from National Adaptation Plans (NAPs), NBSAPs, DRR strategies, and global frameworks (IPCC AR6, Sendai Framework, GBF).

Region	Water & Food Security	Nature-based Solutions	DRR & Early Warning	Coastal/Urban Resilience	Finance & Governance
Africa	IWRM; efficient irrigation; heat-/drought-tolerant crops; climate advisories	Watershed restoration; urban green–blue corridors	Impact-based flood EWS; anticipatory cash for drought/floods	Coastal buffers; setback lines	Devolution/direct access windows; social protection linkages
Arab States (MENA)	Leakage control; reuse; groundwater governance; heat–health actions	Wadi rehabilitation; oasis restoration	Flash-flood risk mapping; sponge-city retrofits	Delta levees; raised roads; SLR allowances	Blended finance for reuse/desal; tariff reform with lifeline blocks
Asia & Pacific (incl. SIDS)	Monsoon IBF; climate-smart irrigation; reservoir ops	Mangroves, reefs; ridge-to-reef	GLOF EWS; cyclone rainfall+ surge IBF	Hybrid NbS+ gray; asset elevation; managed retreat (context)	Parametric cover for TCs; blue/green bonds

[118] World Resources Institute (WRI). (2021). Nature-based solutions in Latin America and the Caribbean: Regional status and priorities for growth. https://www.wri.org/research/nature-based-solutions-latin-america-and-caribbean-regional-status-and-priorities-growth

[119] Lucatello, S. (2025). Nature-based solutions to climate change adaptation and mitigation in Latin America and the Caribbean: An overview of projects and implementation. In Handbook of Nature-Based Solutions to Mitigation and Adaptation to Climate Change (pp. 447–468). Springer. https://doi.org/10.1007/978-3-031-34967-6_87

[120] Oliver, E., Ozment, S., Grunwaldt, A., Silva Zuniga, M. C., & Watson, G. (2021). Nature-based solutions in Latin America and the Caribbean: Support from the Inter-American Development Bank. Inter-American Development Bank. https://doi.org/10.18235/0003689

Europe & Central Asia	Heat–health; agricultural drought plans; efficient water reuse	Floodplain reconnection; urban trees	Compound heat–drought risk plans; flash-flood IBF	Coastal SLR codes; permeable urban design	Insurance + contingency funds; resilience standards
Latin America & Caribbean	Drought/El Niño contingency; efficient irrigation; watershed storage	Mangrove/reef restoration; hillside agroforestry	Cyclone IBF; landslide EWS; slope stabilization	SLR-ready zoning; drainage upgrades; dune restoration	Sovereign risk pools; concessional finance for NbS
Notes: IBF = impact-based forecasting; IWRM = integrated water resources management; SLR = sea-level rise; EWS = early warning systems; TCs = tropical cyclones.					

5. Strategic Rationale for the Selection of Three Thematic Focuses: Climate-Resilient Agriculture and Food Security, Nature-based Solutions, and Disaster Risk Reduction

The identification of the three thematic focuses is grounded in a robust, evidence-based assessment of global and national adaptation priorities. Across regions, countries consistently highlight the same clusters of vulnerabilities—food systems under climatic stress, degraded ecosystems reducing natural protection, and rising disaster risks that disproportionately affect the poorest and most marginalised. These priorities are reflected in National Adaptation Plans, DRR strategies, NDCs, and biodiversity frameworks, and are reinforced by experience from AFCIA 1, which demonstrated where catalytic finance can unlock the greatest additionality. In selecting climate-resilient food systems, nature-based solutions, and disaster risk reduction, AFCIA 2 aligns directly with these articulated needs and with the Adaptation Fund's mandate to support high-impact, locally led innovation. These thematic areas offer the strongest potential to generate scalable, equitable, and multi-benefit resilience outcomes—linking livelihoods, ecosystems, and risk reduction—while addressing the persistent barriers that prevent community organisations, MSMEs, and social enterprises from accessing finance. This strategic focus ensures that AFCIA 2 directs resources where demand is highest, vulnerability is deepest, and innovation can deliver systemic and sustained adaptation impact.

5.1. Climate-resilient food systems

Global assessments show an intensifying hydrological cycle—more extreme rainfall, longer dry spells, and compound hazards—creating systemic risks for water, food, health, and infrastructure (Intergovernmental Panel on Climate Change). Water and food systems are highly vulnerable: in 2022, half the world's population faced severe water scarcity and one-quarter experienced extremely high-water stress[121]. NAPs consistently prioritize water resources, agriculture, and DRR, with 58 developing countries submitting plans aligned to the Global Goal on Adaptation[122].

Adaptation potential includes measures for food production such as climate-smart agriculture (CSA) and integrated water management throughrainwater harvesting, small-scale irrigation, and soil moisture conservation—combined with advisory services and finance. These are examples within a broader food

[121] Intergovernmental Panel on Climate Change (IPCC). (2023). Climate Change 2023: Synthesis Report. Geneva: IPCC. https://www.ipcc.ch/report/ar6/syr/

[122] UNFCCC. (2025). Updated technical guidelines for the national adaptation plan process. Least Developed Country Expert Group. Retrieved from https://unfccc.int/sites/default/files/resource/Draft_Updated_NAP_technical_guidelines_July_2025.pdf

system approach that also requires actions for storage, transport, processing, and market resilience[123] [124]. In Kenya, solar-powered irrigation pumps linked to farmer cooperatives have stabilized production during prolonged droughts[125]. In Ethiopia, community-based rainwater harvesting and small reservoirs have improved crop yields and reduced vulnerability to erratic rainfall[126]. In Bangladesh and Viet Nam, saline-tolerant rice varieties and controlled irrigation protect food security under sea-level rise[127]. In Peru, watershed restoration and aquifer recharge sustain dry season cropping[128].

Women farmers face disproportionate care burdens and limited access to productive resources, while small-scale producers earn less than half the income of larger farmers, leaving them highly exposed to climate shocks[129]. AFCIA 1 revealed strong demand for food security solutions— 43% of supported innovations targeted agriculture—and notably advanced gender-responsive approaches by prioritizing interventions for local women farmers. These solutions included sustainable agriculture practices, efficient water irrigation systems, and capacity-building programs designed to improve yields and resilience for women-led farming enterprises. However, AFCIA 1 also highlighted persistent gaps in follow-on finance and scalability, underscoring the need for AFCIA 2 to bridge these challenges and replicate successful models at scale.

Why AFCIA 2 focuses on Climate Resilient Food Systems?

Climate-resilient food systems are a core priority for AFCIA 2 because climate shocks are already undermining the water and agricultural systems that underpin lives, livelihoods, and fiscal stability in vulnerable countries. Intensifying droughts, floods, salinisation, and heat stress are eroding yields, degrading soils and water resources, and driving food price volatility—risks that NAPs consistently rank among their highest adaptation priorities. These pressures fall hardest on small-scale producers, especially women farmers, who carry disproportionate care burdens, have weaker access to land, finance, and technology, and earn significantly less than larger producers, leaving them highly exposed to climate shocks.

AFCIA 2 responds by backing integrated, locally led solutions across the whole food system—from climate-smart production (e.g. CSA practices, drought- and salt-tolerant crops, and efficient water management) to storage, processing, transport, and market resilience. It builds directly on AFCIA 1, where 43% of supported innovations targeted agriculture and piloted gender-responsive models that improved yields and resilience for women-led and smallholder farmers. At the same time, AFCIA 1 highlighted persistent gaps in follow-on finance, market linkages, and scalability. AFCIA 2 is designed to close these gaps: deploying catalytic, blended finance and tailored technical assistance to take solutions to scale, strengthen value chains, and crowd in public and private capital. By focusing on climate-resilient food systems, AFCIA 2 advances the Adaptation Fund's mandate to protect the most vulnerable, safeguard food and water security, and deliver measurable, system-wide resilience outcomes aligned with national adaptation priorities and the Global Goal on Adaptation.

