



ADAPTATION FUND

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

PROPOSAL FOR MOZAMBIQUE



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT
TECHNICAL REVIEW OF PROJECT PROPOSAL FOR
"ADVANCING CLIMATE-RESILIENT LIVELIHOODS AND COMMUNITY-BASED ADAPTATION
FOR RURAL AND COASTAL COMMUNITIES IN NAMPULA"

Project Title	Advancing climate-resilient livelihoods and community-based adaptation for rural and coastal communities in Nampula
Project ID	AF00000567
Category	Regular size project (over \$1 million)
Type	Single country project
Stage	Concept
Country	Mozambique
Implementing Entity	UNIDO
Financing Requested	USD 25,000,000.00
Reviewer	Gisela Ferrari
Co-reviewer(s)	Gisela Ferrari
IE Contact Person	Caterina Bianco,Claudia Marianelli,Eleonora Gatti,Fatou Haidara,Ganna Onysko,Natale Guarnaccia,Olga Gordiievskia,Silvia Zaszlos

Secretariat's Overall Comment

The project "Advancing Climate-Resilient Livelihoods and Community-Based Adaptation for Rural and Coastal Communities in Nampula" aims to strengthen the adaptive capacity of vulnerable households and communities to cyclones, flooding and drought through community-driven planning processes that integrate diversified and climate-resilient livelihood opportunities, locally appropriate adaptation technologies, and evidence-informed decision-making

The proposal includes a PFG request of USD150,000.

The initial technical review raises several issues, such as a lack of quantitative data related to cost-effectiveness, a need for information about lessons learned from other projects, and a need for information about sustainability plans related to physical assets and infrastructure and need to utilize AF 2026 Updated SRF as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.

The second technical review highlights outstanding issues including the need to update component numbers and financing, adjust the project timeline, strengthen alignment with the AF Strategic Results Framework and clarify practical coordination mechanisms with related projects. These issues are reflected in the CRs and CARs raised throughout the review.

Country Eligibility

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

Response: Pending

Secretariat: Yes.

Mozambique ratified the Kyoto Protocol on 18 January 2005, and the Paris Agreement on 4 June 2018.

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

Response: Pending

Secretariat: Yes.

Mozambique is a developing country and is highly vulnerable to climate change due to widespread poverty, low adaptive capacity, and heavy dependence on rain-fed agriculture and coastal fisheries, as well as high exposure to increasingly frequent cyclones, floods, droughts, rising temperatures, sea-level rise, and associated threats to food security, water resources, livelihoods, and infrastructure.

Project Eligibility

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

Response: Pending

Secretariat: Yes. As per the endorsement letter dated June 30, 2026.

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

Response: Pending

Secretariat: No, the proposal is 52 pages including annexes.

CAR1: Please reduce the length of the concept note to 50 pages or less including annexes. Also, please add page numbers.

Response: Not Cleared

IE: CAR1: Thank you for your comment. In line with longstanding practice, the cover and signature pages have not been included in the 50-page limit, as they form part of the Adaptation Fund-approved template and cannot be removed or modified by the Implementing Entity (IE). This approach is reflected in several previously approved pre-concepts (5 page limit) and concepts (50 page limit), including AFB/PPRC.37/22, AFB/PPRC.37/31, and AFB/PPRC.37/30, where the total document length exceeded the specified page limit due to, among others, the inclusion of these mandatory template pages.

On this basis, the length of the current Concept Note, currently 51 (including front and signature pages) after the changes from CRs/CARs raised in the review, remains within the 50-page limit.

Furthermore, page numbers have been added as requested.

Response: Cleared

Secretariat: CAR1: Cleared. The CN totals 51 pages, including the cover and signature pages. Pages numbers were added to the document.

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

Response: Pending

Secretariat: Yes. However, additional information is required.

The project proposes a set of adaptation actions that are well aligned with the identified climate risks and vulnerabilities in Nampula Province. While many interventions are still indicative subject to the PFG phase, the concept note demonstrates a credible and coherent Theory of Change and links those actions with the identified risks and vulnerabilities.

The project is clearly distinguishable from a business-as-usual development project, and it strongly supports the Fund's overall goal of increasing resilience and adaptive capacity. The proposed activities are aligned internally with the project's overall goal and objectives, and they are also well aligned with the Fund's emphasis on concrete adaptation actions.

CAR2: Please indicate the specific AF Strategic Objectives that are supported by the proposed activities in keeping with the new AF 2026 SRF available at <https://www.adaptation-fund.org/document/strategic-results-framework-guidance-2026/>

Response: Not Cleared

Secretariat: I agree with the comments of the co-reviewer. In addition:

CR1.

1. For easy reference, the inclusion of an introductory sentence stating that the projects interventions are outlined in paragraphs 39 - 96.

2. Include the following paragraph after the first one:

Activities are structured around locally led adaptation planning (community CRVAs and Local Adaptation Plans) so interventions are demand-driven and responsive to projected climate risks rather than routine development interventions.

3. Include the following paragraph after the second one:

The proposal also includes safeguard and screening procedures for unidentified sub-projects (USPs), showing intent to manage environmental and social risks of adaptation investments rather than treating them as conventional development works.

Response: Not Cleared

IE: CAR2:

The alignment table has been revised to reflect the Adaptation Fund 2026 Strategic Results Framework. In addition, a sentence has been added in the project justification (paragraph 39) clarifying that the proposed activities contribute to AF Outcomes 3, 6 and 8 under the revised Strategic Results Framework.

CR1:

1. An introductory sentence has been added at the beginning of Section II to clarify that the description of project interventions starts in paragraphs 39-96.

2. The following sentence has been added to paragraph 39, immediately after the first paragraph under Section II, Project Justification. A separate paragraph was not created due to space constraints: "Activities are structured around locally led adaptation planning (community CRVAs and Local Adaptation Plans), ensuring that interventions are demand driven and responsive to projected climate risks rather than routine development interventions."

3. The following sentence has also been added to paragraph 39. It was incorporated into the existing text rather than presented as a separate paragraph due to space constraints: "The proposal also includes safeguard and screening procedures for unidentified sub projects (USPs), demonstrating that environmental and social risks associated with adaptation investments will be systematically managed rather than treated as conventional development works."

Response: Not Cleared

Secretariat: CAR2: Cleared. Paragraph 39 now specifies the project's contribution to AF Outcomes 3, 6 and 8.

CR1:

1. Not cleared. Please add the suggested sentence.

2. Cleared. The sentence was added in Paragraph 39.

3. Cleared. The text was added in Paragraph 39.

Response: Not Cleared

IE: CR1:

The requested introductory sentence has been added to paragraph 39, indicating that the proposed project interventions and activities addressing the identified climate risks and vulnerabilities are outlined in paragraphs 39–96.

Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Pending

Secretariat: Yes.

Part II B (pp. 35-37) discusses how the project is expected to generate economic, social, and environmental benefits for vulnerable communities. The concept note explicitly recognizes that vulnerability differs across groups and provides specific measures to address their specific needs, including women, youth, persons with disabilities, displaced populations, and female-headed households receive targeted attention.

The preliminary gender analysis identifies differential climate vulnerabilities affecting women and girls, explains the structural barriers they face, aligns the project with the Adaptation Fund Gender Policy and Mozambique's national gender policies, and proposes concrete gender-responsive measures.

The proposal demonstrates awareness of potential risks and includes measures to avoid unintended impacts, such as locally led adaptation, transparent participation, and grievance mechanisms. It also identifies risks of exclusion or unequal benefit-sharing and commits to mitigating them.

Response: Not Cleared

Secretariat: I agree with the comments of the co-reviewer. However, there are some areas where the section can be strengthened. They are as follows:

CR2: Please include quantitative estimates under the “Economic” category to further substantiate the reported benefits, e.g. estimates of increased incomes due to improved livelihoods, or reductions in damage or avoided costs resulting from environmental degradation due to improved flood control.

CR3: Please clarify whether there are no concerns regarding negative development and confirm that the project will not increase the vulnerability of beneficiaries or non-beneficiaries, nor reduce their capacity to adapt to climate change.

CR4 : Please include additional quantitative data in the Gender Analysis to better contextualize the role of women in the country and project area.

Response: Not Cleared

IE: CR2:

Section B1, paragraph 99, has been revised to include preliminary quantitative estimates of the expected economic benefits of the proposed project, drawing on evaluations of comparable interventions implemented in Mozambique. These figures will be cross-checked and validated at PFG stage.

CR3:

Paragraph 39 (Section A.1. Proposed Intervention) and paragraph 103 (Section B.3. Environmental Benefits) have been revised to clarify that the project has been designed to avoid maladaptation and unintended negative development outcomes, and will not increase the vulnerability of beneficiaries or non-beneficiaries. The ESMF and environmental and social safeguard procedures will ensure that potential adverse impacts are identified and appropriately managed throughout project implementation.

CR4:

Additional quantitative data have been incorporated into the Gender Analysis section, paragraph 102. The revised section now includes sex-disaggregated literacy data, provincial data on access to drinking-water services, given the implications of water insecurity for unpaid domestic and care responsibilities, as well as data on early marriage and women's reported experiences of physical violence. These figures have been integrated into the analysis to illustrate how existing inequalities constrain women's access to climate information, training, financial services, technologies, livelihood opportunities, and participation in decision-making, thereby increasing their vulnerability to climate-related impacts.

Response: Not Cleared

Secretariat: CR2: Cleared. Preliminary quantitative estimates are detailed in paragraph 99.

CR3: Cleared. The revised text clarifies that the project will avoid maladaptation and negative impacts, and that the ESMF will identify and manage any potential risks throughout implementation (paragraphs 39 and 103).

CR4: Cleared. The gender assessment is comprehensive, well-supported with quantitative data and clearly articulates how structural inequalities shape women's climate vulnerability (paragraph 102).

CR4.1 (New): The narrative could be slightly streamlined, and a brief mention of GBV sensitive risk considerations and intersectional vulnerabilities would further strengthen the analysis (paragraph 102).

CR4.2 (New): Please include additional information in the assessment (paragraph 102) on the other vulnerable groups identified in paragraphs 12-18.

Response: Not Cleared

IE: CR4.1:

Paragraph 102 has been streamlined and strengthened to explicitly consider GBV-related risks and intersecting vulnerabilities. The full gender and intersectional vulnerability analysis during project formulation will further assess these risks and inform appropriate mitigation measures, safeguards, and disaggregated indicators and targets.

CR4.2:

Paragraph 102 has been expanded to assess the intersecting vulnerabilities of the other vulnerable groups identified in paragraphs 12-18.

Is the project / programme cost effective?

Response: Pending

Secretariat: Yes. However, more information is required.

The Cost-Effectiveness section (pp. 37-39) presents a credible rationale for a cost-effective approach. It explains why strengthening community institutions and local adaptation-focused MSMEs should deliver long-term adaptation benefits beyond the life of the project. However, there is no direct evidence of cost-effectiveness, such as economic analysis, comparison of alternatives, or cost-benefit estimates.

CR5: Please include some quantitative estimates of cost-effectiveness. Otherwise, please include proxy estimates. This may include cost per beneficiary household, the value of avoided losses, or the expected return on ecosystem restoration investments.

Response: Not Cleared

Secretariat: I agree with the comments of the co-reviewer. In addition, I would include the following:

CR 6: Please include a description of how cost effectiveness is demonstrated from a sustainability point of view.

Response: Not Cleared

IE: CR5:

Section C. Cost-effectiveness analysis (paragraphs 104–105) and Table 4 have been revised to include preliminary quantitative and proxy estimates of cost-effectiveness, consistent with the concept-stage nature of the proposal. The revised text includes indicative estimates of cost per direct beneficiary, increased household incomes, reduced climate-related livelihood and post-harvest losses, improved MSME turnover, and the expected long-term benefits of ecosystem restoration, while clarifying that these preliminary estimates will be validated and refined during the PFG phase through detailed technical, economic and financial analyses.

CR6:

Paragraph 121 (Section J. Sustainability) has been added to explain how the proposed governance arrangements, operation and maintenance mechanisms, local ownership and sustainable financing arrangements contribute to the long-term cost-effectiveness of project investments by extending asset lifetimes, reducing future maintenance and replacement costs, and sustaining adaptation benefits beyond the project lifetime.

Response: Cleared

Secretariat: CR5: Cleared. The cost effectiveness section (Section C, Paragraphs 104-105) and Table 4 include preliminary quantitative estimates such as cost per beneficiary, expected income gains, reduced climate related and post-harvest losses, improved MSME turnover, and long-term ecosystem restoration benefits while clarifying that all figures will be refined at the full proposal stage through detailed technical, economic, and financial analyses.

CR6: Cleared. An explanation was added on how governance, O&M, local ownership, and sustainable financing contribute to long-term cost-effectiveness by extending asset lifetimes and sustaining adaptation benefits beyond the project (Section J, Paragraph 121).

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

Response: Pending

Secretariat: Yes. However, more information is required.

The concept note (pp. 39-41) demonstrates strong consistency with Mozambique's principal climate change, adaptation, sustainable development, and sectoral policy frameworks. It identifies the key national strategies and explains how the proposed interventions support them. The proposal is particularly well aligned with the National Adaptation Plan (NAP) and Nationally Determined Contribution (NDC), while also aligning with relevant sectoral policies for agriculture, fisheries, MSMEs, disaster risk reduction, and gender.

CR7: Please map specific linkages between these plans and strategies and individual components of the proposed project, either by adding a column to Table 5 or by creating a new table.

Response: Not Cleared

IE: CR7:

Table 5 has been revised by updating the second column to explicitly map the alignment between each national and sub-national policy/strategy and the corresponding project components (PC1–PC5), clearly identifying how each policy objective will be implemented through the proposed intervention.

Response: Cleared

Secretariat: CR7: Cleared. Table 5 maps each plan/strategy map each national and sub-national plan or strategy to the corresponding project components of the proposed project.

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

Response: Pending

Secretariat: Yes.

Section II.E (pp. 41-43), including Table 6, outlines the national standards that are expected to be relevant to the project. This list is indicative and will be further refined during the PFG phase. The section also describes the process for developing a project Environmental and Social Management Framework that will comply with the Fund's Policy.

Response: Not Cleared

Secretariat: I agree with the comments of the co-reviewer
In addition, I would add the following:

Table 6 includes information on the policy, standard or legislation, its purpose and its relevance to the project. However, it does not provide information on the Agency which is responsible for the policy/standard nor does it provide information on the steps required for compliance.

CR8: Please revise Table 6 to address the following:

1. Indicate which output each of these standards contributes to.
2. In separate columns, please identify the public authorities responsible for enforcing these standards and the steps to be taken to ensure compliance, where applicable.

Response: Not Cleared

IE: CR8:

Table 6 has been revised to:

1. Identify the specific project outputs to which each policy and standard contributes.
2. Identify the competent authorities responsible for enforcement and the measures that will be taken to ensure compliance with each applicable policy and standard by adding two new columns titled "Responsible Public Authority" and "Compliance assurance steps (where applicable)".

Response: Cleared

Secretariat: CR8:

1. Cleared. Table 6 has been updated to show the project outputs each standard contributes to (column "Relevance to the project").
2. Cleared. Table 6 has been updated to include the responsible authority and compliance steps (columns "Responsible Public Authority" and "Compliance assurance steps").

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

Response: Pending

Secretariat: No. However, more information is required.

Section II.F (pp. 43-45) states that there is no expected duplication of interventions with other projects, and Table 7 identifies potential synergies with a set of relevant projects.

However, the table does not characterize those projects fully in terms of geographic coverage and beneficiaries. Also, there is no real discussion of specific lessons learned from earlier projects. It is stated generally that the project will build on previous experience but the concept note does not identify concrete successes or failures that informed project design.

CR9: Please provide additional information about the projects listed in Table 7, including specific discussion of lessons learned, and please discuss how the project design has been influenced by those lessons.

The concept note mentions planned coordination with relevant projects through ministries and planning structure but does not say much about how this coordination will occur.

CR10: Please provide more details on how coordination efforts with relevant projects are envisioned, such as coordination meetings or information sharing will occur.

Response: Not Cleared

Secretariat: I agree with the comments of the co-reviewer. In addition I suggest the following comments should be added:

CAR3: Please revise Table 7 as follows:

1. Provide some additional information on the past and on-going project such as the dates of implementation, and project budget (in the case of Regional Projects, the other beneficiary countries besides Mozambique
2. Include an additional column with information on whether there is overlap, complementarity or duplication.

The no duplication statement should be clearly justified (e.g. by indicating the distinct geographic locations and/or types of interventions) for each related project identified.

3.Include an additional column with information on the lessons learned and how the project design has been influenced by those lessons

Response: Not Cleared

IE: CR9:

Table 7 has been revised by adding two new columns: "Lessons learned for project design and opportunities for synergies" and "Coordination mechanism." The revised table explains how lessons from relevant initiatives have informed the design of the proposed project, identifies opportunities for complementarity and synergies, and describes the mechanisms through which coordination with listed projects will be undertaken during implementation.

CR10:

Table 7 has been further revised by expanding the "Coordination mechanism" column to provide additional detail on the planned coordination arrangements.

CAR3:

Table 7 has been revised as follows:

1. Additional information has been included for each project, including the implementation period, budget and, where applicable, the beneficiary countries for regional projects.
2. A clarification has been added confirming that the proposed project does not duplicate any of the identified initiatives. To support this assessment, a new column titled "Non-duplication justification" has been added, providing the rationale for the absence of duplication for each related project.
3. A new column titled "Lessons learned for project design and opportunities for synergies" has been added to identify the key lessons learned from each relevant project, explain how these have influenced the design of the proposed project, and highlight opportunities for complementarity and synergies during implementation.

Response: Not Cleared

IE: Dear AF Secretariat colleagues, please note that while no comment was raised on this item in the most recent review, it is still marked as "Not Cleared". We kindly ask you to clarify if this item is cleared or not cleared.

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

Response: Pending

Secretariat: Yes.

The concept note includes a dedicated knowledge management and learning function under Component 5 which draws on experiences from across the other components and their respective activities. Section II.G (pp. 43-44) provides an explicit discussion of the learning and knowledge management approach, which includes specific dissemination activities and robust monitoring, evaluation, accountability, and learning systems.

Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Pending

Secretariat: Yes.

Section II.H (pp. 44-45) describes an initial consultative process that involved key institutional and local stakeholders in compliance with the Fund's policies. Additional information is provided in the Annex. Input from those consultations has been explicitly incorporated into the current design, such as the use of CRVAs and LAPs; resilient livelihoods activities; and gender-responsive labor-saving techniques. A more comprehensive stakeholder engagement process is planned for the PFG phase, with dedicated focus groups for vulnerable populations and detailed gender assessments.

Response: Not Cleared

Secretariat: Some additional information is required:

CAR4: The Annex with the initial consultation process stated that 14 persons were consulted comprising: six community members engaged in farming, fishing, fish processing, or a combination of these activities; four representatives of local government authorities and decentralized public institutions; three representatives of community-based organizations, including NGOs and CSOs. However the sex disaggregated data were for the combined group. Please provide the sex-disaggregated data for each stakeholder group to get a better idea of the distribution among the various groups.

CR11: Paragraphs 108 states that: "Figure 13 and Figure 14 illustrate the distribution of respondents by gender and stakeholder group, respectively". However, the caption for the figures states "Figure 15 and 14 - Respondents' distribution by and by stakeholder group". Likewise in the Annex, the caption states Figures 1 and 14, Please change to Figures 13 and 14.

Response: Not Cleared

IE: CAR4:

Sex-disaggregated data have been added for each stakeholder group in Section H, paragraph 111, providing a clearer overview of the distribution of women and men among community members, representatives of local government authorities and decentralized public institutions, community-based organizations, and private sector actors.

CR11:

The figure numbering has been corrected and revised throughout the document.

Response: Not Cleared

Secretariat: CAR4: Not cleared. While Section H, paragraph 111 provides the total number of men and women consulted (nine men and five women), it does not present sex-disaggregated data for each stakeholder group as requested. Please provide the number of women and men within each group (community members, local government authorities and decentralized public institutions, representatives of community-based organizations, and the private-sector representative).

CR11: Cleared. Figure numbering has been corrected in the document (Paragraph 111).

Response: Not Cleared

IE: CAR4:

The stakeholder consultation section under paragraph 111 has been revised to provide sex-disaggregated data for each stakeholder group, including community members, local government authorities and decentralized public institutions, community-based organizations, and the private sector. The figures are consistent with the overall consultation sample of nine men and five women.

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

Response: Pending

Secretariat: Yes, but one correction is needed.

CAR5: In Section I.C (Project Components and Financing), Component 1 is budgeted at \$2,500,000 and Component 2 at \$6,500,000. However, in Section III.A (Table 10), those funding amounts are reversed. Please fix this error.

Response: Not Cleared

IE: CAR5:

The budget for Component 1 and Component 2 in Table 10 has been corrected to align with Section I.C (Project Components and Financing).

Response: Not Cleared

Secretariat: CAR5: Cleared. The funding amounts for Component 1 and Component 2 in Table 10 have been corrected to match the allocations presented in Section I.C (Project Components and Financing).

CAR5 (new):

1. Please update all component numbers, names, and corresponding amounts to ensure they are accurately reflected in the AF portal.
2. In Table C "Project Components and Financing" in page 17, please add a line indicating the project activities cost (USD 21,900,274).
3. Please add estimated dates to the projected calendar in Section D. It would be advisable to indicate at least approximate quarters (Q1, Q2, Q3 or Q4) to clarify the expected sequencing of activities. Please also note that paragraph 38 indicates a total project duration of 7 years, whereas the table currently covers only 6 years.
4. Please avoid using "PFG" to refer to the project full proposal stage throughout the CN, as it causes confusion with the Project Formulation Grant (PFG).

Response: Not Cleared

IE: CAR5:

1. The figures in the portal have been checked and aligned with those in the project document. Please note that, as in the case of previous UNIDO submissions, each component's dollar amount in the review sheet seems to be shuffled compared to the contents of the portal entry submitted by UNIDO. Similarly, in this case, we confirm that the "Proposal document" generated by the Portal reflects the same amounts in the signed PDF project document.
2. A line indicating the total Project Activities Cost of USD 21,900,274 has been added to Table C.
3. The projected calendar in Section D has been revised to indicate approximate quarters for each milestone.

The Project Closing and Terminal Evaluation dates have also been corrected to 2035 to ensure consistency with the seven-year project duration indicated in paragraph 38.

4. References to “PFG” as shorthand for the full proposal development stage have been revised throughout the Concept Note to avoid confusion with the Project Formulation Grant (PFG).

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

Response: Not Cleared

Secretariat: CAR6: Please note that the AF SRF 2026 has been published all new proposals should now adhere to the new SRF. Please amend the results framework alignment table utilizing the same which is available at <https://www.adaptation-fund.org/document/strategic-results-framework-guidance-2026/>

Response: Not Cleared

IE: CAR6:

The results framework alignment table (Table 10) has been revised to align with the most recent one available at <https://www.adaptation-fund.org/document/strategic-results-framework-guidance-2026/>

Response: Not Cleared

Secretariat: CAR6: Not cleared. Please revisit the revised Strategic Results Framework guidance to ensure full alignment with Adaptation Fund requirements (<https://www.adaptation-fund.org/document/strategic-results-framework-guidance-2026/>). Table10 in Section III.A would benefit from clearer adherence to the SRF Alignment Table Template definitions and formats (e.g. headings).

Response: Not Cleared

IE: CAR6: Table 10 (now Table 9 to fix numbering error) in Section III.A has been revised in line with the July 2026 Adaptation Fund Strategic Results Framework Guidance and the prescribed SRF Alignment Table Template. The table now follows the required outcome- and output-level structure and headings and aligns project outcomes, outputs and corresponding indicators with the relevant Fund outcomes, outputs and indicators.

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

Response: Pending

Secretariat: Yes. However, more information is required.

Section III.J (pp. 46-47) describes how sustainability has been incorporated into the proposal design across the institutional, social, economic, and environmental dimensions.

CR12: Please provide a concrete discussion of the financial mechanisms and governance arrangements planned to ensure the continuous operation, maintenance, and replacement of physical assets and infrastructure developed under Components 2 and 3.

Response: Not Cleared

IE: CR12:

A new paragraph 117 has been added to Section III.J describing the governance arrangements and financial mechanisms that will ensure the long-term operation, maintenance and replacement of physical assets and infrastructure developed under Components 2 and 3, including the development of asset-specific operation and maintenance arrangements during the PFG phase.

Response: Cleared

Secretariat: CR12: Cleared. Paragraphs 120 and 121 in Section J have been added to describe the governance and financial mechanisms that will ensure the continuous operation, maintenance and replacement of physical assets under Components 2 and 3. These paragraphs complement the broader sustainability framework outlined in paragraphs 115–119.

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

Response: Pending

Secretariat: Yes. However, more information is required.

Section III.K (pp. 47-49) provides an overview of the environmental and social impacts and risks in compliance with the AF ESP and Gender Policy. The project is classified as Category B. Risk have been identified against each of the 15 ESP principles. An Initial Gender Assessment is included. Plans to develop an Environmental and Social Management Framework (ESMF) for the project are also described. However, there is no discussion of potential indirect, transboundary, or cumulative impacts that could result from the proposed project.

CAR7: Please describe all potential impacts (direct, indirect, transboundary and cumulative) and risks that could result from the project.

Response: Not Cleared

Secretariat: I agree with the comments of the co-reviewer

In addition:

CAR8: Please re-examine and provide a justification for the "no further assessment required" for the Checklist Principles related to Public Health and Physical and Cultural Heritage given that the project entails food processing, cold storage, water and small-scale civil works.

Please note that Checklist principles 1, 4 and 6 always apply.

Response: Not Cleared

IE: CAR7:

Paragraph 120 has been revised to explicitly describe the potential direct, indirect, cumulative and transboundary environmental and social impacts and risks associated with the proposed project.

CAR8:

The assessment of the Checklist Principles for Public Health and Physical and Cultural Heritage has been revised. Both principles have been reclassified from "No further assessment required" to "Potential impacts and risks – further assessment and management required for compliance" with a Low Risk rating. The corresponding justifications have been updated to reflect the potential localized risks associated with food processing, cold

storage, water-related infrastructure and small-scale civil works, and confirm that detailed assessments and appropriate mitigation measures, including screening procedures and their integration into the ESMF, will be undertaken during the PFG phase.

Response: Cleared

Secretariat: CAR7: Cleared. Paragraph 122 in Section K describes the project's potential direct, indirect, cumulative and transboundary environmental and social impacts and risks.

CAR8: Cleared. The principles have been reclassified, justifications now reflect the relevant risks, and the need for further assessment and integration into the ESMF during the full proposal phase is clearly established in Table 9. Checklist Principles 1, 4 and 6 apply.

Resource Availability

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

Response: Pending

Secretariat: Yes.

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

Response: Pending

Secretariat: Yes.

All figures are rounded to whole numbers, and the Implementing Entity Management Fee is just below 8.5%. All budget figures within the text and tables are formatted as whole numbers with no decimals. The PFG request is correct in size (USD 150,000), including the Management Fee of 8.5%.

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

Response: Cleared

Secretariat: Yes.

Eligibility of IE

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

Response: Pending

Secretariat: Yes.

UNIDO is an accredited Multilateral Implementing Entity (MIE).

Accreditation Expiration Date: 30 October 2027.

CONCEPT NOTE PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project: Advancing climate-resilient livelihoods and community-based adaptation for rural and coastal communities in Nampula

Country: Mozambique

Thematic Focal Area: Multisector

Type of Implementing Entity: Multilateral Implementing Entity

Implementing Entity: United Nations Industrial Development Organization (UNIDO)

Executing Entities: UNIDO, Ajuda de Desenvolvimento de Povo para Povo (ADPP)
Mozambique

Amount of Financing Requested: 25,000,000 (in U.S Dollars Equivalent)

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

Amount of Requested financing for PFG: 150,000 (in U.S Dollars Equivalent)

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

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

Stage of Submission:

- ☐ This concept has been submitted before
- ☒ This is the first submission ever of the concept proposal

In case of a resubmission, please indicate the last submission date: 8/3/2026

Please note that concept note documents should not exceed 50 pages, including annexes.

A. Project background and context

1. This section provides an overview of the project background and context underpinning the proposed intervention. The proposed project interventions are presented in Section II (paragraphs 39–96). Climate change impacts are intensifying in Mozambique, and the need for adaptation is becoming increasingly urgent. As a Least Developed Country in Africa, Mozambique is highly vulnerable to climate change, while community adaptive capacity remains constrained by climate-dependent livelihoods, including subsistence and rain-fed agriculture, and artisanal fishing, as well as by limited capacity to absorb disasters and biophysical shocks. This vulnerability is reflected in Mozambique's ranking as the 39th most affected country globally by extreme weather events over the period 1993–2022 according to the Climate Risk Index 2025¹ aims to reduce the vulnerability of people and the economy, strengthen institutional and human capacities, and improve access to financial and technological resources for adaptation. Its three main objectives are to integrate adaptation into planning and budgeting at national, provincial, and district levels; improve the capacity to manage and share data and information and to access technology and adaptation finance; and implement adaptation actions that increase the resilience of the most vulnerable at district level. The proposed project directly supports these priorities by strengthening locally led adaptation planning, climate-resilient and diversified livelihoods, resilient Water, Food, and Agriculture systems, local service provision, and access to adaptation finance in vulnerable rural and coastal communities. It is also aligned with the NAP's strategic adaptation actions, including increased adaptive capacity of vulnerable people, integrated local governance plans, more resilient agriculture, strengthened food and nutrition security, improved water resources management, protection of oceans and coastal areas, and strengthened preparedness and response to climate risks and disasters.