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[123] Food and Agriculture Organization of the United Nations (FAO) & United Nations Development Programme (UNDP). (2025). Agrifood systems in national adaptation plans – An analysis. Rome: FAO & New York: UNDP. https://doi.org/10.4060/cd7579en

[124] Intergovernmental Panel on Climate Change (IPCC). (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. Chapter 5: Food, Fibre and Other Ecosystem Products. Cambridge University Press. https://www.ipcc.ch/report/ar6/wg2/chapter/chapter-5/

[125] World Bank. (2023). Climate-smart agriculture and water management solutions. https://www.worldbank.org/en/topic/climate-smart-agriculture

[126] FAO. (2022). The State of Food Security and Nutrition in the World 2022. Rome: FAO. https://www.fao.org/publications

[127] UNFCCC. (2024). National Adaptation Plans: Status and progress. https://unfccc.int/topics/adaptation-and-resilience/workstreams/national-adaptation-plans

[128] Adaptation Fund. (2024). Strategic priorities and lessons learned from AFCIA 1. https://www.adaptation-fund.org

[129] UNDP. (2023). Gender and climate change: Intersectional approaches for resilience. https://www.undp.org/publications

5.2. Nature-based Solutions (NbS)

Nature-based Solutions reduce flood, storm-surge, and heat risks while sustaining water regulation, food systems, and biodiversity co-benefits—exactly where the adaptation finance gap is widest[130]. Recent global finance assessments show that investment into nature must accelerate steeply by 2030, even as adaptation remains underfunded compared with mitigation[131]. For communities whose livelihoods depend on healthy ecosystems—forest-dwelling Indigenous Peoples, mountain villagers, and coastal fisherfolk—the stakes are immediate: when forests, wetlands, or coral reefs degrade, water supplies falter, food sources shrink, and natural buffers against hazards collapse, deepening poverty and risk[148].

Country demand and policy momentum are strong. Governments are updating National Biodiversity Strategies and Action Plans (NBSAPs) to align with the Kunming-Montreal Global Biodiversity Framework, embedding restoration and resilience targets that anchor ecosystem-based adaptation and open pathways for nature-climate finance[Error! Bookmark not defined.]. Emerging guidance urges countries to braid priorities across NBSAPs, NAPs, and NDCs to avoid duplication and unlock finance at scale[132]. Beyond the biodiversity track, the European Union's Nature Restoration Law—now in force—sets binding restoration targets and anticipates financing measures, signaling to markets that restoration is moving from policy aspiration to regulated practice and lowering perceived policy risk for investors[133].

The evidence base for adaptation benefits is now robust and practical. Mangroves, coral reefs, marshes, and floodplains act as natural shields, dissipating wave energy, reducing erosion, lowering flood damage, and protecting coastal livelihoods. On land, agroforestry and ridge-to-reef watershed restoration improve soil health, stabilize slopes, and store water, making farms and downstream communities more resilient to droughts and extreme rainfall[134]. Crucially, these benefits can be measured and valued with methods governments and investors trust. New guidance from the World Bank and the Global Facility for Disaster Reduction and Recovery (GFDRR)[135] sets out how to quantify both direct risk-reduction benefits and wider co-benefits such as biodiversity, water quality, recreation, and livelihoods. Real-world programs confirm the case: under UNDP's AFCIA 1, the silvo-fishery model in Indonesia pairs mangrove planting with fish farming to curb coastal erosion and storm surge while creating food and income—an illustration of low-tech, locally led innovation that delivers protection and prosperity together.

Financing NbS requires blending public and private capital because many benefits are public goods that don't always yield direct cash returns. A practical sequencing has emerged: start with public and concessional funds to establish the basics—clear tenure and land rights, local capacity, and technical

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[130] Global Center on Adaptation. (2024). State and trends in climate adaptation finance 2024. https://gca.org/reports/state-and-trends-in-climate-adaptation-finance-2024/

[131] United Nations Environment Programme. (2024b). State of finance for nature in cities 2024. https://www.unep.org/resources/report/grey-green-better-data-finance-nature-cities-state-finance-nature-cities-2024

[132] WWF, GIZ, & IISD. (2024). Effectively delivering on climate and nature: NDCs, NAPs and NBSAPs synergies—A checklist for national policymakers. https://wwfint.awsassets.panda.org/downloads/giz-iisd-wwf-report--_1.pdf

[133] European Commission. (2024). Regulation (EU) 2024/1991 on nature restoration and amending Regulation (EU) 2022/869. Official Journal of the European Union. https://eur-lex.europa.eu/eli/reg/2024/1991/oj/eng

[134] World Bank. (2023). Assessing the benefits and costs of nature-based solutions for climate resilience: A guideline for project developers. https://www.worldbank.org/en/news/feature/2023/05/22/assessing-the-benefits-and-costs-of-nature-based-solutions-for-climate-resilience-a-guideline-for-project-developers

[135] Global Facility for Disaster Reduction and Recovery. (2024). Assessing the benefits and costs of nature-based solutions for climate resilience: A guideline for project developers. World Bank. https://www.gfdrr.org/en/feature-story/assessing-benefits-and-costs-nature-based-solutions

support—then layer instruments such as low-interest loans, guarantees, and performance-based grants to mobilize private investment once risks are better understood and revenue logic is clearer[136][137]. While NbS currently receive a small slice of climate finance relative to energy and transport, the gap represents opportunity. Viable models include paying communities for ecosystem services, issuing verified (high-integrity) carbon credits where science and policy allow, and developing insurance-linked facilities so restored reefs or mangroves can be rapidly rehabilitated after storms—keeping protective value intact while channelling resources to local stewards[138].

The urgency to finance NbS is both fiscal and developmental. UNEP's latest State of Finance for Nature shows annual investment in nature must rise from roughly US$200 billion to about US$542 billion by 2030, with restoration finance needing to quadruple[139]. At the project level, the economics are compelling when co-benefits are counted properly: casework on urban wetlands and national-scale mangrove analyses demonstrate strong net benefits once avoided losses, fisheries, tourism, and carbon storage are included—a logic that resonates with treasuries balancing resilience with growth[140]. At the same time, adaptation remains the weak link in climate finance, and NbS offer a cost-effective way to address multiple risks with one investment[130].

NbS also address stubborn systemic challenges. They counter fragmented ecosystems, land-use conflicts, and "grey-only" infrastructure biases by mainstreaming hybrid standards and valuing multiple benefits—risk reduction, biodiversity, and livelihoods—in appraisal and monitoring. Because governance and tenure barriers often limit adoption, integrated planning across agriculture, forestry, water, and urban systems is essential, alongside mechanisms such as payment for ecosystem services and high-integrity blue-carbon credits to channel finance to community-led restoration in an equitable way[137].