A1. Socio-economic context

2. **Geographic and socio-economic profile:** Mozambique is a low-income economy with a rapidly growing population, estimated at approximately 36.6 million people in 2026 and projected to reach 63.5 million by 2050². Its 2,700 km-long Indian Ocean coastline and position as a trade gateway for neighboring countries, including Tanzania, Malawi, Zambia, Zimbabwe, South Africa, and Eswatini, give Mozambique an important role in regional trade flows³. However, this geographic and economic potential has not yet translated into broad-based development outcomes. Despite steady improvements in its Human Development Index, which stands at 0.493, progress remains slow relative to neighboring countries⁴. In 2024, Mozambique's Gross Domestic Product (GDP) was approximately US\$22.7 billion⁵, with GDP per capita at US\$657, among the lowest levels globally⁶, while the multidimensional poverty headcount ratio stood at 60.7% of the population in 2022⁷. Against this backdrop, agriculture and fisheries are central to Mozambique's economy and livelihoods, while the informal economy continues to play a major role, accounting for an estimated over 80% of employment and up to 40% of the country's GDP.
3. **Agriculture:** Mozambique's rural, agriculture-based economy is central to its development context. Around 22 million people live in rural areas^{8,9} where 70% of poor households are located. Agricultural land accounts for

¹ https://unfccc.int/sites/default/files/resource/National_Adaptation_Plan_Mozambique.pdf

² <https://worldpopulationreview.com/countries/mozambique>

³ <https://www.worldbank.org/ext/en/country/mozambique>

⁴ https://hdr.undp.org/sites/default/files/2025_HDR/HDR25_Statistical_Annex_HDI_Table.pdf

⁵ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=MZ>

⁶ <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=MZ>

⁷ <https://data.worldbank.org/indicator/SI.POV.MPUN?locations=MZ&year=2025>

⁸ <https://data.worldbank.org/indicator/SP.RUR.TOTL?locations=MZ&year=2025>

⁹ <https://www.ifad.org/en/w/countries/mozambique>

¹⁰2023), and approximately 73% of labor force is employed (2025) ¹¹. Women account for 87.3% of the labor force in agriculture¹², but are only 25% of the land owners holding official user rights¹³. Small-scale farmers are the backbone of the sector, representing 98% of all agricultural practitioners, yet agricultural productivity remains low. In fact, Mozambique ranks 113th¹⁴ out of 125 countries in the Global Hunger Index (2025), and agriculture, forestry, and fishing together account for only 25.2% of the GDP value added (2024)¹⁵. This points to how hindering factors such as infrastructure gaps, underdeveloped input markets, weak organization and functioning of output markets and value addition, and limited access to finance¹⁶ persistently low productivity in sectors that remain fundamental to rural livelihoods, food security, and household income¹⁷. These constraints can also limit post-harvest handling, storage, processing, and market integration, reducing the ability of rural producers and enterprises to capture greater value from agricultural production. This is particularly relevant given the role of Micro-, Small and Medium-sized Enterprises (MSMEs)¹⁸ in Mozambique's economy: MSMEs contribute 23.4% of total GDP, represent around 97.1% of all companies operating in the country, and employ around 46.4% of the formal sector workforce (2024), making them important actors in input supply, aggregation, storage, processing, and market access. The above constraints¹⁹ reflected in limited access to agricultural technologies and services: nationally, only around 7.6% of households report visits by extension services, while Mozambique remains among the least productive maize producers in Africa, with smallholder maize productivity at around 1 tonne per hectare²⁰. The concentration of population, poverty, and employment in rural areas, together with the disparity between agricultural employment and output, underscores the importance of strengthening rural livelihoods, improving productivity, and enhancing the resilience of agricultural systems to external shocks.

4. **Fisheries:** The fisheries sector also plays a crucial role in Mozambique's economy and livelihoods. Two-thirds of Mozambique's population lives in coastal areas, and one-fifth of households rely on fisheries for income generation and food security²¹. The sector also functions as an important livelihood safety net, with households often turning to fishing when other sources of food production and income are insufficient²². The sector employs about 375,000 people, while approximately 563,000 individuals are engaged in fisheries when pre-harvest, post-harvest and subsistence activities are included, and around 2.4 million people depend at least partly on fisheries or subsistence fishing (2021). Fish is also central to nutrition, accounting for about 50% of total animal protein consumed nationally, and an even higher share in coastal areas. Women play an important role across the sector, with around 200,000 women active in fisheries, representing 53.3% of people engaged in subsistence fisheries and 57% of those active in fish processing²³. In coastal gleaning value chains, women are also largely responsible for harvesting, processing and selling gleaned resources, yet they often face limited access to cold storage, safety equipment, credit and decision-making spaces, increasing their exposure to post-harvest losses and livelihood vulnerability²⁴. Total capture production reached around 383,000 tonnes in 2021, with approximately 73% coming from marine fisheries and the remainder from inland water production. However, the sector remains below its potential: inshore resources are widely overexploited, contributing to lower artisanal catches, smaller fish caught, greater food insecurity, and increased poverty in coastal areas. Although artisanal fishers produce around 90% of the annual catch, only 10% of the sector's labor force is employed in processing and marketing, pointing to substantial post-harvest economic opportunities. These opportunities are constrained by limited fish distribution systems and a lack of cold storage facilities, which often forces reliance on traditional processing methods such as smoking and sun-drying²⁵. More broadly, weak access to investment capital, credit, infrastructure, and services continues to constrain sustainable fisheries and aquaculture development²⁶. In fact, aquaculture also remains limited despite significant potential, with

¹⁰ <https://data.worldbank.org/indicator/AG.LND.AGRI.ZS?locations=MZ>

¹¹ <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=MZ>

¹² <https://africa.unwomen.org/en/where-we-are/eastern-and-southern-africa/mozambique>

¹³ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agricultural-sector-2025-eng.pdf>

¹⁴ <https://www.globalhungerindex.org/ranking.html>

¹⁵ <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=MZ>

¹⁶ <https://www.elibrary.imf.org/view/journals/001/2025/009/article-A001-en.xml#A001fn01>

¹⁷ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agricultural-sector-2025-eng.pdf>

¹⁸ <https://clubofmozambique.com/news/mozambique-msmes-contribute-23-4-to-the-gdp/>

¹⁹ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agricultural-sector-2025-eng.pdf>

²⁰ https://storage.googleapis.com/fao-aquastat.appspot.com/countries_regions/factsheets/irrigation_area/en/MOZ-IRR.pdf

²¹ <https://www.fao.org/fishery/facp/moz/en>

²² <https://documents1.worldbank.org/curated/en/403651525888008345/pdf/Communities-livelihoods-fisheries-fisheries-governance-and-shared-growth-in-Mozambique.pdf>

²³ <https://www.fao.org/fishery/facp/moz/en>

²⁴ <https://worldfishcenter.org/blog/spotlight-womens-hidden-labour-gleaning-mozambique>

²⁵ <https://www.fao.org/fishery/facp/moz/en>

²⁶ <https://documents1.worldbank.org/curated/en/403651525888008345/pdf/Communities-livelihoods-fisheries-fisheries-governance-and-shared-growth-in-Mozambique.pdf>

production estimated at around 3,200 tonnes in 2021²⁷. Given this wider economic role, fisheries-related MSMEs are also relevant to understanding post-harvest dynamics in coastal economies, particularly in relation to processing, storage, distribution, market linkages, and income-generating activities. The concentration of coastal populations and livelihoods around fisheries, together with declining catches, limited post-harvest infrastructure, and underdeveloped aquaculture, underscores the importance of strengthening fisheries-based livelihoods, improving value addition, and enhancing the resilience of coastal systems to climate and ecosystem pressures.

A2. Environmental context

A2a. Climate risks

5. **Climate profile:** Mozambique has a tropical climate shaped by its proximity to the Indian Ocean, variations in elevation, and the movement of the Intertropical Convergence Zone. The country experiences a hot and rainy season from November to April, influenced by monsoon winds from the Indian Ocean, and a cooler, dry season from May to October. Average annual precipitation is approximately 970 mm, with rainfall peaking in January at around 233 mm. However, rainfall is unevenly distributed across the country, with northern areas receiving the highest annual rainfall and southern provinces being more arid. Annual precipitation ranges from around 1,209 mm in Zambézia and 1,127 mm in Niassa to 731 mm in Inhambane, 723 mm in Maputo, and 539 mm in Gaza. Temperatures also vary by season and geography: average temperatures range from around 28°C during the summer, with minimum and maximum temperatures of approximately 24°C and 32°C, to around 21°C during the cooler season, with minimum and maximum temperatures of approximately 15°C and 26°C. The highest average yearly temperatures are found in the northern coastal regions and generally decrease toward the south and mountainous areas, while the highest summer maximum temperatures are recorded in the interior region of Tete and in Gaza²⁸.

6. **Hazards:** Mozambique lies in the primary cyclone zone, and tropical cyclones historically affect its Exclusive Economic Zone and make landfall at a high frequency, bringing destructive winds, heavy rainfall, storm surges, and associated damage to infrastructure, ecosystems, and communities²⁹. On average, around five cyclones affect Mozambique each year, most of which enter the country's sphere of influence and make landfall, with Nampula, Zambézia, and Sofala among the most affected regions³⁰. Flooding is also a major hazard, particularly in low-lying areas, delta regions, river basins, and coastal areas affected by cyclone-related storm surges³¹. Major flooding frequently happen along the Limpopo and Zambezi river basins during heavy rains as well as due to release of water from dams and reservoirs upstream. In January 2026, Mozambique experienced its most severe flooding in decades, affecting approximately 700,000 people, including 110,000 people staying in accommodation centres. The floods also caused the loss of more than

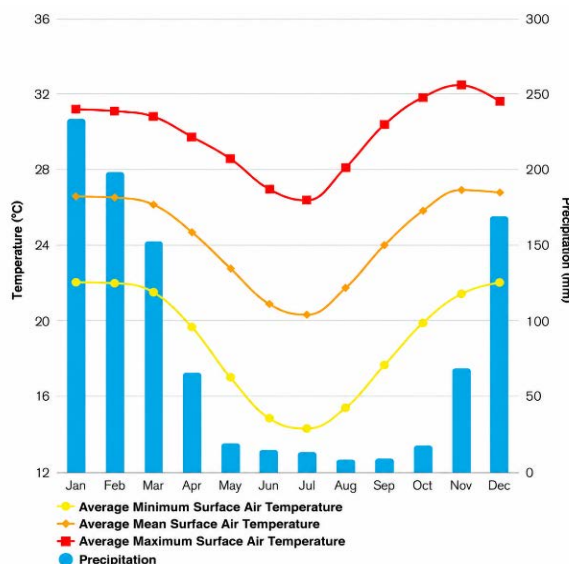


Figure 2 - Monthly Historical Climatology of Average Temperature and Total Precipitation (1991–2023). Source: <https://climateknowledgeportal.worldbank.org/sites/default/files/country->

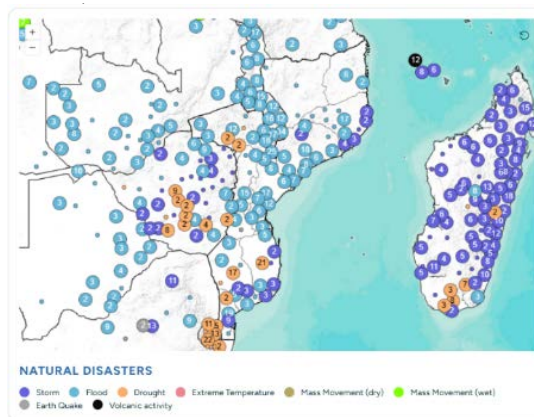


Figure 3 - Distribution of climate disasters (1980–2018). Source: <https://climateknowledgeportal.worldbank.org/country/mozambique/natural-disasters-historical>

²⁷ <https://www.fao.org/fishery/facp/moz/en>

²⁸ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

²⁹ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

³⁰ <https://www.worlddata.info/africa/mozambique/cyclones.php>

³¹ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

530,000 livestock and 440,000 hectares of cropland³². Droughts are recurrent and pose a serious threat to rain-fed agriculture, water availability, food security, and rural livelihoods³³. The El Niño phenomenon during the 2023-2024 season left central and southern Mozambique facing severe drought, affecting an estimated 1.8 million people through crop failures and food and water scarcity³⁴.

7. **Exposure:** Climate hazards intersect with high exposure across the systems that sustain livelihoods, food security, infrastructure, ecosystems, and local economies. This exposure reflects both Mozambique's physical geography and the spatial distribution of its population and productive systems³⁵. The country's coastal lowlands, extensive coastline, delta regions, and downstream position in several transnational river basins increase the exposure of settlements, infrastructure, agriculture, fisheries, and coastal ecosystems to cyclone-related impacts, floods, storm surges and sea-level rise. At the same time, rural and coastal livelihood systems remain highly exposed because they are closely tied to climate-sensitive natural resources and seasonal conditions³⁶. As agriculture and fisheries are central to Mozambique's economy and livelihoods, climate shocks can affect not only primary production, but also food security, income generation, post-harvest systems, market access, and local service provision³⁷.

8. **Vulnerability:** Vulnerability is shaped by the interaction between this high exposure and the limited capacity of households, communities, productive sectors, and local institutions in Mozambique to anticipate, absorb, adapt to, and recover from climate shocks. This is further reinforced by socio-economic fragility, poverty, low adaptive capacity, limited investment in modern technology, and deficiencies in infrastructure and social services, particularly those related to health, water, and sanitation³⁸. In rural areas, agricultural constraints, including low productivity and limited access to inputs, technologies, extension services, storage, processing, markets, finance, and irrigation, reduce the ability of smallholders and rural enterprises to manage climate variability and recover from losses³⁹. In coastal areas, risks to marine ecosystems and artisanal fisheries are compounded by limited adaptive capacity in the wider value chains that support fisheries-based livelihoods⁴⁰. As a result, climate hazards in Mozambique can quickly translate into wider impacts on food security, water security, income generation, health, infrastructure, ecosystems, and the resilience of vulnerable rural and coastal communities.

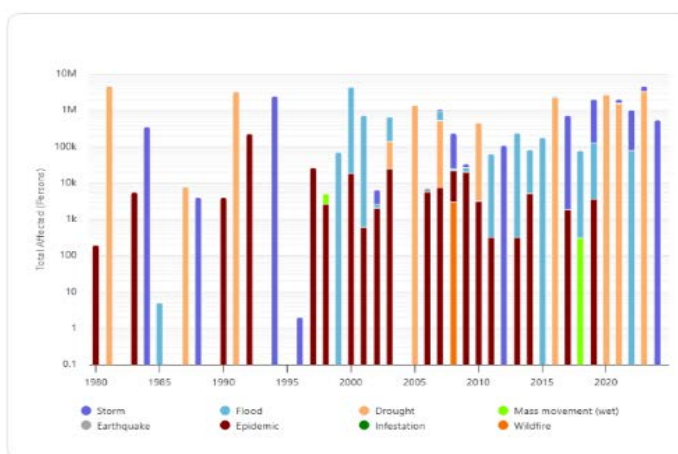


Figure 4 - Total affected persons (1980-2024). Source: <https://climateknowledgeportal.worldbank.org/country/mozambique/natural-disasters-historical>

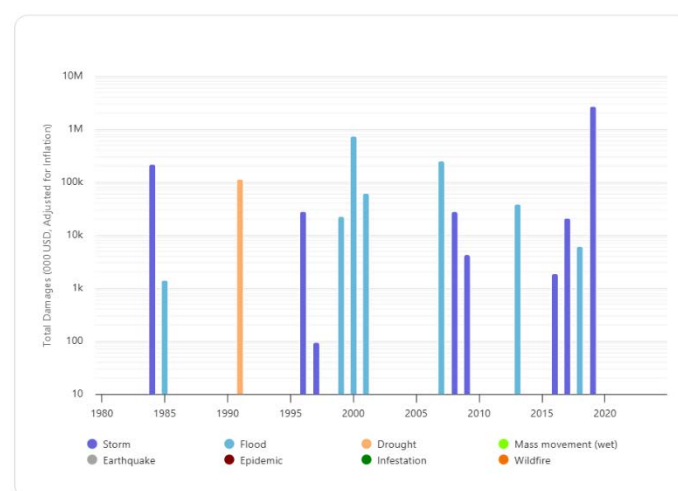


Figure 5 - Total damages (000 USD, adjusted for inflation; 1980-2024). Source: <https://climateknowledgeportal.worldbank.org/country/mozambique/natural-disasters-historical>

³² <https://reliefweb.int/report/mozambique/wfp-mozambique-country-brief-march-2026>

³³ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

³⁴ <https://humanitarianaction.info/plan/1207/article/mozambique-drought-flash-appeal-2024-2025>

³⁵ https://unfccc.int/sites/default/files/resource/National_Adaptation_Plan_Mozambique.pdf

³⁶ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

https://unfccc.int/sites/default/files/resource/National_Adaptation_Plan_Mozambique.pdf

³⁷ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agricultural-sector-2025-eng.pdf>

³⁸ https://unfccc.int/sites/default/files/resource/National_Adaptation_Plan_Mozambique.pdf

³⁹ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agricultural-sector-2025-eng.pdf>

⁴⁰ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

A2b. Climate scenarios

9. **Temperature:** Under the SSP3-7.0 scenario⁴¹, Mozambique's mean surface air temperature is projected to increase from 24.28°C during the 1995–2014 historical reference period to 25.75°C in 2040–2059, with temperatures rising by 0.31°C per decade between 2000 and 2050. This warming is expected to substantially increase heat-related risks. The average number of hot days above 30°C is projected to rise from 143 days per year during 1995–2014 to 205 days per year by 2040–2059, while extremely hot days above 35°C are projected to increase from 17 to 39 days per year over the same period. Hot nights are also expected to become more frequent, with tropical nights above 23°C increasing from 52 days per year historically to 114 days per year by mid-century. Together, these changes could have serious consequences for health, agriculture, energy demand, water supplies, infrastructure, ecosystems, food security, and livelihoods.
10. **Precipitation:** Under SSP3-7.0, average annual precipitation is projected to decline from 880 mm during 1995–2014 to 861 mm in 2040–2059, corresponding to a median anomaly of –23 mm, or a 2.6% decrease. At the same time, the maximum number of consecutive dry days is projected to increase from 71 days during the historical period to 77 days by 2040–2059 and 85 days by 2080–2099. Drought conditions can disrupt crop growth, reduce yields, affect agricultural productivity, and undermine the livelihoods of small farmers who depend on crops for nutritious food. In parallel, extreme precipitation events are projected to become more frequent. Under SSP3-7.0, historical 100-year precipitation events are projected to occur 1.77 times more frequently by mid-century, meaning that events previously expected once per century could occur approximately every 58 years by 2050. Such intense precipitation events are linked to increased risks of recurrent flooding, flash floods, and landslides, with consequences for infrastructure, human safety, and agriculture.
11. **Sea levels rise and sea surface temperatures:** Under SSP3-7.0, sea level along Mozambique's coastline is projected to rise by 18 cm between 2020 and 2050, and by 69 cm between 2020 and 2100. Sea levels will continue to rise across all scenarios for centuries, and flooding will occur more often and with worsening severity as sea levels rise. Coastal and marine systems are also expected to face increasing pressure from warming oceans. Sea surface temperatures in the East Southern Africa region, where Mozambique's coasts are located, are projected to increase by 1.0°C by mid-century and 2.3°C by the end of the century under SSP3-7.0, relative to 1995–2014. A rise of more than 1°C is expected to have catastrophic consequences for fisheries,



Figure 6 - Projected monthly anomaly of the average mean surface air temperature for 2040–2059 (relative to the reference period 1995–2014); under SSP3-7.0, along with the 10th–90th percentile dispersion across models. Source: https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

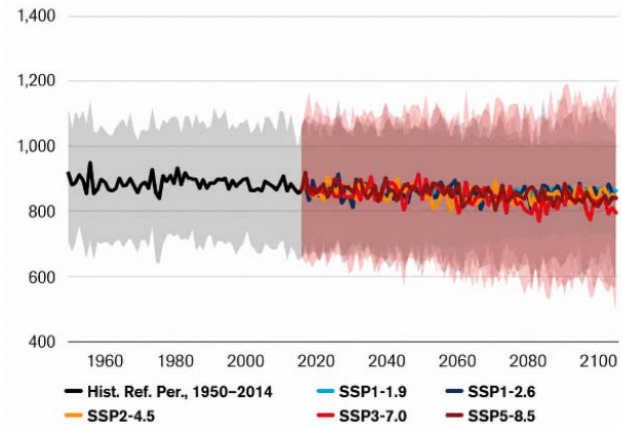


Figure 7 - Projected annual precipitation for different climate change scenarios, along with the 10th–90th percentile dispersion across models. Source: https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

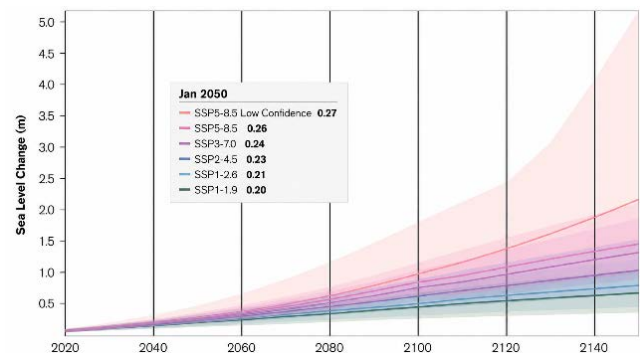


Figure 8 - Projected total sea level change under different SSP scenarios relative to the historical baseline (1995–2014); the shaded ranges show uncertainties at 17th–83rd percentile ranges. Source: https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

⁴¹ Under the SSP3-7.0 scenario, global temperature change is projected to reach approximately 2.1°C by mid-century and 2.7°C by the end of the century, relative to pre-industrial conditions.

biodiversity, and coral reefs, which are especially vulnerable to even small increases in sea temperature⁴².

A2c. Identified vulnerable groups

12. Historical climate data and climate scenarios provide an important evidence base for understanding the magnitude, frequency, and long-term evolution of climate risks affecting Mozambique. They help assess how rising temperatures, changing rainfall patterns, cyclones, floods, droughts, sea-level rise, and marine ecosystem pressures may evolve under different emissions scenarios, and what these changes could mean for communities, livelihoods, economic structures, and ecosystems. However, in an adaptation context, climate hazards alone do not determine vulnerability. The severity of climate impacts depends on the extent to which exposed communities, livelihood systems, local enterprises, and institutions are able to anticipate, cope with, and adapt to, and recover from climate hazards. For this reason, the following section identifies the communities and provinces that are most vulnerable to climate change and least able to adapt to its impacts.
13. **Rural communities:** Rural communities are particularly vulnerable to climate change because their food security, income, and livelihoods are closely tied to climate-sensitive agricultural systems. Rural households depend heavily on rain-fed production, small-scale farming, livestock, and related informal economic activities, meaning that extreme heat, changes in rainfall, cyclones, flooding, and prolonged dry spells can quickly translate into crop losses, reduced food availability, lower household income, and increased livelihood insecurity. Stakeholder consultation findings reflect this pattern, indicating that climate-related production losses are accompanied by broader effects on household welfare and local economic activity, including food shortages, declining income, higher food, input and transport costs, post-harvest losses, reduced market access, water scarcity, and the loss of seeds, tools, and livestock. This exposure is compounded by structural constraints that limit adaptive capacity, including infrastructure gaps, underdeveloped input markets, weak organization and functioning of output markets and value addition, limited access to finance, limited post-harvest handling, storage, processing and market integration, weak access to agricultural technologies and extension services, low agricultural productivity, and limited irrigation. Consultations indicate that communities have responded through adjustments to planting calendars, the use of more tolerant crop varieties, crop and livelihood diversification, water-saving and irrigation practices, and participation in savings groups. While these measures constitute an important basis for strengthening local adaptation, the continued use of adverse coping responses, including reduced food consumption, the sale of productive assets, and temporary migration, indicates that existing strategies are not sufficient to prevent the erosion of household welfare and productive capacity. As a result, many rural households have few buffers when climate shocks occur and limited means to invest in more resilient production, post-harvest management, or market-oriented livelihood strategies. Within rural communities, women, youth, persons with disabilities, and households in remote areas face additional barriers, including limited access to productive assets, services, information, transport, finance, and decision-making spaces, further reducing their adaptive capacities.
14. **Coastal communities:** Coastal communities face a distinct but equally acute climate vulnerability, as their livelihoods depend on both land-based and marine systems that are increasingly exposed to climate and ecosystem pressures. Fisheries, aquaculture, gleaning, fish processing, trading, and other coastal livelihood activities are affected by cyclones, storm surges, coastal flooding, sea-level rise, warming oceans, declining fish catches, and degradation of coastal ecosystems. These risks directly affect food and nutrition security, income generation, and the functioning of local coastal economies. Consultation findings reflect these dynamics, indicating that declining fish catches are accompanied by damage to fishing gear, boats, landing sites, and processing facilities, as well as growing pressure on fishing grounds, water resources, and coastal ecosystems. Respondents also referred to coastal erosion, storm surges, changes in fishing areas and seasons, post-harvest losses, inadequate processing and market infrastructure, and limited opportunities to diversify income sources. Adaptive capacity is further constrained by limited fish distribution systems and cold storage facilities, reliance on traditional processing methods, weak access to investment capital and credit, limited infrastructure and services, underdeveloped aquaculture, and weak market linkages. These constraints increase post-harvest losses and reduce the ability of fishers, processors, traders, gleaners, and fisheries-related MSMEs to capture value from coastal resources. Women are especially exposed in parts of the fisheries and gleaning value chains, where they often carry out harvesting, processing, and selling activities while facing limited access to infrastructure, finance, and decision-making spaces. This combination of climate exposure, ecosystem stress, weak infrastructure, and constrained access to services and finance leaves many coastal households with limited capacity to diversify, upgrade livelihoods, or recover from repeated climate shocks.

⁴² https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

15. **Internally Displaced Persons (IDPs):** IDPs in Mozambique face heightened vulnerability because displacement weakens access to food, shelter, livelihoods, services, institutional support, and social protection, while exposing displaced households to new climate and socio-economic risks in areas of arrival. Mozambique hosts more than 600,000 IDPs, displaced by conflict in the northern provinces and recurrent climate disasters, including cyclones and floods in central regions. As of July 2025, 461,237 people were internally displaced by conflict in northern Mozambique, including Cabo Delgado, Nampula, and Niassa, while 148,006 people were displaced by disasters in central Mozambique⁴³. This vulnerability is further compounded by the fact that IDPs outside Cabo Delgado may become less visible to government and humanitarian actors over time, limiting their recognition, support, and protection. Many displaced people therefore rely on host communities and informal structures rather than formal institutions, meaning that their vulnerability is closely linked to that of host communities⁴⁴. In this context, consultation respondents emphasized the importance of ensuring that project benefits are distributed equitably, that trusted community structures are involved, and that interventions avoid exclusion or unequal benefit-sharing. These considerations are particularly important where the informal support systems on which displaced households depend are already under pressure. IDPs are therefore vulnerable not only because they have been uprooted by conflict or disasters, but also because displacement reduces their capacity to anticipate, cope with, adapt to, and recover from additional climate shocks.

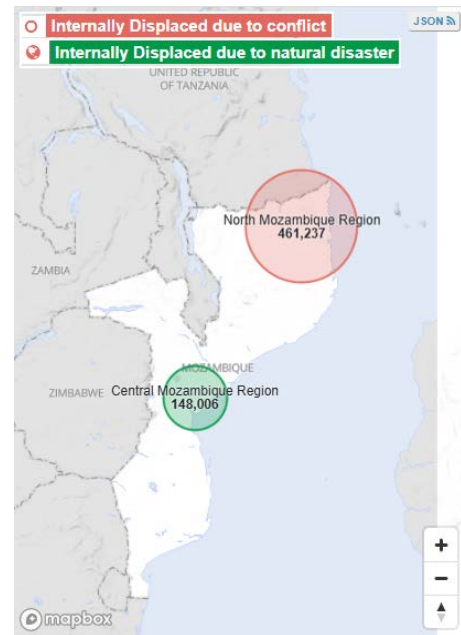


Figure 9 – Internally Displaced Persons (IDPs) in Mozambique, as of 31 May 2026. Source: <https://data.unhcr.org/en/country/moz>

16. **Host communities (HCs):** HCs are also highly vulnerable, as they absorb displacement pressures while facing material deprivation and limited institutional support themselves. With 55% of IDPs living in host communities, compared with 45% in displacement sites, host communities are central to sustainable responses to internal displacement. For instance, in Nacala, ordinary citizens, neighbors, community leaders, family networks, religious institutions, and other informal structures have played a key role in receiving, accommodating, and integrating IDPs, often by providing food, shelter, rental or free housing, farmland, money, and social, moral, emotional, spiritual, and material support. These local norms of solidarity and hospitality, together with shared nationality, religious affiliation, family ties, and community leadership, have helped maintain social cohesion, even in poorly resourced communities. However, host communities may themselves live in conditions of material deprivation, and the absence of adequate support to both IDPs and host households can place pressure on local resources and weaken social cohesion⁴⁵. From an adaptation perspective, host communities are therefore vulnerable not only because they are exposed to climate-sensitive livelihoods and local development constraints, but also because they carry a significant share of the social and material burden of displacement.
17. **Women, youth, persons with disabilities, and households in remote areas:** Across rural, coastal, displaced, and host communities, women, youth, persons with disabilities, and households in remote areas face additional and intersecting barriers that further limit their adaptive capacity. These groups are often more exposed to livelihood disruption, food and water insecurity, post-harvest losses, reduced income, and increased care or household responsibilities, while also facing more limited access to productive assets, land, finance, services, infrastructure, information, transport, markets, training, and decision-making spaces. Consultation findings further reflected these constraints, particularly limited access to information, missing identification documents, low literacy, restrictive social norms, physical accessibility barriers, distance, communication limitations, transport costs, and competing care or livelihood responsibilities that can restrict participation in adaptation processes and access to project benefits. Women are particularly affected because they play important roles in agriculture, fisheries, processing, and gleaning, yet often face persistent barriers to resources, infrastructure, credit, and participation in local decision-making. Stakeholder consultations also highlighted increased workloads for women and girls as a climate-related impact. Youth, persons with disabilities, and remote households may also face reduced access to adaptation support, livelihood opportunities, and climate

⁴³ <https://data.unhcr.org/en/country/moz>

⁴⁴ <https://www.idos-research.de/policy-brief/article/internal-displacement-informal-local-structures-and-social-cohesion-in-mozambique/>

⁴⁵ <https://www.idos-research.de/policy-brief/article/internal-displacement-informal-local-structures-and-social-cohesion-in-mozambique/>

information, increasing the risk that climate shocks deepen existing inequalities. Addressing these cross-cutting barriers is therefore essential to ensure that adaptation measures are inclusive, accessible, and deliver benefits equitably.