The approach is already visible across regions. In Small Island Developing States and Latin America, restoring mangroves and reefs reduces cyclone surge and coastal flooding while sustaining fisheries and tourism; new cost-benefit work in the Wider Caribbean is informing insurance-linked restoration and risk finance[141]. In Asia, ridge-to-reef restoration links upstream glacier-lake outburst flood reduction to downstream water security and soil stabilization, while silvo-fishery models in Indonesia combine aquaculture with mangrove planting to protect coasts and diversify incomes[142][143]. In Eastern Europe and the Middle East and North Africa, green-blue retrofits—urban wetlands, permeable surfaces, and

[136] Convergence. (2024). State of blended finance 2024. https://www.convergence.finance/resource/state-of-blended-finance-2024/view

[137] Climate Policy Initiative. (2024). Toolbox on financing nature-based solutions. https://www.climatepolicyinitiative.org/publication/toolbox-on-financing-nature-based-solutions/

[138] High Level Panel for a Sustainable Ocean Economy. (2023). The blue carbon handbook: Blue carbon as a nature-based solution for climate action and sustainable development. https://oceanpanel.org/wp-content/uploads/2023/06/Ocean_Panel_Blue_Carbon_Handbook-1.pdf

[139] United Nations Environment Programme. (2024a). State of finance for nature—Restoration finance report. https://www.unep.org/resources/report/state-finance-nature-restoration-finance-report

[140] World Bank. (2022). The economics of large-scale mangrove conservation and restoration in Indonesia. https://www.worldbank.org/en/country/indonesia/publication/the-economics-of-large-scale-mangrove-conservation-and-restoration-in-indonesia

[141] The Nature Conservancy. (2022). Reducing Caribbean risk: Opportunities for cost-effective mangrove restoration and insurance.

[142] World Bank. (2023). Assessing the benefits and costs of nature-based solutions for climate resilience: A guideline for project developers. https://www.worldbank.org/en/news/feature/2023/05/22/assessing-the-benefits-and-costs-of-nature-based-solutions-for-climate-resilience-a-guideline-for-project-developers

[143] UNDP. (2025). AFCIA Phase I: Lessons from NbS pilots. UNDP Adaptation Innovation Marketplace. https://adaptation-undp.org

tree corridors—are deployed alongside grey systems to mitigate pluvial flooding and urban heat, with rapid opportunity-scanning tools helping identify investable NbS early in the project cycle[135][144].

Why AFCIA 2 focuses on Nature Based Solutions?

AFCIA 2 makes NbS a priority because they are one of the most effective ways to reduce climate risks while also improving people's lives. NbS protect communities from floods, storms, and heat, and at the same time support food, water, and biodiversity. They are especially important because funding for these solutions is still very low compared to what is needed.

NbS also fit perfectly with the Adaptation Fund's goals of supporting projects that are locally led, innovative, and focused on learning. Countries are already creating strong policies for ecosystem restoration, and global agreements like the Global Biodiversity Framework and national adaptation plans provide a clear foundation for action. Today, we also have better tools to measure the benefits of NbS and show their value to governments and investors.

Financing models are improving too. By combining public and private funds, NbS projects can attract more investment and scale up. Most importantly, NbS put communities and nature at the center. They protect lives and livelihoods now and help build long-term resilience. For AFCIA 2, this means investing in solutions that deliver clear results, offer good value for money, and can be replicated in many places.

5.3. Disaster Risk Reduction (DRR) – Prevention and Recovery

Climate-related disasters are becoming more frequent and severe, and the trend is accelerating. The UN Office for Disaster Risk Reduction reports that climate disasters have nearly doubled in the last two decades. A warmer atmosphere fuels stronger cyclones, floods, and droughts: every 1°C of warming can increase extreme rainfall by about 7% and make the most violent hurricanes up to twice as frequent. Heatwaves—already killing hundreds annually—are lasting longer and starting earlier; by the end of the century, heat stress could affect 1.2 billion people each year[145].

Recent years illustrate the scale of the problem. According to Centre for Research on the Epidemiology of Disasters Emergency Events Database (EM-DAT), 2023-2024 recorded as high-impact years, with 399 disasters causing between US$202 and US$242 billion in direct losses and over 86,000 deaths, even with heat-related mortality underreported[146]. UNDRR's Global Assessment Report estimates that when indirect and ecosystem losses are included, the true annual cost exceeds US$2.3 trillion—making a decisive case for prevention and resilient recovery rather than reactive response[147].

The burden of these disasters falls hardest on poor and marginalized groups. Urban slum dwellers living on floodplains or steep hillsides, remote rural villagers cut off during disasters, and island residents exposed to cyclones have minimal coping capacity. By 2050, 1.6 billion people in 970 cities will face extreme heat regularly, and 800 million will be vulnerable to coastal flooding. In Least Developed Countries and Small Island Developing States, these risks are most severe. Displaced and conflict-affected communities—such as refugees and informal camps—are also highly exposed. Rapid

[144] National Oceanic and Atmospheric Administration/National Centers for Coastal Ocean Science. (2025). Evaluating the performance of nature-based solutions. https://coastalscience.noaa.gov/project/evaluating-nature-based-solution-performance/

[145] United Nations Office for Disaster Risk Reduction (UNDRR). (2015). Sendai Framework for Disaster Risk Reduction 2015–2030. United Nations. Retrieved from https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030

[146] Centre for Research on the Epidemiology of Disasters. (1988–2025). EM-DAT: The international disaster database. Université catholique de Louvain. Retrieved November 19, 2025, from https://www.emdat.be/

[147] United Nations Office for Disaster Risk Reduction (UNDRR). (2015). Sendai Framework for Disaster Risk Reduction 2015–2030. United Nations. Retrieved from https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030

urbanization without planning leaves low-income neighbour hoods especially vulnerable, compounding the risks for those already struggling with poverty and limited access to services[148][149].

Global policy frameworks recognize these challenges. The Sendai Framework for Disaster Risk Reduction sets prevention and "Build Back Better" as core priorities. Its midterm review calls for scaled, risk-informed public investment and broader early warning coverage—gaps that remain most acute in vulnerable countries. Regional assessments emphasize the need for green and blue infrastructure and systemic risk governance, particularly in rapidly growing cities where exposure is rising fastest[150].

Practical solutions exist and have proven effective. Disaster risk reduction measures such as early warning systems, resilient infrastructure, and preparedness save lives. Improved forecasting and local alert networks have already reduced casualties during recent Pacific cyclones. Impact-based forecasting combines hazard data with vulnerability mapping to trigger timely alerts and evacuation. Ecosystem-based approaches, such as wetlands for flood control, complement nature-based solutions and provide co-benefits for water and food security. Yet funding remains skewed toward post-disaster relief rather than anticipatory resilience, leaving communities exposed to repeated shocks[151].

To change this, climate and disaster planning must be integrated and localized. Civic organizations and communities should lead hazard mapping and contingency planning. Investments in disaster insurance, contingency funds, and "Build Back Better" design can reduce future losses. Risk-layered financing—combining contingency funds, parametric insurance, and adaptive social protection—offers scalable models for resilience. These priorities align with the Adaptation Fund's Strategic Priorities, Policies, and Guidelines[152], which emphasize consistency with national adaptation plans and disaster risk reduction strategies, as well as robust monitoring and evaluation. Lessons from AFCIA 1 demonstrate what works: impact-based early warning systems, community shelter upgrades, and risk-finance pilots that now need standardization and scale-up.

A prevention-first approach also addresses systemic inequities. Women, migrants, and residents of informal settlements often face the greatest exposure and the slowest recovery. Bridging these gaps is central to AFCIA 2 goals: solutions must explicitly benefit those with the greatest need and draw on Indigenous and local knowledge to ensure justice and inclusion.

Across regions, examples show what proactive resilience looks like. In Asia, impact-based forecasting for cyclones integrates rainfall and surge data with community alerts and shelter upgrades. In Africa and the Middle East and North Africa, flash flood risk reduction focuses on wadis and informal settlements through drainage improvements and early warning systems. In Eastern Europe and Central Asia, heat-health systems and wildfire risk reduction combine with risk-informed land-use planning to protect vulnerable populations. These cases demonstrate that disaster risk reduction is not just about responding to crises—it is about anticipating them, reducing losses, and safeguarding lives and livelihoods in a changing climate[149][151].