18. **Vulnerable local MSMEs linked to agriculture, aquaculture and fisheries:** Vulnerable MSMEs linked to agriculture and fisheries also face important climate-related risks, as they play a critical role in the local value-chain functions that connect production to income, services, and markets. These enterprises are involved in input supply, aggregation, storage, processing, distribution, market access, and value addition, but often operate with limited financial resilience, weak infrastructure and services, limited storage, processing and distribution capacity, weak market linkages, and limited quality compliance and business development support. Consultation findings also pointed to regulatory and administrative constraints, difficulties in meeting quality requirements, a lack of suitable financial products, and climate-related disruptions to supply and demand. Climate shocks can disrupt supply chains, reduce the availability and quality of raw materials, damage infrastructure, increase transport and input costs, reduce market access, and increase post-harvest and storage losses. This makes vulnerable local MSMEs both exposed to climate impacts and important for community resilience, as their ability to absorb shocks and invest in resilience directly affects the wider capacity of rural and coastal communities to maintain livelihoods, access services, reduce losses, and capture greater value from agriculture and fisheries.
19. *Table 1* below offers a concise synthesis of the climate-related vulnerabilities and barriers to adaptation and resilience faced by specific population groups in Mozambique, obtained from preliminary desk-based research and stakeholder consultations. During [the project full proposal stage PFGphase](#), the project team will conduct more in-depth assessments and consultations of the adaptation barriers experienced by communities in Nampula to validate and expand this analysis.

Table 1: Climate vulnerabilities and adaptation barriers, by population groups in Mozambique

Vulnerable group	Vulnerability	Climate impact	Barriers to climate adaptation and resilience
Rural communities dependent on agriculture, livestock, and related informal economic activities	High dependence on rain-fed production, small-scale farming, livestock, and climate-sensitive rural livelihoods; high concentration of rural poverty; low agricultural productivity; limited buffers to absorb climate shocks	Extreme heat, changing rainfall patterns, cyclones, flooding, prolonged dry spells, crop losses, reduced food availability, livestock losses, lower household income, and increased livelihood insecurity	Infrastructure gaps; underdeveloped input markets; weak organization and functioning of output markets and value addition; limited access to finance; limited post-harvest handling, storage, processing, and market integration; weak access to agricultural technologies and extension services; low agricultural productivity; limited irrigation; ; limited access to climate information; low literacy; limited access to productive assets, services, information, transport, finance, and decision-making spaces for women, youth, persons with disabilities, and remote households, further compounded by social norms that may restrict their participation.
Coastal communities dependent on fisheries, aquaculture, gleaning, fish processing, trading, and coastal ecosystems	High dependence on marine and coastal resources for food, nutrition, income, and local economic activity; exposure to declining fish catches, ecosystem degradation, and weak post-harvest systems; limited capacity to diversify or upgrade livelihoods.	Cyclones, storm surges, coastal flooding, sea-level rise, warming oceans, degradation of coastal ecosystems, reduced fish catches, damage to fishing gear and infrastructure, including boats, landing sites, and processing facilities, changes in fishing areas and seasons, increasing pressure on fishing grounds and coastal ecosystems, post-harvest losses, and reduced post-harvest generation.	Limited fish distribution systems and cold storage facilities; reliance on traditional processing methods; weak access to investment capital and credit; limited infrastructure and services; underdeveloped aquaculture; weak market linkages; limited access to infrastructure, finance, and decision-making spaces for women in fisheries and gleaning value chains.
Internally Displaced Persons (IDPs)	Displacement weakens access to food, shelter, livelihoods, services, institutional support, and social protection; IDPs may become less visible outside Cabo Delgado and rely heavily on host communities and informal structures.	Exposure to climate shocks in areas of arrival, including floods, cyclones, droughts, and livelihood disruption; reduced capacity to recover from repeated shocks due to displacement-related loss of assets, networks, services, and support.	Limited recognition, support, and protection outside main displacement areas; weak access to livelihoods, services, social protection, and institutional support; reliance on host communities and informal structures; reduced capacity to anticipate, cope with, adapt to, and recover from climate shocks.
Host communities receiving and supporting displaced populations	Host communities absorb displacement pressures while facing material deprivation and limited institutional support themselves; they provide food, shelter, farmland, housing, money, and social support to IDPs, often through informal structures.	Climate shocks affecting agriculture, fisheries, infrastructure, services, food and water security, and local livelihoods, compounded by increased pressure on local resources, land, housing, services, and livelihood opportunities.	Limited institutional support; material deprivation; pressure on local resources; risk that assistance focused only on IDPs may create resentment, evictions, repossession of lent farmland, and weakened social cohesion; limited support to informal local structures that help maintain integration and cohesion.
Cross-cutting groups			
Women, youth,	Heightened vulnerability due to	Increased workload, reduced income,	Limited access to land or productive assets; limited access to

persons with disabilities, and households in remote areas	unequal access to productive assets, services, information, transport, finance, decision-making spaces, and livelihood opportunities; women play major roles in agriculture, fisheries, processing, and gleaning but face persistent barriers.	food and water insecurity, post-harvest losses, reduced participation in livelihood opportunities, and reduced ability to recover from climate shocks.	finance, services, infrastructure, information in accessible formats, communication channels, and markets; missing identification documents; language and literacy barriers; physical accessibility constraints; domestic and livelihood-related time constraints; care responsibilities; social norms; limited decision-making power; accessibility barriers; reduced access to training and adaptation support.
Vulnerable local micro-, small and medium-sized enterprises (MSMEs) linked to agriculture and fisheries	MSMEs are important actors in input supply, aggregation, storage, processing, distribution, market access, and value addition, but often face limited financial resilience, weak market linkages, and exposure to climate and ecosystem pressures.	Climate shocks can disrupt supply chains, reduce raw material availability, damage infrastructure, increase transport and input costs, reduce market access, and increase post-harvest and storage losses.	Limited access to finance; weak infrastructure and services; limited storage, processing, and distribution capacity; weak market linkages; low productivity; regulatory and administrative constraints; difficulties meeting quality requirements; limited quality compliance and business development support; inadequate maintenance and after-sales capacity; limited capacity to absorb climate shocks, manage climate-related risks to business continuity, or invest in resilience.

20. The concept-stage consultations also identified cross-cutting barriers that could prevent vulnerable groups from participating in or benefiting from adaptation interventions. Lack of information about project activities was the most frequently reported barrier, identified by 12 out of 14 respondents. Lack of identification documents and low literacy or limited access to written information were each identified by 10 respondents, while nine identified social or cultural norms that may limit the participation of women or young people. Physical accessibility barriers were identified by eight respondents; distance to meetings, training, markets, or services by seven; limited access to communication channels by six; and high transport costs by five. Respondents also identified livelihood-related time constraints, domestic and care responsibilities, language barriers, discrimination or stigma, tensions between displaced and host communities, and land-tenure insecurity. These findings indicate that vulnerability is shaped not only by exposure and livelihood constraints, but also by practical, informational, social, and accessibility barriers that can limit equitable access to adaptation support.



Figure 10 - Stakeholder consultations: vulnerable groups' participation barriers

21. The above analysis highlights that the groups most vulnerable to climate change in Mozambique are those whose livelihoods depend directly on water, food, and agriculture (WFA) systems. This includes rural communities dependent on agriculture and livestock, coastal communities dependent on fisheries and aquaculture, as well as local MSMEs operating within these value chains. For the purpose of this project, the WFA sector is understood broadly to encompass climate-sensitive livelihood systems linked to crop production, livestock, fisheries, aquaculture, water resources, and related value chains and ecosystem services that underpin food security, income generation, and community resilience. It should be noted that vulnerability within WFA systems is often compounded by other factors, including displacement, gender inequality, disability, youth unemployment, and geographic isolation. As a result, the project will adopt an inclusive approach that gives particular attention to internally displaced persons (IDPs), host communities, women, youth, persons with disabilities, and households in remote areas, many of whom depend directly on WFA systems for their livelihoods and wellbeing.

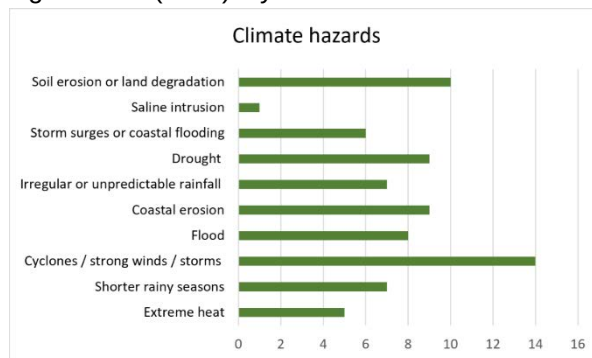


Figure 11 - Stakeholder consultations: climate hazards

A2d. Identified vulnerable regions and target site justification

22. Mozambique's provinces face different but significant climate risks: Sofala is particularly exposed to humid heat and cyclone-related flooding⁴⁶; Zambézia records very high precipitation⁴⁷ and flood-related agricultural risks⁴⁸; Tete is more strongly affected by dry conditions, high temperatures, and water stress⁴⁹; and Cabo Delgado remains the main centre of conflict-related displacement and insecurity⁵⁰. Nampula combines several critical dimensions of vulnerability within one province. It is among the regions most affected by cyclones, together with Zambézia and Sofala⁵¹, and experiences high annual precipitation, with 1,103 mm recorded for 1991-2020 compared with the national average of 970 mm⁵². Rainfall intensity is also relevant for agriculture, as excessive rainfall in Nampula and Zambézia causes flooding, disrupt planting schedules, and damage crops⁵³. At the same time, Nampula faces increasing heat exposure: under SSP3-7.0, hot days above 30°C are projected to increase from 147.99 days in 1994-2015 to 222.25 days in 2040-2059 and 295.67 days in 2080-2099, while population exposure to high humid heat risk is projected to reach 96% by 2075⁵⁴. Overall, the province is primarily affected by i) tropical cyclones, ii) flooding associated with intense rainfall events, and iii) increasing drought and heat stress linked to changing rainfall patterns and rising temperatures. These hazards are highly interconnected and interact with other climate risks, including sea-level rise, coastal erosion, storm surges, and marine ecosystem degradation, creating compound impacts on rural and coastal livelihoods.
23. The concept-stage stakeholder consultations reflected this multi-hazard profile. All 14 respondents identified cyclones, strong winds, or storms as relevant climate risks. Flooding-related risks were reported through two overlapping categories: flooding was identified by eight stakeholders and storm surges or coastal flooding by six. Drought was identified by nine respondents, while extreme heat was reported by five stakeholders. Respondents also highlighted changes in rainfall patterns and associated environmental pressures: shorter rainy seasons and irregular or unpredictable rainfall were each identified by seven stakeholders, while soil erosion or land degradation was identified by 10 and coastal erosion by nine. Overall, the province is primarily affected i) tropical cyclones, strong winds, and storms; ii) inland and coastal flooding, including storm surges; iii) drought, increasingly irregular rainfall, and rising heat exposure, with associated land and coastal degradation. These risks interact and can reinforce one another, creating compound impacts across agricultural and marine systems and the rural and coastal livelihoods that depend on them.

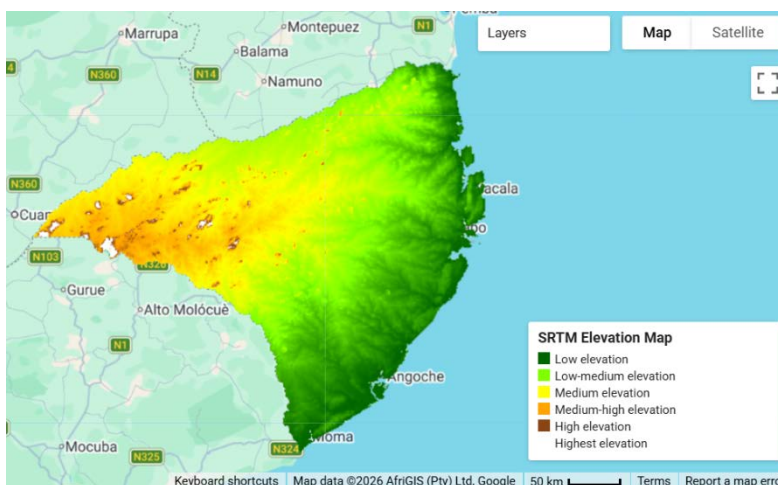


Figure 12 - Nampula Province, Mozambique; SRTM Elevation map. Source: Shuttle Radar Topography Mission (SRTM) Global 1 Arc-Second DEM, NASA/USGS, accessed via Google Earth Engine.

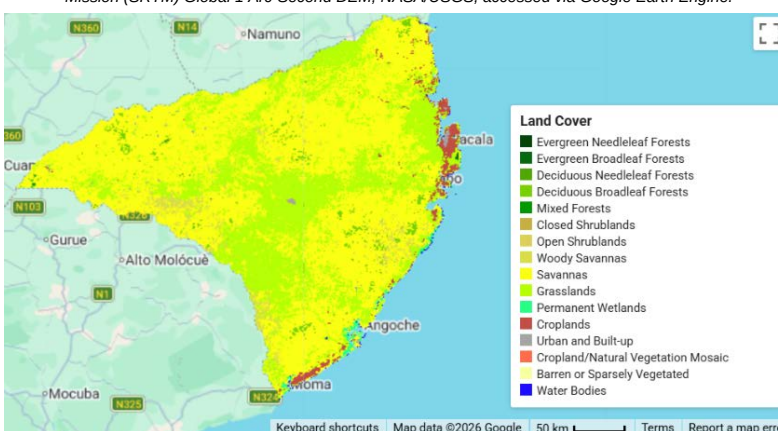


Figure 13 - Nampula Province, Mozambique; Land cover map. Source: MODIS Land Cover Type Yearly Global 500 m, MCD12Q1 Version 6.1, accessed via Google Earth Engine.

⁴⁶ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

⁴⁷ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

⁴⁸ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agicultural-sector-2025-eng.pdf>

⁴⁹ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agicultural-sector-2025-eng.pdf>

⁵⁰ <https://www.idos-research.de/policy-brief/article/internal-displacement-informal-local-structures-and-social-cohesion-in-mozambique/>

⁵¹ <https://www.worlddata.info/africa/mozambique/cyclones.php>

⁵² https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

⁵³ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agicultural-sector-2025-eng.pdf>

⁵⁴ https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17258-WB_Mozambique%20Country%20Profile-WEB.pdf

24. Nampula also presents a particularly vulnerable livelihood profile. The province combines a strong rural and agricultural base with coastal communities whose livelihoods depend on fisheries, aquaculture, gleaning, fish processing, trading, and related local enterprises. This dual rural-coastal profile means that climate shocks can affect both land-based and marine systems, with direct implications for food security, household income, post-harvest losses, market access, and local value chains. The stakeholder consultations highlighted these interconnected livelihood impacts. Damage to infrastructure and increases in the prices of food, inputs, or transport were each identified by 12 out of 14 respondents. Lower agricultural yields or crop losses, damage to fishing assets and facilities, reduced fish catches, and reduced income were each identified by 11 stakeholders. Ten respondents reported reduced opportunities for young people, nine identified food shortages, and eight identified increased post-harvest losses and greater pressure on land, fishing grounds, water resources, and coastal ecosystems. Other reported impacts included increased workloads for women and girls, migration or displacement, water scarcity, and reduced access to markets. Stakeholders also raised concerns about waterborne diseases; the loss of seeds, tools, and livestock; inadequate building materials; and the declining capacity of communities to withstand repeated climate shocks. At the same time, Nampula has relatively favorable agricultural potential, standing out in particular for its high average suitability score for maize. However, the province faces hard constraints in terms of infrastructure and accessibility, as well as significant soft constraints, particularly in terms of market access and farming technologies, pointing to a gap between agricultural potential and realization⁵⁵. This indicates that climate vulnerability in Nampula is not only linked to exposure to hazards, but also to the limited capacity of rural and coastal livelihood systems to convert productive potential into resilient and sustainable income opportunities.

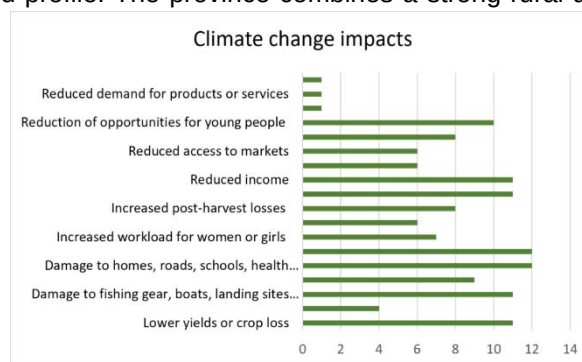


Figure 11 - Stakeholder consultations: climate change impacts

25. Nampula also presents vulnerabilities linked to displacement dynamics. As people affected by the conflict in Cabo Delgado have moved into neighboring provinces, including Nampula and Niassa, parts of Nampula such as Nacala have become important spaces of reception and local integration. In these settings, support to displaced households has often been organized through everyday community mechanisms, including neighbors, community leaders, family and business networks, religious institutions, and other informal structures. These arrangements have enabled displaced households to access shelter, food, farmland, material assistance, and social support, while helping to preserve cooperation between displaced and host populations. Social cohesion has been supported by factors such as pre-existing relationships, shared national identity, collective memory, religious affiliation, local values of solidarity and hospitality, and the role of trusted community leaders. At the same time, these local arrangements remain vulnerable to strain, as host communities often face material deprivation and limited institutional support themselves. Assistance models that overlook vulnerable host households risk weakening the trust and cooperation that have enabled local integration, including through resentment, evictions, repossession of lent farmland, and increased tensions between displaced and host populations⁵⁶. In light of the above assessment, Nampula was selected as the project's target province due to its combination of high climate vulnerability and strong potential for adaptation impact. Specific target districts will be identified during the [Project Formulation Grant \(PFG\)-project full proposal stage](#) phase based on further evidence-based climate risk assessments and stakeholder consultations.

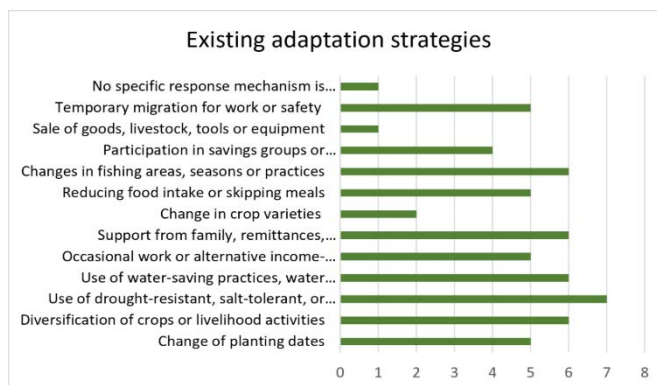


Figure 12 - Stakeholder consultations: existing adaptation strategies

26. The districts of Memba, Nacala-a-Velha, Monapo, and Mossuril have been provisionally identified at the concept stage based on their high climate vulnerability, exposure to recurrent climate hazards, and displacement dynamics, which further exacerbate existing vulnerabilities and pressures on local livelihoods,

⁵⁵ <https://www.wider.unu.edu/sites/default/files/Blog/PDF/IGM-report-agricultural-sector-2025-eng.pdf>

⁵⁶ <https://www.idos-research.de/policy-brief/article/internal-displacement-informal-local-structures-and-social-cohesion-in-mozambique/>

infrastructure, and natural resources. However, this selection remains indicative and will be validated during the [PFG-project full proposal](#) phase through stakeholder consultations and detailed CRVAs. Based on the findings, the geographic focus may be confirmed, adjusted, expanded, or revised to ensure that project interventions target the areas and communities with the greatest climate adaptation needs.

A3. Problem statement

27. Communities in Nampula Province face high and increasing climate vulnerability due to their exposure to multiple climate hazards and impacts, as described in Section A2. Among the most significant climate hazards affecting the province are: i) tropical cyclones, strong winds, and storms ii) inland and coastal flooding, including storm surges and iii) drought, increasingly irregular rainfall, and rising heat exposure, with associated land and coastal degradation, exacerbated by a range of underlying socio-economic and political factors that reduce communities ability to cope with and adapt to climate change. A key contributing factor is the impact of conflict-induced displacement in northern Mozambique, which has placed additional pressure on natural resources, infrastructure, public services, and livelihood systems in both host and displaced communities. This dynamic compounds existing development challenges, as Mozambique remains a low-income country with one of the lowest GDPs per capita globally and high levels of poverty, limited access to services and economic opportunities, as summarized in Section A1. As a result, vulnerable communities often have a reduced capacity to anticipate, withstand, adapt to, and recover from climate shocks and stresses.
28. In fact, while the concept-stage consultations identified several adaptation strategies on which the project can build, they also revealed the continued use of erosive coping strategies. The most frequently reported adaptation strategy was the use of drought-, salt-, or flood-tolerant crops, identified by seven respondents. Livelihood or crop diversification; water-saving, water-storage, or irrigation practices; changes in fishing areas, seasons, or practices; and reliance on support from families, communities, NGOs, or government were each identified by six respondents. Changes in planting dates and temporary or alternative income-generating activities were each reported by five respondents, while four reported participation in savings groups or other community-support mechanisms. At the same time, five respondents reported reducing food intake and temporary migration, while one response referred to the sale of productive assets, and one to the complete absence of response mechanisms currently in use. These erosive coping strategies indicate that existing responses are often insufficient to protect household welfare, livelihoods, and productive capacity, reinforcing the need for more sustainable and transformative adaptation support. Despite the growing need for adaptation, significant barriers continue to constrain the development, delivery, uptake, and scaling of climate adaptation solutions, as described in *Table 1*.
29. If these challenges remain unaddressed, climate change is expected to further increase vulnerability, resulting in growing livelihood losses, food and water insecurity, ecosystem degradation, and increasing pressure on already vulnerable communities and local systems. Strengthening adaptive capacity therefore requires addressing both climate risks and the barriers that prevent communities, institutions, and local actors from effectively adapting to those risks.

A4. Proposed climate adaptation solutions

A4a. Strengthened and diversified livelihoods as an adaptation measure

30. Strengthening and diversifying livelihoods is a fundamental adaptation strategy because it reduces vulnerability to climate shocks while increasing the capacity of households and communities to anticipate, absorb, recover from, and adapt to climate change. Livelihood systems that depend heavily on a limited number of climate-sensitive activities are particularly vulnerable to extreme weather events, changing rainfall patterns, rising temperatures, ecosystem degradation, and other climate-related stresses. When these activities are disrupted, households often experience income losses, food insecurity, asset depletion, and reduced resilience. Adaptation therefore requires not only protecting existing livelihoods from climate impacts but also strengthening their resilience and creating additional economic opportunities that reduce dependence on a single source of income. More diversified livelihood systems spread climate risk across multiple activities, making households less vulnerable to climate shocks and better able to maintain income, food security, and well-being during periods of stress. At the same time, strengthening productivity, value addition, market access, and climate resilience within existing livelihood systems increases their long-term viability under changing climatic conditions. Strengthened and diversified livelihoods also contribute to adaptation by increasing household assets, income stability, skills, and access to economic opportunities. These factors enhance adaptive capacity by enabling households to invest in adaptation measures, recover more rapidly from climate-related losses, and avoid negative coping strategies. For vulnerable populations, resilient livelihood systems can further contribute to social stability, reduced vulnerability, and improved long-term resilience. The concept-stage consultations provided strong local validation for this approach. Climate-smart agriculture and food

production was the most frequently selected first priority and received 10 mentions from a total of 14 stakeholders across the three priority rankings. Access to water, irrigation, and water management, and women's economic empowerment each received six mentions across the rankings, while support for fisheries and aquaculture received four. Livelihood diversification and natural resource management or environmental restoration each received three mentions. These findings reinforce the need for an integrated adaptation approach that strengthens climate-resilient production and livelihood diversification while also addressing water management, natural-resource pressures, and women's economic participation.

A4b. Development, deployment and scaling of innovative adaptation solutions by local MSMEs

31. Micro, small, and medium enterprises (MSMEs) are a cornerstone of Mozambique's economy, accounting for the vast majority of formal and informal employment and serving as key drivers of local economic activity. In rural areas, MSMEs play an essential role in providing households with inputs, technologies, products, and services that support agricultural production, fisheries, livelihoods, and access to markets. These businesses include agro-dealers, equipment suppliers, irrigation and logistics providers, processors, traders, and digital service providers, among others. Often locally owned and embedded within the communities they serve, MSMEs act as a critical link between rural producers, markets, and service providers. MSMEs are also uniquely positioned to support climate adaptation and locally led resilience-building efforts. Their strong presence in local communities, close relationships with households, and operational flexibility enable them to identify local needs and deliver context-specific adaptation solutions. Adaptation-focused MSMEs can provide technologies, products, and services that help communities better anticipate, manage, and respond to climate risks, while creating economic opportunities and generating long-term resilience benefits. Due to their proximity to end users, MSMEs often possess a strong understanding of local climate challenges, livelihood systems, and community priorities. They can facilitate the delivery of affordable and accessible adaptation solutions, including to vulnerable groups, while responding quickly to evolving climatic and market conditions. Most importantly, MSMEs can provide solutions and adapt them to varying climate scenarios. In many cases, MSMEs also play an important role in raising awareness, providing technical advice, and supporting the adoption of climate-resilient practices, making them important actors in the delivery and scaling of locally led adaptation.
32. While MSMEs play a critical role in delivering climate adaptation solutions, the specific adaptation MSMEs supported by the project, as well as the solutions they develop and deploy, will be identified through a participatory and evidence-based process. During the [project's full proposal PFG-development](#) phase, a Climate Risk and Vulnerability Assessment (CRVA) will identify and validate the key climate risks affecting different districts in Nampula Province and inform the selection of the project's target districts and communities. Building on this assessment, Component 1 will apply locally led adaptation (LLA) principles and community-based planning approaches to enable vulnerable communities to assess their adaptation needs and prioritize the climate solutions required to address the identified risks. The resulting pipeline of community-prioritized adaptation solutions will subsequently guide the identification and selection of adaptation-focused MSMEs capable of developing, supplying, and deploying these solutions within target communities against identified climate risks.
33. Overall, adaptation solutions will comprise a range of technologies, products, and services designed to help rural and coastal households reduce their exposure and vulnerability to climate hazards while strengthening their resilience and adaptive capacity. Climate adaptation solutions can be broadly categorized as follows: i) Technologies: Tools, equipment, and infrastructure that apply scientific or technical approaches to enhance resilience, such as drip irrigation systems, solar-powered water pumps, weather monitoring devices, cold storage facilities, and climate-resilient processing equipment; ii) Products: Physical inputs used to manage climate risks and strengthen adaptive capacity, including drought-tolerant seeds, climate-resilient crop varieties, fertilizers, livestock forage, improved fishing gear, shade nets, and post-harvest storage solutions; and iii) Services: Advisory, informational, technical, and financial services that support adaptive decision-making and resilience-building, such as agro-weather forecasts, early warning systems, soil testing, veterinary services, climate risk advisory services, business development support, and access to finance.
34. Particular emphasis will be placed on solutions that are affordable, locally appropriate, scalable, and capable of generating tangible livelihood benefits and quick financial returns for vulnerable households, especially in the WFA sector that was found the most vulnerable one. This approach is intended to strengthen community ownership, facilitate uptake and sustainability, and ensure that adaptation investments contribute not only to climate resilience but also to improved livelihoods and economic opportunities. The stakeholder consultations also indicated strong interest in participating in the types of interventions proposed by the project. All nine respondents who answered the relevant question expressed willingness to participate in project activities. Training for fishers, fish processors, and coastal communities on sustainable fisheries and post-harvest handling; support for nature- and ecosystem-based solutions, including mangrove restoration; and support for

the formalization of Producer Groups into associations or cooperatives were each selected by all nine respondents. Eight respondents selected climate-resilient agricultural training; water management, irrigation, and conservation support; the establishment or strengthening of Producer Groups; business development, market access, or financial literacy support; and access to finance, savings, grants, and credit. Seven selected aquaculture or integrated agriculture–aquaculture support, post-harvest storage and processing, support for cooperatives to develop into locally rooted MSMEs, and demonstrations of innovative production systems or technologies. These findings provide an initial indication of local demand for the project's combined livelihood, technical, and financial support, while the final portfolio of adaptation solutions will be refined through the CRVA and locally led adaptation planning processes.

35. Based on preliminary desk-based research, stakeholder consultations, and the implementation experience of UNIDO and ADPP in Mozambique and similar contexts, *Table 2* provides illustrative examples of adaptation solutions that could be developed, supplied, and deployed by adaptation MSMEs against they key climate hazards in Nampula. The table is intended for illustrative purposes only and does not represent a definitive list of project interventions. During the [project's full proposal developmentPFG](#) phase, the proposed solutions will be further refined based on the findings of the CRVA. During project implementation, the final portfolio of adaptation solutions will be identified and prioritized through the locally led adaptation planning process, reflecting the needs, priorities, and preferences of participating communities.