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[148] Intergovernmental Panel on Climate Change (IPCC). (2022). Climate change 2022: Impacts, adaptation and vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (H.-O. Pörtner et al., Eds.). Cambridge University Press. https://doi.org/10.1017/9781009325844 [unctad.org]

[149] United Nations Office for Disaster Risk Reduction (UNDRR). (2023a). Report of the Midterm Review of the Implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030. UNDRR. https://sendaiframework-mtr.undrr.org/publication/midterm-review-2023-working-towards-achievement-sendai-priorities-and-targets [iisd.org]

[150] United Nations General Assembly (UNGA). (2023). Main findings and recommendations of the midterm review of the implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030 (A/77/640). United Nations. https://digitallibrary.un.org/record/4000994 [iisd.org]

[151] United Nations Office for Disaster Risk Reduction (UNDRR). (2024). Climate action and disaster risk reduction. UNDRR. https://www.undrr.org/implementing-sendai-framework/drr-focus-areas/climate-action-and-disaster-risk-reduction [wri.org]

[152] Adaptation Fund. (2022). Strategic priorities, policies, and guidelines (Amended October 2022). Adaptation Fund Board. https://www.adaptation-fund.org/apply-funding/policies-guidelines/

Why AFCIA 2 focuses on Disaster Risk Reduction (DRR)?

DRR is a cornerstone of climate adaptation because climate-driven hazards—cyclones, floods, droughts, heatwaves—are increasing in frequency and severity, causing losses that erase decades of development gains[148][151]. Vulnerable groups, especially women, migrants, and informal urban communities, bear the brunt of these shocks. The Adaptation Fund's Strategic Priorities, Policies, and Guidelines (SPPG) explicitly call for risk-informed planning, prevention-first approaches, and "Build Back Better" principles aligned with the Sendai Framework for Disaster Risk Reduction. AFCIA 2 operationalizes these priorities by financing locally led, innovative DRR solutions that move beyond reactive relief toward anticipatory resilience. This includes impact-based early warning systems, community-driven hazard mapping, risk-informed urban planning, and risk-layered financing models such as and parametric insurance. By embedding equity and Indigenous knowledge in design, AFCIA 2 ensures that those most at risk shape the solutions. Investing in DRR under AFCIA 2 is not only about saving lives—it is about reducing long-term costs, protecting livelihoods, and delivering measurable adaptation impact in line with the Adaptation Fund's mandate to scale resilience where it is needed most.

5. Innovation context globally

The AFCIA-2 global project operates in an innovation landscape marked by high potential but uneven readiness across regions. The Global Innovation Index 2025 (GII 2025)[153] shows that innovation capacity remains heavily concentrated in high-income economies, while many climate-vulnerable countries in Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean, and parts of Europe and Central Asia continue to function as "emerging" or under-resourced innovators. At the same time, GII 2025 highlights an important opportunity: every region contains "innovation over-performers" – economies whose innovation performance exceeds expectations for their income level – particularly in Sub-Saharan Africa, South and South-East Asia, and parts of Latin America and the Caribbean. This reveals a base of latent capability that can be deliberately mobilised for adaptation.

Yet this potential is unfolding against a difficult macroeconomic backdrop. Global headwinds and tighter financial conditions are already constraining innovation investment, with analysis warning that the impact will be felt most acutely in developing regions in Africa and Latin America if no corrective action is taken. For climate adaptation, the financing gap is especially stark. As noted earlier in this proposal, the 2023 State and Trends in Climate Adaptation Finance estimates that developing countries will require around USD 212 billion per year in adaptation finance up to 2030, while the UNEP Adaptation Gap 2025 update raises this to USD 310–365 billion annually by the mid-2030s. Against this, public adaptation finance amounted to only about USD 26 billion in 2023. In parallel, total climate finance has risen to roughly USD 1.3 trillion per year in 2021/22[154], but the vast majority of this growth is directed toward mitigation—such as renewable energy and low-carbon transport—rather than adaptation. This imbalance confirms that adaptation innovation, particularly at local, community, MSME, and SME levels, remains profoundly under-financed. UNDP-AFCIA and the Adaptation Innovation Marketplace (AIM) were established precisely to help close this gap by reaching a wider set of potential recipients—governments, NGOs, community groups, young innovators, women entrepreneurs and other vulnerable groups—and supporting them to overcome barriers to developing, financing and implementing innovative adaptation solutions.

The Global Innovation Index[155]

[153] WIPO. (2024). Global Innovation Index (GII). *global-innovation-index*. Retrieved from https://www.wipo.int/en/web/global-innovation-index

[154] Climate Policy Initiative. (2023). Global Landscape of Climate Finance 2023. *CPI*. Retrieved from https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

[155] WIPO. (2024). Global Innovation Index (GII). *global-innovation-index*. Retrieved from https://www.wipo.int/en/web/global-innovation-index

The Global Innovation Index provides a multi-pillar view of innovation systems. It evaluates countries across seven pillars:

- Framework / Institutions – political, regulatory and business environment
- Human Capital & Research – education, R&D, research output
- Infrastructure – ICT, general infrastructure, ecological sustainability
- Market Sophistication – access to credit, investment, trade, competition
- Business Sophistication – firm-level innovation, knowledge workers, linkages
- Knowledge & Technology Outputs – patents, high-tech exports, productivity effects
- Creative Outputs – brands, creative goods and services, online creativity

From a global adaptation perspective, three dimensions are especially relevant:

1. Framework conditions for climate innovation – including regulation, enabling policies and climate strategies.
2. Innovation investments and activity in climate-relevant sectors – such as water, agriculture, infrastructure, ecosystems, and risk management.
3. Innovation outputs that directly support adaptation – for example, environment-related technologies, early-warning systems, and SMEs introducing green products and processes.

In many developing countries, there are already relative strengths in environment-related technologies, SME product and process innovation, and knowledge-intensive activities. However, these strengths are not consistently directed towards adaptation, and are often undermined by weak public R&D spending, limited venture capital or other risk capital providers, and insufficient government support for business innovation—mirroring patterns observed in “Emerging Innovator” economies in the European Innovation Scoreboard. AFCIA-2 is designed to work within this global innovation architecture, identifying where capabilities exist and aligning them with adaptation priorities.

Regional Innovation Context

Africa

GII 2025 shows that Sub-Saharan Africa hosts five innovation over-performers – economies that perform above expectations for their income level – the same number as South-East/East Asia and Oceania. This signals a strong latent innovation capability, particularly in digital services, fintech and social entrepreneurship. Yet, the region still includes many of the world’s lowest-ranked innovators in absolute terms, reflecting persistent constraints in R&D spending, innovation infrastructure and access to finance.

Africa’s innovation ecosystem remains nascent overall. R&D expenditure is low, and only a handful of African countries appear in the upper half of global innovation rankings. The top-ranked Sub-Saharan African country, Mauritius, reaches only the mid-tier of the GII (Table 1), while most countries remain near the bottom. Limited access to technology, skills, and finance constrains homegrown innovation. At the same time, the continent has powerful assets: a young and entrepreneurial population, expanding tech hubs, and rich indigenous knowledge that can underpin locally-relevant adaptation solutions.)

The core challenge is to create enabling conditions for entrepreneurs, farmers, youth and communities to develop and scale innovations in water management, climate-smart agriculture, disaster risk reduction (DRR), and ecosystem-based adaptation.

Recent trends are encouraging:

- Innovation Performance: Sub-Saharan Africa made steady progress in 2025, with 10 of its 32 ranked economies improving their positions. Mauritius remains the region’s top performer, followed by South Africa, Seychelles, Botswana and Senegal, most of which also climbed in

the rankings. New entries, such as Seychelles, signal growing engagement with innovation measurement and policy.