Table 2: Key climate risks and examples of indicative adaptation solutions in Mozambique

Key climate risk	Potential climate adaptation solutions
Droughts and increasing rainfall variability	• Promote drought-tolerant and early-maturing crop varieties, supported by farmer field demonstrations on locally suitable and climate-resilient varieties.. • Diversify production systems through drought-resilient crops (cassava, groundnuts, millet, sorghum, beans). • Introduce water harvesting and small-scale irrigation solutions, including community water-storage systems and efficient irrigation technologies. • Improve soil moisture retention through mulching, conservation agriculture, agroforestry, and cover crops. • Strengthen climate information services and drought early warning systems, together with locally accessible extension and climate-advisory services. • Promote climate-resilient livestock systems and water infrastructure. • Strengthen community savings and appropriate financing mechanisms that support recovery from climate shocks and reinvestment in resilient productive activities.
Rising temperatures and extreme heat	• Promote heat-tolerant crop and livestock varieties. • Expand agroforestry and shading systems. • Improve water efficiency and storage. • Promote climate-smart livestock management and heat stress reduction measures. • Strengthen extension services and climate advisory support.
Flooding and extreme rainfall events	• Promote flood-tolerant crops and diversified farming systems. • Improve drainage infrastructure and water management. • Restore wetlands, floodplains, and natural buffers. • Promote erosion control measures and watershed management. • Strengthen flood early warning systems and community preparedness. • Strengthen climate-resilient community market, storage, processing, and productive infrastructure in flood-prone areas. • Promote locally maintainable and appropriately scaled infrastructure, supported by clear community-level operation and maintenance arrangements. • Develop preparedness and recovery arrangements for the protection and, where necessary, replacement of seeds, tools, livestock, and other productive assets affected by flooding.
Tropical cyclones and extreme winds	• Strengthen community-based early warning and preparedness systems. • Promote cyclone-resilient housing and productive infrastructure, including community markets, storage facilities, processing spaces, and other productive assets. • Protect and climate-proof agricultural and fisheries assets, including seeds, tools, livestock, boats, fishing gear, landing sites, and processing facilities, supported by appropriate replacement and recovery planning. • Improve emergency water supply systems and resilient storage facilities. • Diversify livelihoods and strengthen social protection mechanisms. • Prioritize low-complexity and locally maintainable infrastructure and technologies, with clearly defined operation, maintenance, repair, and ownership arrangements.
Sea-level rise, storm surges and coastal flooding	• Restore mangroves and coastal ecosystems, including through existing community associations and locally rooted natural-resource management structures where appropriate. • Promote ecosystem-based adaptation measures along the coast. • Strengthen coastal protection and resilient infrastructure, including landing sites, storage, drying, processing, and cold-chain facilities where technically and environmentally appropriate. • Improve land-use planning and risk-informed coastal development. • Support livelihood diversification for coastal households. • Strengthen community fisheries co-management and the application of locally appropriate seasonal fishing calendars.
Marine ecosystem degradation and warming	• Restore coastal ecosystems including mangroves, wetlands, and fish breeding habitats, building where feasible on existing mangrove associations and community-based natural-resource management structures. • Strengthen sustainable fisheries management and co-management systems, including Community Fisheries Councils, fishing groups, and seasonal fishing calendars.

oceans	• Improve post-harvest fisheries infrastructure and cold storage, including landing-site facilities and improved fish-processing and drying techniques. • Promote climate-resilient aquaculture systems, including integrated aquaculture-agriculture models and seaweed cultivation where technically, environmentally, and economically viable • Diversify fisheries-dependent livelihoods and strengthen fisheries value chains.
Cross-cutting impacts on rural and coastal livelihoods	Strengthen adaptation-focused MSMEs that provide climate solutions to communities. • Improve access to finance, markets, storage, processing, and business development services, including appropriate financial products for productive infrastructure, equipment, and adaptation technologies, subject to technical feasibility, community prioritization, and financial viability. • Strengthen value chains linked to agriculture and fisheries. • Support climate-resilient livelihood diversification. • Ensure targeted support for women, youth, persons with disabilities, IDPs and host communities. • Strengthen social cohesion and community-led adaptation planning. • Provide accessible climate and project information, advisory services, and capacity-building in local languages and formats appropriate to different literacy and accessibility needs. • Address identification-documentation and administrative barriers where these constrain participation, group formalization, registration, or access to finance. • Integrate maintenance, repair, spare-parts, and after-sales arrangements into the selection and deployment of adaptation technologies and productive equipment.

36. While the examples above illustrate the significant potential of adaptation MSMEs to deliver locally relevant climate solutions and strengthen the resilience of vulnerable communities, the development, deployment, and scaling of such solutions remain limited in Mozambique. Despite growing climate adaptation needs and increasing demand for resilience-building measures, many adaptation solutions fail to reach vulnerable rural and coastal households at the scale required. This is due to a range of interconnected barriers affecting both adaptation-focused MSMEs and the wider ecosystem within which they operate, as well as constraints that limit the ability of vulnerable communities to access and adopt adaptation solutions. Key barriers include:

- Limited access to finance and working capital, constraining MSMEs' ability to invest in adaptation products, maintain inventories, expand operations, and provide credit to customers, as well as a lack of suitable financial products tailored to adaptation-oriented enterprises and investments;
- Weak purchasing power among rural households, combined with high upfront costs of adaptation solutions and limited access to affordable financial services, further compounded by information, literacy, communication, accessibility, and documentation barriers that may limit vulnerable households' ability to access adaptation support and finance;
- Limited awareness of climate risks and adaptation options among rural communities, coupled with insufficient access to localized climate information and advisory services;
- Weak public and private extension systems, reducing the dissemination and uptake of climate-resilient technologies, practices, and livelihood opportunities;
- Limited technical capacity of MSMEs to develop, market, deliver, and maintain adaptation solutions, as well as provide effective post-sales support including maintenance, repair, and after-sales services required to ensure the continued use and functionality of supported products and technologies;
- Regulatory and administrative constraints, together with difficulties in meeting relevant quality and compliance requirements, which can limit the ability of local enterprises to enter markets, attract finance, and scale adaptation solutions;
- Weak linkages between MSMEs, research institutions, incubators, financial institutions, and other ecosystem actors, limiting innovation, knowledge transfer, and business growth;
- Underdeveloped cooperatives, producer organizations, and community-based structures, which reduces opportunities to aggregate demand, strengthen market access, and facilitate solution deployment at scale; while weak operation and maintenance capacities can undermine the sustainability of community infrastructure and productive assets;
- Gender-related barriers that limit women's access to productive assets, finance, training, markets, and adaptation technologies;
- Limited livelihood diversification opportunities, skills development, and business support services that could strengthen household resilience and reduce climate-sensitive dependency on agriculture and fisheries;
- Risks of exclusion or unequal benefit-sharing when private-sector actors engage with vulnerable communities, particularly where beneficiary selection, pricing, ownership, and accountability arrangements are insufficiently transparent or inclusive;
- Limited continuity of short-duration projects and support mechanisms, which can weaken community trust and undermine the sustained adoption, operation, and scaling of adaptation interventions;
- Weak capacities of local disaster risk management structures, including limited access to data, equipment, training, and coordination mechanisms required for effective preparedness and response

B. Project Objective:

37. The project aims to enhance the climate resilience and adaptive capacity of rural and coastal communities in Nampula Province against cyclones, flooding and drought through community-driven planning processes that support i) the promotion of diversified and climate-resilient livelihood opportunities; and ii) the development, deployment and adoption of local climate adaptation technologies, products, and services.

C. Project Components and Financing:

Project Components	Expected Concrete Outcomes	Expected Outputs	Amount (USD)
Component 1: Community-driven locally led adaptation planning for climate solutions development and resilient livelihoods	Outcome 1.1: Strengthened climate awareness and community capacity for locally led adaptation planning	Output 1.1.1 Access to climate information and capacity for adaptation planning and disaster preparedness strengthened in target communities	2,500,000
Component 2: Community associations and cooperatives established for climate-resilient livelihoods	Outcome 2.1: Strengthened adaptive capacity of vulnerable communities through climate-resilient and diversified livelihoods	Output 2.1.1: Climate-resilient livelihoods and production systems established among vulnerable smallholder producers Output 2.1.2: Economic resilience and market readiness strengthened among community producer organizations	64,500,000 2,000,000
Component 3: Water, food and agriculture (WFA) community enterprises strengthened for long-term adaptation benefits	Outcome 3.1: Associations, cooperatives, and MSMEs to sustain climate-resilient livelihoods and local service provision	Output 3.1.1: Technical capacities of associations, cooperatives, and MSMEs strengthened for long-term climate resilience Output 3.1.2: Financial readiness and investment capacities strengthened for resilience-oriented upgrading and scaling	5,000,000 2,750,000 2,250,000
Component 4: Adaptation MSME ecosystem strengthened to enable long-term delivery of climate adaptation solutions	Outcome 4.1: Enhanced capacity of adaptation-focused MSMEs to develop, deliver, and scale climate adaptation solutions for vulnerable communities	Output 4.1.1: Community-prioritized climate adaptation solutions developed and delivered through strengthened adaptation MSMEs Output 4.1.2: Adaptation financing mechanisms established to support delivery and uptake of climate adaptation solutions	4,500,000 2,750,000 1,750,000
Component 5: Adaptation innovation, learning, and collaboration ecosystem strengthened to sustain and scale locally led adaptation	Outcome 5.1: Adaptation innovation ecosystem strengthened through adaptive learning, knowledge management, partnerships	Output 5.1.1: Adaptation innovation and collaboration platforms strengthened Output 5.1.2: Adaptation learning, knowledge management, and scaling mechanisms strengthened	3,400,274 1,500,000 1,900,274
<u>Project Activities cost</u>			21,900,274
~~6.~~ Project Execution cost			1,141,201
~~7.~~ Total Project Cost			23,041,475
~~8.~~ Project Cycle Management Fee charged by the Implementing Entity			1,958,525
Amount of Financing Requested			25,000,000

D. Projected Calendar:

38. The target project duration is 7 years, including inception phase and terminal evaluation.

Milestones	Expected Dates
Start of Project Implementation	<u>Q3 2028</u>
Mid-term Review (if planned)	<u>Q1 2032</u> ~~4~~
Project Closing	<u>Q2 2035</u> ~~4~~
Terminal Evaluation	<u>Q2 2035</u> ~~4~~

PART II: PROJECT / PROGRAMME JUSTIFICATION

A. Project interventions

A1. Proposed intervention

39. The proposed project interventions and activities addressing the identified climate risks and vulnerabilities are

outlined in paragraphs 39–96. The project adopts a locally led and innovation-driven approach to address the interconnected climate, economic, and social drivers of vulnerability affecting rural and coastal communities in Nampula Province, contributing directly to the Adaptation Fund's 2026 Strategic Results Framework by strengthening awareness and ownership of adaptation processes (Outcome 3), promoting diversified and climate-resilient livelihoods (Outcome 6), and accelerating adaptation innovation and scaling through MSME development and innovation ecosystems (Outcome 8). The intervention is structured around five mutually reinforcing components that strengthen community adaptive capacity, climate-resilient livelihoods, local economic systems, the adaptation MSME ecosystem in Mozambique, and adaptation learning and collaboration systems to support long-term resilience and sustainability. Activities are structured around locally led adaptation planning through community CRVAs and Local Adaptation Plans, ensuring interventions are demand driven and responsive to projected climate risks rather than routine development interventions. The proposal also includes safeguard and screening procedures for unidentified sub projects (USPs) in *Table 3*, demonstrating an approach to managing the environmental and social risks of adaptation investments rather than treating them as conventional development activities. The project has also been designed to avoid maladaptation and unintended negative development outcomes. Throughout implementation, proposed adaptation investments will be screened to ensure they do not increase the vulnerability of beneficiaries or non-beneficiaries, transfer climate risks to other communities or sectors, or reduce long-term adaptive capacity. The project is therefore not expected to generate adverse development outcomes. The ESMF, together with environmental and social screening procedures and safeguard requirements, will ensure that potential adverse impacts are identified, avoided, minimised or appropriately managed throughout project implementation.

40. First, the project will establish a strong participatory and evidence-based foundation for adaptation planning through community-level climate risk and vulnerability assessments, climate awareness activities, local adaptation planning, and strengthened disaster preparedness systems. Building on existing locally led adaptation (LLA) frameworks and methodologies, communities will identify climate risks, livelihood vulnerabilities, adaptation priorities, and potential solutions through inclusive planning processes that combine scientific evidence with local knowledge. Existing Local Adaptation Plans (LAPs) will be strengthened and expanded, while new plans will be developed where absent. This process will ensure that subsequent interventions are community-driven, responsive to local realities, and aligned with locally identified adaptation priorities. In this phase, interventions will target approximately 30,000 community members across 60 rural and coastal communities.
41. Second, building on the LAPs, the project will strengthen or create climate-resilient and diversified livelihoods among vulnerable rural and coastal populations, targeting approximately 30,000 direct beneficiaries, that will be brought together to form around 120 Producer Groups, comprising around 5,000 farmers and fishers, as local platforms for capacity-building, demonstration, and collective action. Through these structures, vulnerable households will be supported to adopt climate-resilient production practices, strengthen sustainable management of water and natural resources, improve food security, and diversify income sources through locally appropriate livelihood opportunities. Building on these foundations, the project will strengthen economic resilience through support for aggregation, value addition, financial literacy, savings and credit mechanisms, and market participation. Successful Producer Groups will progressively be supported to formalize into registered around 40 associations and cooperatives, creating pathways toward longer-term economic resilience and self-sustaining local organizations.
42. Third, the project will provide targeted technical and financial support both to i) an estimate of 30 associations and cooperatives created under Component 2, to upgrade their operations and become registered MSMEs, where feasible, for long term climate resilience; and ii) approximately 40 existing vulnerable local MSMEs with the potential to upgrade their input systems, productivity, processing capacities, market readiness, quality compliance, financial readiness, access to finance, and investment capabilities in ways that strengthen diversified climate-resilient livelihood gains and local service provision, particularly youth- and women-led MSMEs. The component will focus primarily, but not exclusively, on Water, Food, and Agriculture (WFA) sectors, including agriculture, fisheries, aquaculture, post-harvest handling, storage, processing, aggregation, input supply, market services, and related local enterprise functions.
43. Fourth, the project will strengthen Mozambique's adaptation MSME ecosystem as a long-term mechanism for delivering climate adaptation solutions to vulnerable communities. Approximately 60 adaptation-focused MSMEs, innovators, start-ups, incubators, accelerators, business development service providers, and financial institutions will receive targeted support to strengthen their capacity to develop, finance, validate, and deploy climate adaptation technologies, products, and services that respond directly to community priorities identified through the LLA process. Communities will serve as demonstration and learning sites where adaptation solution providers can test and refine solutions based on real-world conditions and user feedback. The first part of the

project focuses on strengthening climate resilience and livelihoods at the community level, this component focuses on strengthening the supply side of adaptation by ensuring that capable solution providers, financing mechanisms, market linkages, and ecosystem support structures are in place to deliver adaptation solutions at scale not only during the project life, but also over time.