- Innovation Readiness: Several countries are strengthening key enablers. Namibia recorded the region's largest jump, driven by high investment in education and improved research partnerships. South Africa continues to lead in human capital, research and infrastructure. On average, Sub-Saharan Africa now outperforms Central/Southern Asia and Latin America & the Caribbean in the Institutions and Business Sophistication pillars, indicating rising capacity and more conducive framework conditions.
- Innovation Gaps: Despite improved inputs, outputs remain relatively low. Many economies have yet to convert reforms and investments into high-value outputs. Nonetheless, Sub-Saharan Africa hosts the highest number of innovation over-performers globally, including South Africa, Senegal, Rwanda, Madagascar, Malawi and Burundi. Nigeria, one of the fastest climbers, ranks first worldwide in unicorn valuations and shows strong scores in knowledge-intensive jobs and venture capital, pointing to an emergent knowledge economy if supported.
- Potential and Outlook: Improvements in governance, better access to finance, and a dynamic youth population position Africa for future gains. Continued investment in education, university–industry linkages and ICT infrastructure will be critical to unlocking the continent's full innovation potential.

Implications for AFCIA-2:
Africa combines high climate vulnerability with growing pockets of innovation excellence, but suffers from systemic under-investment in adaptation-relevant innovation. For AFCIA-2, this provides a strong rationale to:

- Build on existing strengths (e.g. environment-related technologies, community-based nature-based solutions).
- Address key weaknesses, including limited public R&D in climate sectors, scarce early-stage capital, and patchy support for SMEs and local organisations.

Asia Pacific (including SIDS)

Asia is the world's most disaster-affected region in terms of weather, climate, and water-related hazards. In 2023 alone, the World Meteorological Organisation recorded 79 hydrometeorological disasters in Asia—over 80% of them floods and storms—causing more than 2,000 deaths and affecting around 9 million people, with the region warming faster than the global average. Pacific Small Island Developing States (SIDS) face existential threats from sea-level rise, storm surges and ocean warming, despite contributing only a negligible share of global emissions.

At the same time, Asia-Pacific hosts some of the world's most advanced innovation systems. GII 2025 continues to rank Singapore, the Republic of Korea and China among the global innovation leaders, and identifies five innovation over-performers in South-East Asia, East Asia and Oceania—matching Sub-Saharan Africa. Central and Southern Asia also includes significant over-performers, with India and Viet Nam frequently cited as innovation bright spots relative to their income level.

However, many low-income economies and SIDS in the region have very limited formal R&D, small domestic markets and constrained access to risk capital. This makes it difficult to translate regional innovation power into local adaptation gains, especially for the communities most exposed to climate shocks.

Implications for AFCIA-2:
Asia-Pacific globally leading innovation hubs coexist with highly vulnerable, under-resourced communities. AFCIA-2 will:

- Channel frontier innovation capacity—such as digital early-warning tools, satellite-based climate information and climate-resilient infrastructure design—into locally-led early stage solutions in flood- and cyclone-prone areas, mountainous glacier-fed basins and low-lying islands.

- Support community-based and indigenous innovation in coastal protection, climate-resilient agriculture and water management, ensuring that SIDS and least-developed countries can test, adapt and own technologies suited to their contexts.

This approach leverages Asia-Pacific's strong innovation pillars while directly confronting its status as the most disaster-impacted region globally.

Recent GII 2025 patterns reinforce this strategy:

- Leading Innovators: Six Asia-Pacific economies rank among the world's top 25 innovators, including South Korea, Singapore, China, Japan, Hong Kong (China) and Australia. They dominate key indicators such as business R&D spending, high-tech manufacturing, and knowledge and technology outputs, reflecting deep innovation readiness.
- Emerging Players and Readiness: Many emerging economies are moving up the rankings. Several East/Southeast Asian countries improved their positions, with Hong Kong (China), the Philippines and Cambodia showing notable gains. India remains the top lower-middle-income innovator globally, leading in ICT services exports and attracting substantial venture capital. Across ASEAN, R&D expenditure, high-tech exports and venture funding have all risen, signalling strengthening innovation inputs.
- Innovation Gap: A two-layer gap persists. Internally, smaller and poorer economies, including many SIDS, lag far behind regional leaders on R&D and patenting. Externally, Asia-Pacific has been rapidly narrowing its gap with Western innovation leaders in high-tech manufacturing, exports and scientific outputs. Yet many small and remote economies still struggle with limited research capacity and funding.
- Potential and Outlook: Asia-Pacific's diversity—from global tech powerhouses to "niche" innovators—creates multiple pathways for adaptation innovation. Young demographics, rising education levels and expanding startup ecosystems suggest strong future readiness. The key challenge is to ensure inclusive innovation, so that SIDS and low-income countries can participate in, adapt and benefit from regional innovation dynamics.

Europe and Central Asia

Europe and Central Asia encompass some of the world's top innovation leaders alongside emerging innovators. The European Innovation Scoreboard 2024 shows an overall improvement in EU innovation performance of around 10–12.6% between 2017 and 2024, but with stark regional disparities:

- Innovation Leaders and Strong Innovators are concentrated in Northern and Western Europe.
- Moderate and Emerging Innovators—with performance below 70% of the EU average—are mainly found in Eastern and South-Eastern Europe and the Western Balkans.

Transition economies in Eastern Europe, the Caucasus and Central Asia often exhibit gaps in business R&D, public innovation support and SME innovation, even as they face mounting climate risks such as heatwaves, urban flooding, glacier melt and water stress.

Implications for AFCIA-2:
The programme interprets Europe and Central Asia as an "Innovation-Rich but Uneven Adaptation region":

- There is substantial technical and institutional capacity—in universities, research institutes, national meteorological services and innovation agencies—that can be leveraged to support adaptation innovation.
- However, frontline communities in lower-income and Emerging Innovator economies still struggle to access finance, technology and tailored solutions for water security, DRR and ecosystem restoration.

AFCIA-2 will therefore focus on bridging the “translation gap”: connecting high-capacity innovation systems with municipalities, NGOs and SMEs in climate-vulnerable parts of the region to co-develop and pilot adaptation solutions (e.g. urban nature-based solutions, glacier-fed basin water management, heat-health early-warning systems).

Recent GII 2025 results underscore this:

- Innovation Leaders and Readiness: Europe remains a global innovation stronghold, with more top-25 innovator economies than any other region. Many EU countries improved their rankings, supported by strong institutions, substantial R&D spending and high-skill human capital. Western Europe, in particular, benefits from robust research ecosystems and public–private collaboration.
- Eastern Europe & Central Asia Emerging: Eastern EU members and neighbouring countries have made visible gains, especially the Baltic states, which have leveraged digital leadership and startup ecosystems. In Central and Southern Asia (overlapping with parts of Central Asia), countries such as Uzbekistan and Kazakhstan have improved knowledge creation and technology outputs, helping the broader region surpass Latin America in average innovation performance for the first time.
- Innovation Gaps: Despite these gains, gaps remain in venture capital availability and scaling. European clusters, while numerous and sophisticated, often attract less late-stage capital than their US counterparts. Within the region, a divide persists between Western Europe and certain Eastern/Central Asian economies, some of which remain constrained by limited R&D funding and brain drain.
- Potential and Outlook: Europe and Central Asia have strong foundations—deep academic and research capacity, growing digital ecosystems and a rising cohort of mid-income innovators. With better access to entrepreneurial finance, improved innovation governance and more inclusive participation of lower-income areas, the region can translate its innovation strength more fully into climate adaptation outcomes.

Arab States (MENA)

The Arab States region is the most water-scarce and food-import-dependent region in the world, with rising malnutrition and high exposure to climate-induced drought and extreme heat. UNDP and regional partners highlight expanding desertification, mounting livelihood stress and displacement, and identify adaptation as an urgent priority.

From an innovation perspective, Northern Africa and Western Asia display sharp contrasts. GII 2024 notes that Israel, Cyprus, the United Arab Emirates and Türkiye are among the world’s top-50 innovators; Saudi Arabia and Qatar have consolidated their positions in this group; and economies such as Georgia, Armenia and Morocco are moving into the top-60/70 bands. At the same time, many low- and middle-income Arab States rank much lower, characterised by limited R&D, weak support for SME innovation, and fragmented or nascent innovation ecosystems.

Implications for AFCIA-2:
The Arab States can be characterised as an “asymmetrically developed innovation region” – strong innovation “islands” within a wider sea of climate stress. For AFCIA-2, this implies:

- Leveraging regional innovation leaders (e.g. Gulf and Eastern Mediterranean hubs) to develop frontier solutions in water efficiency, drought-resilient agriculture and urban cooling.
- Directing small-grant and capacity-building support to water-scarce, conflict-affected and food-insecure contexts, where innovation ecosystems are weaker but adaptation needs are highest.

Water and food security, drought and desertification, and climate-related disaster risk (e.g. flash floods and sandstorms) will be treated as priority problem areas for locally-led innovation, drawing on both indigenous water management practices and new technologies.

GII 2025 suggests a region in motion:

- Innovation Momentum: Fourteen economies in MENA improved their rankings, making it one of the strongest regions globally in terms of upward mobility. Gulf and Levant countries, including the UAE, Bahrain, Jordan and Oman, all reached or entered higher ranking bands, reflecting sustained efforts to build innovation-friendly environments through investments in institutions, digital infrastructure and education.
- Top Performers and Outputs: Israel remains the region's highest-ranked innovator, excelling in frontier innovation, R&D intensity and venture capital. Among Arab states, the UAE leads, supported by proactive innovation policy and high technology adoption. Gulf countries show strong scores on innovation inputs (human capital, ICT, market sophistication), and are beginning to see improved outputs in patents, startups and research. North African economies such as Morocco and Tunisia are also progressing, with Morocco emerging as an innovation over-performer for its income level.
- Innovation Gaps: Historically, many resource-rich economies in the region have shown strong inputs but weaker outputs, resulting in an input–output innovation gap. Recent improvements in Saudi Arabia, Qatar, Bahrain and Oman indicate progress in closing this gap, but challenges remain, particularly in countries such as Kuwait and in lower-income states. Sustaining gains will require ongoing economic diversification and stronger links between research, industry and public policy.
- Potential and Outlook: The Arab States stand at an inflection point, with improving institutional and market sophistication indicators, a young tech-savvy population and growing entrepreneurial ecosystems (e.g. in fintech and e-commerce). With continued diversification, higher R&D spending and stronger university–industry partnerships, the region can increasingly convert innovation capacity into tangible adaptation benefits for vulnerable communities.

Latin America and the Caribbean

Latin America and the Caribbean (LAC) is highly exposed to climate change, facing rising temperatures, shifting precipitation patterns, more intense hurricanes and storms, sea-level rise and accelerating ecosystem degradation. These hazards are already producing loss and damage, water stress, food insecurity and health impacts. Recent assessments describe "profound challenges" for adaptation, driven by the interaction of climate extremes, socio-economic inequality and governance constraints.

In innovation terms, LAC contains several middle-income "innovation anchors". Brazil, Chile and Mexico occupy mid-range positions in GII rankings, with Brazil entering the global top-50. Entrepreneurial ecosystems are emerging in agri-tech, renewable energy and social innovation. Nonetheless, many countries—especially in Central America and the Caribbean—continue to exhibit low R&D intensity, limited innovation infrastructure and constrained access to early-stage capital.

Implications for AFCIA-2:
LAC can be seen as an "Under-Realised Adaptation Innovator region" with significant potential:

- The region holds a rich base of indigenous and community knowledge—such as Andean water management, Amazonian agroforestry and Caribbean coastal stewardship—that can inspire innovative nature-based solutions.
- There is growing entrepreneurial capacity that can be oriented toward climate-resilient agriculture, urban risk reduction and nature-based coastal protection.

AFCIA-2 will work to unlock this potential by supporting local NGOs, cooperatives, social enterprises and SMEs to test and scale solutions that address the intertwined challenges of climate risk, inequality and ecosystem degradation.

GII 2025 highlights both the constraints and the opportunities:

- Stagnation and Input–Output Gap: Most LAC economies stagnated or slipped in the rankings, underscoring a persistent input–output gap: investments in education and infrastructure are not consistently translating into innovation outputs. Weak research–industry linkages,

suboptimal innovation governance and financing constraints are key bottlenecks. LAC's average innovation score has now been overtaken by other regions, with Central and Southern Asia surpassing LAC for the first time.

- Regional Leaders: Chile, Brazil and Mexico remain the region's top innovators. Chile maintains strengths in human capital and financial market sophistication. Brazil, the only regional over-performer for its income level, anchors the region's knowledge and technology outputs, supported by a large domestic market and relatively strong R&D infrastructure. Mexico shows strong trade-related innovation indicators and has seen Mexico City enter the world's top 100 innovation clusters, reflecting a growing urban hub.
- Broader Regional Context: Countries such as Uruguay, Colombia and Costa Rica form a second tier of performers, with relatively strong institutions, infrastructure and creative industries. Smaller economies including Panama, Dominican Republic and El Salvador have held their positions, with Panama emerging as a niche innovator in logistics, high-tech exports and creative goods. However, research capacity across much of the region remains limited, and scientific and technological outputs lag behind inputs.
- Innovation Gaps and Potential: LAC invests less in R&D on average than East Asia or Europe, and where it does invest, returns are diluted by weak innovation linkages and insufficient commercialization of research. Venture capital outside Brazil (and increasingly Mexico) is thin, and many startups struggle to scale after early growth spurts. At the same time, human capital is a clear asset: many LAC countries have high tertiary enrolment and a growing cadre of skilled entrepreneurs.

With improved innovation governance, stronger university–industry partnerships, and more effective funding mechanisms for startups and applied research, LAC could begin to close its innovation gap. The presence of an over-performer such as Brazil and the emergence of urban clusters like Mexico City demonstrate that world-class innovation is possible in the region. Scaling these successes through regional collaboration and knowledge sharing will be key to unlocking LAC's adaptation innovation potential.

Global Innovation Index 2025 rankings

GII rank	Economy	Score	Income group rank	Region rank
1	Switzerland	66.0	1	1
2	Sweden	62.6	2	2
3	United States	61.7	3	1
4	Republic of Korea	60.0	4	1
5	Singapore	59.9	5	2
6	United Kingdom	59.1	6	3
7	Finland	57.7	7	4
8	Netherlands (Kingdom of the)	57.0	8	5
9	Denmark	56.9	9	6
10	China	56.6	1	3
11	Germany	55.5	10	7
12	Japan	53.6	11	4
13	France	53.4	12	8
14	Israel	52.3	13	1
15	Hong Kong, China	51.5	14	5
16	Estonia	51.1	15	9
17	Canada	51.1	16	2
18	Ireland	50.4	17	10
19	Austria	50.1	18	11
20	Norway	49.2	19	12
21	Belgium	48.5	20	13
22	Australia	48.0	21	6
23	Luxembourg	47.3	22	14
24	Iceland	47.0	23	15
25	Cyprus	45.5	24	2
26	New Zealand	45.5	25	7
27	Malta	45.4	26	16
28	Italy	44.9	27	17
29	Spain	44.6	28	18
30	United Arab Emirates	44.2	29	3
31	Portugal	43.9	30	19
32	Czech Republic	42.0	31	20
33	Lithuania	40.8	32	21
34	Malaysia	40.6	2	8
35	Slovenia	40.1	33	22
36	Hungary	40.0	34	23
37	Bulgaria	39.1	35	24
38	India	38.2	1	1
39	Poland	37.7	36	25
40	Croatia	37.7	37	26
41	Latvia	37.5	38	27
42	Greece	37.4	39	28
43	Türkiye	37.2	3	4
44	Viet Nam	37.1	2	9
45	Thailand	36.7	4	10
46	Saudi Arabia	36.0	40	5
47	Slovakia	35.5	41	29
48	Qatar	34.6	42	6
49	Romania	34.3	43	30
50	Philippines	33.6	3	11
51	Chile	33.1	44	1
52	Brazil	32.9	5	2
53	Mauritius	32.5	6	1
54	Serbia	31.7	7	31
55	Indonesia	31.3	8	12
56	Georgia	31.2	9	7
57	Morocco	31.1	4	8
58	Mexico	30.5	10	3
59	Armenia	30.5	11	9
60	Russian Federation	30.3	45	32
61	South Africa	30.1	12	2
62	Bahrain	30.0	46	10
63	North Macedonia	29.8	13	33
64	Montenegro	29.8	14	34
65	Jordan	29.7	5	11
66	Ukraine	29.7	15	35
67	Albania	29.6	16	36
68	Uruguay	28.8	47	4
69	Oman	28.7	48	12
70	Iran (Islamic Republic of)	28.5	17	2
71	Colombia	28.5	18	5
72	Costa Rica	28.4	19	6
73	Kuwait	28.2	49	13
74	Republic of Moldova	27.4	20	37
75	Seychelles	27.2	50	3
76	Tunisia	27.0	6	14
77	Argentina	26.8	21	7
78	Mongolia	26.7	22	13
79	Uzbekistan	26.5	7	3
80	Peru	26.5	23	8
81	Kazakhstan	26.3	24	4
82	Panama	25.9	51	9
83	Jamaica	25.2	25	10
84	Barbados	25.1	52	11
85	Belarus	25.1	26	38
86	Egypt	24.7	8	15
87	Botswana	24.6	27	4
88	Brunei Darussalam	24.5	53	14
89	Senegal	23.8	9	5
90	Lebanon	23.6	10	16
91	Namibia	23.5	28	6
92	Bosnia and Herzegovina	23.4	29	39
93	Sri Lanka	22.9	11	5
94	Azerbaijan	22.9	30	17
95	Cabo Verde	22.6	12	7
96	Kyrgyzstan	22.6	13	6
97	Dominican Republic	22.6	31	12
98	El Salvador	22.2	32	13
99	Pakistan	22.1	14	7
100	Cambodia	22.0	15	15
101	Ghana	21.9	16	8
102	Kenya	21.4	17	9
103	Paraguay	21.4	33	14
104	Rwanda	21.1	1	10
105	Nigeria	21.1	18	11
106	Bangladesh	21.0	19	8
107	Nepal	20.2	20	9
108	Tajikistan	20.2	21	10
109	Lao People's Democratic Republic	20.1	22	16
110	Côte d'Ivoire	19.7	23	12
111	Bolivia (Plurinational State of)	19.6	24	15
112	Zambia	19.6	25	13
113	Ecuador	19.5	34	16
114	Trinidad and Tobago	19.3	54	17
115	Algeria	18.9	35	18
116	Cameroon	18.2	26	14
117	Togo	18.1	2	15
118	Benin	17.8	27	16
119	Honduras	17.7	28	18
120	Madagascar	17.6	3	17
121	United Republic of Tanzania	17.5	29	18
122	Myanmar	17.3	30	17
123	Guatemala	17.1	36	19
124	Uganda	17.1	4	19
125	Malawi	16.0	5	20
126	Burkina Faso	15.9	6	21
127	Burundi	15.8	7	22
128	Mozambique	15.4	8	23
129	Zimbabwe	15.4	31	24
130	Nicaragua	15.4	32	20
131	Mauritania	15.4	33	25
132	Lesotho	14.9	34	26
133	Guinea	14.9	35	27
134	Ethiopia	14.4	9	28
135	Mali	14.0	10	29
136	Venezuela (Bolivarian Republic of)	13.7		21
137	Congo	13.6	36	30
138	Angola	13.0	37	31
139	Niger	11.9	11	32

Low-income
Lower middle-income
Upper middle-income
High-income

Sub-Saharan Africa
Central and Southern Asia
South East Asia, East Asia, and Oceania
Nothern Africa and Western Asia

Latin America and the Caribbean
Northern America
Europe

Table 1 Global Innovation Index Rankings

Barriers to Innovation Readiness

Despite the opportunities, there are significant barriers to innovation in climate adaptation. These barriers include financial, informational, technical, and institutional challenges that have so far limited the emergence and scaling of adaptation solutions in developing regions. The table below outlines the key barriers and how the proposed programme will overcome them:

- Barrier 1: Scarcity of dedicated funding for adaptation innovation. Currently, few funding sources specifically target innovation in climate adaptation; most climate finance flows to traditional projects or to mitigation[156]. This lack of early-stage capital for adaptation entrepreneurs and organizations leads to a financial gap, where promising ideas never get off the ground.

- Barrier 2: Information and awareness gaps. There is an observed lack of information and clarity about existing opportunities to fund or support innovation in adaptation. Many local actors simply do not know where to seek help for their ideas, or are unfamiliar with application processes. This leads to underutilization of available resources and reinforces the notion that support is unavailable.

- Barrier 3: High perceived risk and early-stage costs. Developing bold or disruptive climate solutions often involves substantial upfront costs and uncertain outcomes. Private investors or even governments are often reluctant to invest in unproven innovations due to fear of failure or long payback times. This is especially true for adaptation technologies, which may not have obvious short-term commercial returns. The result is the classic “valley of death” for innovation – good ideas languish for lack of risk capital.

- Barrier 4: Lack of continuity from pilot to scale. Even when initial pilots are funded, many innovators struggle with the “second valley” – moving from a successful proof of concept to scaling up. Few funding sources provide support across the entire innovation cycle (from ideation and piloting to expansion and commercialization). This means projects often stall after the pilot phase due to a drop-off in support.

- Barrier 5: Capacity and ecosystem weaknesses. In many target countries, the broader ecosystem needed for innovation – such as incubators, accelerators, research institutions, and supportive policies – is underdeveloped. Innovators often lack access to mentoring, labs for testing, or business development services. Additionally, local financial institutions in developing countries often do not understand or trust novel climate projects, making it hard for innovators to get loans or equity.

6. Summary of systemic barriers to climate adaptation and innovation

- Fragmented governance and weak institutions
    - Climate risks are not consistently translated from NDCs/NAPs into bankable, locally grounded pipelines due to fragmented governance, limited institutional capacity and siloed sector planning.
    - Short project cycles and weak monitoring, evaluation, and learning systems constrain learning, replication and long-term impact.
- Adaptation finance gap and skewed allocation
    - Adaptation receives only a small share of total climate finance, with a large and growing gap between needs and actual flows.
    - LDCs, SIDS, fragile and conflict-affected states, and the most climate-affected countries capture only a marginal share of adaptation resources.
    - Risk-averse funding modalities, rigid eligibility criteria and limited risk-sharing mechanisms discourage responsible risk-taking and innovation.
- The “missing middle” in adaptation finance

[156] Adaptation Fund. (2022). *FURTHER ANALYSIS ON ELEMENTS RELATED TO INNOVATION: MAPPING FINANCE FOR INNOVATION, RISK APPETITE, AND OPTIONS FOR THE INNOVATION ADVISORY BODY*. Retrieved November 16, 2025, from https://www.adaptation-fund.org/wp-content/uploads/2022/10/AFB.B.39.10_Innovation1.pdf

    - Community-based organisations, MSMEs and social enterprises are too large for micro-grants, too early-stage for commercial capital and often considered too "unconventional" for traditional development finance.
    - Promising locally led innovations struggle to move from idea and pilot to replication and scale because flexible, risk-tolerant capital is scarce.
- Innovation readiness and ecosystem weaknesses
    - Dedicated funding for adaptation innovation is limited; most climate finance targets conventional projects or mitigation
    - High perceived risk and early-stage costs create a "valley of death" for adaptation solutions, with a second valley between successful pilots and scale-up.
    - Weak ecosystems (incubators, accelerators, applied research, business development services) and cautious local financial institutions limit support for climate-relevant SMEs and community innovators.
- Information, visibility and knowledge gaps
    - Local actors often lack information about available support windows and how to access them, leading to under-utilisation of existing mechanisms.
    - Indigenous, community and gender-responsive knowledge is frequently undervalued or excluded from formal planning, reducing the relevance and ownership of interventions.
- Structural inequities in who adapts and who decides
    - Women, youth, indigenous peoples, Afro-descendant and ethnic minorities, persons with disabilities, migrants and the urban poor face higher exposure and lower adaptive capacity due to structural inequalities in land, finance, information and decision-making.
    - Locally led adaptation principles are not yet consistently operationalised, and marginalised groups remain under-represented in the design, governance and financing of adaptation solutions.
- Biases in infrastructure and policy frameworks
    - "Grey-only" infrastructure biases, land-use conflicts and unclear tenure arrangements limit the uptake and financing of nature-based and hybrid solutions.
    - Policy and regulatory frameworks across climate, biodiversity, DRR and finance are often misaligned, slowing integrated, risk-informed and nature-positive investment.

7. Conclusion

The evidence above paints a stark but coherent picture. Climate change is now tightly intertwined with poverty, inequality and structural vulnerability, with the Global South – particularly LDCs, SIDS and fragile states – bearing a disproportionate share of impacts despite contributing least to the problem. Across Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean, and parts of Europe and Central Asia, people already live with intensifying heatwaves, floods, droughts, storms, sea-level rise and ecosystem degradation. These hazards interact with entrenched socio-economic fragilities, eroding hard-won development gains and pushing millions back into poverty and food insecurity. Within countries, women, youth, indigenous peoples, Afro-descendant and ethnic minorities, persons with disabilities, migrants and the urban poor face the highest exposure and the least capacity to adapt, as gendered roles, weak land rights, informality and exclusion from decision-making magnify their risks.

At the same time, the global response remains deeply misaligned with this reality. Adaptation ambition has grown on paper through NDCs, NAPs and sector strategies, and countries have identified clear regional priorities around water and food security, nature-based solutions, DRR and early warning, coastal and urban resilience, and risk-layered finance. Yet implementation is constrained by fragmented governance, short project cycles, weak MEL systems and a severe adaptation finance gap. Adaptation receives only a small fraction of total climate finance, and what does flow is unevenly distributed: LDCs, SIDS, fragile and conflict-affected states, and the most climate-affected countries capture only a marginal share of resources. The result is a widening gap between planning and delivery, precisely where vulnerabilities are most acute.

Within this context, the "missing middle" emerges as a critical bottleneck. Community-based organisations, MSMEs, social enterprises and other non-traditional actors are often best placed to

design and deliver context-specific, locally led adaptation solutions. Yet they tend to fall between the cracks of existing finance: too large for micro-grants, too early-stage or “unconventional” for commercial capital, and poorly served by traditional development instruments that are risk-averse, rigid and projectized. Promising innovations frequently stall at the early stage, unable to access the flexible, risk-tolerant support needed to iterate, prove their models, and scale or replicate. This is compounded by systemic barriers to innovation readiness: scarce dedicated funding for adaptation innovation, limited information and visibility of support mechanisms, high perceived risk and early-stage costs, weak ecosystems for incubation and acceleration, and a lack of continuity from ideation to scale.

Globally and regionally, there is therefore a paradox. On one hand, climate risks are escalating quickly, and the communities most in need remain chronically underserved. On the other hand, every region hosts “innovation over-performers”, latent capabilities and rich indigenous and community knowledge that could underpin resilient, nature-positive and inclusive adaptation pathways. The core problem, and the opportunity, lies in closing the gap between this potential and current practice: aligning finance, policy, institutions and support systems so that vulnerable countries and communities, and the diverse innovation actors that serve them, can design, test and scale solutions at the speed and scale required.

AFCIA 2 is conceived precisely to operate in this gap. Building on lessons from AFCIA 1, it seeks to connect climate-vulnerable regions and communities with the capital, technical assistance and enabling conditions they currently lack; to unlock the “missing middle” of locally led innovation; and to translate uneven but real innovation capacity into concrete adaptation outcomes in three priority areas: climate-resilient food systems, nature-based solutions and disaster risk reduction. The next section sets out how AFCIA 2 will do so—by re-configuring instruments, partnerships and learning mechanisms to make responsible risk-taking, inclusion and replication the norm rather than the exception.

Annex 13. Methodology for estimating the AFCIA 2 beneficiaries

This annex explains the approach used to estimate beneficiary numbers for AFCIA 2, in compliance with the Adaptation Fund's Core Impact Indicator Methodologies (2014) and the 2025 Strategic Results Framework update. These estimates are indicative and will be validated and updated once grantees and their intervention footprints are confirmed during inception.

Definitions:
Direct beneficiaries are individuals receiving targeted, high-intensity support such as training, provision of assets, and household-level measures. Indirect beneficiaries are individuals benefiting from medium-intensity support or systemic improvements, including household members of direct beneficiaries and communities covered by nature-based solutions or disaster risk reduction measures.

Youth Clarification:
Youth (15–24 years) figures represent a subset of the total male and female beneficiaries, not an additional category. For example, if total direct beneficiaries are 53,774, this includes both male and female beneficiaries, and approximately 16,132 of them are youth within those gender groups. Similarly, indirect youth beneficiaries are estimated at 48,396, making the combined total youth beneficiaries across direct and indirect categories approximately 64,528individuals.

Scope:
Direct beneficiary estimates are linked to Component 1 (Catalytic Grants), which delivers high-intensity support to individuals. Components 2 and 3 provide technical assistance and knowledge services to organizations and systems, which do not count as direct beneficiaries at approval stage but contribute to indirect benefits.

Estimation Approach:

1. Direct Beneficiaries: Based on Component 1 budget of US$8,066,115 and a conservative unit cost of US$150 per direct beneficiary, the estimated number of direct beneficiaries is approximately 53,774 people. Gender distribution assumes 50% female (26,887) and 50% male (26,887). Youth aged 15–24 years are estimated at 30% of total direct beneficiaries, or about 16,132 individuals.

2. Indirect Beneficiaries: Applying a household multiplier of 3 to account for family members benefiting indirectly, indirect beneficiaries are estimated at 161,322 people. Gender distribution mirrors that of direct beneficiaries, with approximately 80,661 women and 80,661 men. Youth represent about 48,396 individuals.

Total Youth Beneficiaries: Combining direct and indirect youth figures results in approximately 64,528 youth beneficiaries overall.

Compliance Notes:

Reporting unit is number of people, not households. Attribution ensures each person is counted once under their highest-intensity support category. Disaggregation includes gender and youth; other vulnerable groups and sector breakdown will be added once grantee profiles are confirmed. Targets will be validated and updated during inception and Year-1 reporting.

Summary of Approval-Stage Estimates:
Direct beneficiaries: 53,774 (Female: 26,887; Male: 26,887; Youth subset: ~16,132).
Indirect beneficiaries: 161,322 (Female: 80,661; Male: 80,661; Youth subset: ~48,396).
Total youth beneficiaries (direct + indirect): ~64,528.

This methodology aligns with Adaptation Fund guidance and ensures compliance with requirements for disaggregation by gender and vulnerable groups. Further refinements will incorporate actual grantee-level data, national household size averages, and sector-specific coverage footprints for nature-based solutions and disaster risk reduction interventions.