44. Finally, the project will strengthen the long-term ecosystem required to sustain, replicate, and scale adaptation outcomes beyond the project lifetime. Climate Adaptation and Innovation Hubs will be established to serve as long-term platforms for stakeholder engagement, co-creation, testing and validation of adaptation solutions, partnership development, and ecosystem support. The hubs will connect communities, MSMEs, financial institutions, cooperatives, research institutions, universities, government entities, and development partners to strengthen collaboration and accelerate the development, deployment, and scaling of climate adaptation solutions. The hubs will also provide a physical space for innovation, experimentation, dialogue, and knowledge exchange, helping to strengthen the broader adaptation ecosystem and create lasting institutional capacity beyond the project lifetime. Systems to capture, generate, manage, and disseminate knowledge emerging from project implementation will be established and operationalized for long-term impact and replication, and will reach approximately 100,000 indirect beneficiaries.

A1a. Unidentified Sub-Projects (USP)

45. The project includes a number of interventions under Components 1–4 that follow the Adaptation Fund's definition of Unidentified Sub-Projects (USPs), summarized in *Table 3*. These elements are not fully defined at the current concept note stage in order to preserve the core principle of community ownership and enable demand-responsive adaptation planning and investment. They will be co-identified and selected during implementation through participatory climate risk assessments, Local Adaptation Plans (LAPs), and transparent co-design and matching processes. The table below provides a detailed justification in accordance with the Adaptation Fund's Guidance for Projects and Programmes with USPs. Specifically, it explains (i) why these activities cannot be fully formulated at the design stage, (ii) the benefits of maintaining flexibility and identifying them during implementation, and (iii) how these benefits outweigh the potential risks associated with environmental and social compliance through the application of appropriate safeguards, screening procedures, and risk management measures. As per UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), the Environmental and Social screening template has been completed, and this project has been categorized as a Category B project. As a standard requirement for Adaptation Fund projects, an Environmental and Social Impact Assessment (ESIA) will be carried out to examine the project's potential environmental and social impacts. This study will culminate in the development of an Environmental and Social Management Framework (ESMF), and to ensure compliance with the Adaptation Fund Environmental and Social Policy (ESP), Gender Policy, and national regulatory requirements.

Table 3: Justification for USPs

USPs	Justification for non-identification at this stage (criterion i.)	Benefits for non-identification (criterion ii.)	Benefit/risk trade-off (criterion iii.)
Climate-resilient production interventions and livelihood diversification opportunities under Output 2.1.1	The specific climate-resilient production interventions and livelihood diversification opportunities cannot be identified at concept stage because they will be identified through the participatory climate risk assessments, vulnerability analyses, and Local Adaptation Plans (LAPs) developed under Output 1.1.1. The selection of interventions will be based on community-defined adaptation priorities, local climate risks, livelihood systems, ecological suitability, market opportunities, and the needs of vulnerable populations identified during implementation.	This approach allows interventions to be tailored to local contexts, climate risks, natural resource conditions, and community priorities. It strengthens ownership, relevance, technical feasibility, and long-term sustainability while ensuring that adaptation investments remain responsive to changing climate conditions and locally led adaptation principles.	All interventions will undergo environmental and social screening prior to implementation in accordance with the Environmental and Social Impact Assessment (ESIA), Adaptation Fund Environmental and Social Policy (ESP), and Gender Policy. The benefits of context-specific and community-prioritized adaptation interventions outweigh the limited uncertainty associated with later identification.
Community-level aggregation, storage, processing, and value-addition investments under Output 2.1.2	The specific aggregation facilities, storage systems, processing technologies, value-addition equipment, and related community-level investments cannot be identified at concept stage because they will be determined based on the Producer Groups established under Output 2.1.1, the livelihood systems and value chains prioritized through Component 1, and the market opportunities, production volumes, and organizational capacities identified during implementation.	This approach allows investments to respond to actual production systems, market opportunities, climate risks, and community capacities rather than assumptions made during project design. It increases cost-effectiveness, utilization rates, and the sustainability of supported infrastructure and equipment.	All investments will be subject to technical feasibility assessments, environmental and social screening, and safeguard compliance procedures prior to approval. The benefits of targeted and demand-driven investments outweigh the limited uncertainty associated with later identification.
Associations, cooperatives, MSMEs, and resilience-oriented upgrading investments under Outputs 3.1.1	The specific associations, cooperatives, emerging MSMEs, existing MSMEs, technologies, equipment, infrastructure, and upgrading investments eligible for support cannot be identified at concept stage because they will emerge from the Producer Groups	This approach allows support to be targeted toward organizations and enterprises demonstrating the highest adaptation potential, readiness, and capacity to sustain	Beneficiaries and investments will undergo environmental and social due diligence, screening, and compliance reviews before support is provided. Infrastructure, equipment, grants, and

and 3.1.2	established and strengthened under Component 2 and will be selected through readiness assessments conducted during implementation. The type and scale of support will depend on organizational performance, climate resilience needs, investment readiness, and market opportunities identified during implementation.	climate-resilient livelihoods and local service provision beyond the project lifetime. It also enables investments to respond to actual enterprise constraints and market opportunities.	resilience investments will be subject to exclusion criteria and safeguard requirements defined in the ESIA. The benefits of performance-based targeting outweigh the limited uncertainty associated with later selection.
Adaptation MSMEs and climate adaptation solutions under Output 4.1.1	The specific adaptation MSMEs, innovators, technologies, products, and services cannot be identified at concept stage because they will be selected through innovation challenges/calls for proposals and matching processes informed by the adaptation priorities and solution pipeline identified through the Local Adaptation Plans developed under Output 1.1.1. Communities participating in Component 1 will also serve as demonstration and learning sites where solution providers can validate, refine, and improve adaptation solutions during implementation.	This approach encourages innovation, competition, and private-sector participation while ensuring that supported solutions respond directly to community-defined adaptation priorities and local climate risks. It enables adaptation enterprises to tailor, test, and improve solutions based on real-world user feedback, increasing effectiveness, affordability, and long-term sustainability.	Eligibility criteria, exclusion lists, environmental and social screening, gender requirements, milestone-based financing, and safeguard compliance procedures will be applied throughout solution selection, testing, deployment, and scaling. The benefits of innovation and responsiveness outweigh the uncertainty associated with solution selection during implementation.
Adaptation financing mechanisms and financial products under Output 4.1.2	The specific financing mechanisms, financial products, financing partners, and delivery models cannot be identified at concept stage because they will be designed based on the financing needs of adaptation MSMEs supported under Output 4.1.1, the financing requirements of associations and cooperatives supported under Component 3, and market assessments conducted during implementation.	This approach allows financing solutions to respond to actual adaptation finance barriers, enterprise financing needs, community affordability constraints, and market opportunities. It improves accessibility, uptake, sustainability, and leverage of additional public and private investment for adaptation.	Financing mechanisms, participating institutions, and financing recipients will be subject to environmental and social due diligence procedures consistent with the ESP and Gender Policy. The benefits of adaptive and market-responsive financing design outweigh the limited uncertainty associated with later identification.

A2. Climate adaptation rationale and expected impact

46. Climate vulnerability in Nampula Province is driven not only by exposure to cyclones, floods, droughts, sea-level rise, and changing rainfall patterns, but also by limited adaptive capacity among rural and coastal communities. Smallholder farmers, fishers, among them vulnerable groups including women, youth, and IDPs, depend heavily on climate-sensitive livelihoods that are constrained by low productivity, limited access to finance, weak market linkages, inadequate infrastructure, limited climate information, and restricted access to adaptation technologies and services. As climate impacts intensify, these constraints reduce the ability of households and communities to anticipate, cope with, and recover from climate shocks, increasing the risk of livelihood losses, food insecurity, displacement, and poverty. The proposed intervention addresses these underlying drivers of vulnerability through a locally led adaptation approach that places vulnerable communities at the centre of adaptation planning and decision-making. By enabling communities to identify climate risks, prioritize adaptation needs, and select context-specific adaptation solutions, the project seeks to ensure that investments respond directly to locally experienced climate challenges and strengthen adaptive capacity where it is most needed. At the same time, adaptation planning alone is insufficient if vulnerable populations lack the means to implement and sustain adaptation actions. The project therefore focuses on strengthening climate-resilient livelihood systems by supporting livelihood diversification, improved agricultural and fisheries practices, strengthened producer organizations, enhanced water management, improved post-harvest systems, and increased access to productive assets, markets, and services. These measures are expected to reduce dependence on highly climate-sensitive livelihood activities, increase household income and food security, and improve the capacity of vulnerable populations to withstand future climate shocks. A central element of the adaptation rationale is the recognition that long-term resilience requires not only stronger communities but also stronger local systems capable of continuously delivering adaptation solutions. The project therefore seeks to strengthen adaptation-focused MSMEs and the broader adaptation ecosystem to increase the availability, accessibility, and affordability of climate adaptation products, technologies, and services. By supporting local enterprises, entrepreneurship, innovation, and market development, the project will help create sustainable mechanisms through which adaptation solutions can continue to reach vulnerable communities beyond the duration of the project. At the same time, stronger adaptation enterprises are expected to generate employment, stimulate local economic development, and increase the resilience of local economies to climate-related shocks. The project also seeks to strengthen the enabling environment for adaptation by improving knowledge sharing, fostering collaboration among adaptation actors, strengthening institutional capacities, and facilitating access to adaptation finance and investment opportunities. Through these measures, the project aims not only to reduce current vulnerability but also to establish the foundations for sustained adaptation, replication, and scaling over the long term.

A3. Theory of change

47. The Theory of Change, represented below in *Figure 16* responds to the identified climate hazards and pressures, including increasing heat exposure, rainfall variability, cyclones, floods, droughts, sea-level rise, and marine ecosystem pressures, which severely impact rural and coastal communities in Nampula, as illustrated above under section A2c. The project responds through five mutually reinforcing components that link these risks to community-driven locally led adaptation planning for i) the promotion of diversified and climate-resilient livelihood opportunities; and ii) the development, deployment and adoption of local climate adaptation technologies, products, and services.

Component 1: Community-driven locally led adaptation planning for climate solutions development and resilient livelihoods

- **IF** vulnerable rural and coastal communities are supported to access locally appropriate climate information;
- **IF** communities participate in inclusive locally led adaptation planning processes to identify climate risks, livelihood sensitivities, existing coping capacities, adaptation opportunities, and community-prioritized climate solutions and resilient livelihood pathways;
- **ASSUMING** that participatory processes are inclusive, accessible, and representative of women, youth, persons with disabilities, remote households, displaced populations, host communities, smallholder producers, fisherfolk, and other vulnerable groups, and that local Disaster Risk Management Committees and district-level actors remain engaged;
- **THEN** vulnerable communities will have strengthened climate awareness, improved preparedness, and locally endorsed adaptation priorities that guide livelihood, enterprise, service provision, and adaptation solution investments under the subsequent components;
- **BECAUSE** community-driven locally led adaptation planning ensures that interventions are grounded in localized climate risks, community knowledge, local livelihood systems, and the priorities of the people most affected by climate change.

Component 2: Community associations and cooperatives established for climate-resilient livelihoods

- **IF** vulnerable rural and coastal communities including smallholder producers, including farmers, fisherfolk, and other producers, are organized into Producer Groups and supported to adopt climate-resilient production practices, sustainable fisheries approaches, crop diversification, sustainable water management, ecosystem restoration actions, and sustainable income-generating activities;
- **IF** Producer Groups are supported to strengthen post-harvest storage, aggregation, value addition, financial literacy, savings and credit schemes, business skills, and market access, and to graduate into registered associations and cooperatives;
- **ASSUMING** that livelihood options are locally appropriate, technically feasible, aligned with priorities identified under Component 1, and supported by sufficient producer participation, collective organization, and market-oriented capacity-building;
- **THEN** vulnerable rural and coastal communities will have strengthened adaptive capacity through more climate-resilient production systems, diversified livelihood opportunities, improved food security, stronger income stability, reduced post-harvest losses, and more organized community producer structures;
- **BECAUSE** climate-resilient and diversified livelihoods reduce dependence on highly climate-sensitive subsistence activities, while producer organization, value addition, savings, and market access strengthen the economic resilience needed to cope with climate variability and shocks.

Component 3: Water, food and agriculture (WFA) community enterprises strengthened for long-term adaptation benefits

- **IF** associations and cooperatives emerging from Component 2 receive follow-up technical support to strengthen input systems, productivity, processing capacities, market readiness, and quality compliance;
- **IF** these associations and cooperatives receive financial readiness support, access to finance, and investment support for resilience-oriented upgrading and scaling, and, where viable, are supported to develop into locally rooted MSMEs;
- **IF** existing vulnerable local MSMEs, as well as MSMEs emerging from this readiness pathway, receive targeted technical and financial support to upgrade operations, improve market readiness, access finance, and sustain climate-resilient products, services, and value-chain functions;
- **ASSUMING** that associations, cooperatives, and MSMEs are supported according to their level of readiness, that upgrading investments respond to concrete resilience, productivity, market, and service-delivery needs, and that eligible actors can access appropriate financial mechanisms;

- **THEN** the climate-resilient livelihood gains created under Component 2 will be sustained through stronger local service provision, improved processing, storage, aggregation, input supply, market services, value-chain functions, and locally rooted MSME pathways;
- **BECAUSE** community resilience depends not only on improved production and diversified livelihoods, but also on the associations, cooperatives, and MSMEs that sustain local services, reduce climate-related and post-harvest losses, connect producers to markets, and maintain resilient value-chain functions beyond the project lifetime.

Component 4: Adaptation MSME ecosystem strengthened to enable long-term delivery of climate adaptation solutions

- **IF** adaptation-focused MSMEs, start-ups, innovators, incubators, accelerators, financial institutions, and other ecosystem actors are supported to develop, finance, test, refine, and deliver climate adaptation technologies, products, and services that respond to community priorities identified under Component 1;
- **IF** community-prioritized climate adaptation solutions are validated and improved through field application, user feedback, business development support, investment readiness support, matchmaking, adaptation finance mechanisms, and partnerships;
- **ASSUMING** that adaptation MSMEs are willing to engage, that financing and business support respond to both MSME constraints and community affordability barriers, and that solutions are locally appropriate, socially acceptable, and aligned with identified adaptation needs;
- **THEN** vulnerable communities will have improved access to climate adaptation solutions and services, while adaptation-focused MSMEs will be better able to sustainably develop and deliver solutions that respond to evolving local climate risks;
- **BECAUSE** long-term community adaptation requires a functioning adaptation entrepreneurship ecosystem capable of providing affordable, accessible, and context-specific technologies, products, services, and financing mechanisms beyond the project period.

Component 5: Adaptation innovation, learning, and collaboration ecosystem strengthened to sustain and scale locally led adaptation

- **IF** coordination, knowledge generation, monitoring, feedback loops, partnerships, and learning systems are established through the Climate Adaptation and Innovation Hub and related mechanisms;
- **IF** evidence from community planning, livelihood activities, producer organization development, MSME upgrading, adaptation solution delivery, and finance mechanisms is captured, shared, and used to support adaptive management, replication, scaling, and institutional learning;
- **ASSUMING** that communities, MSMEs, cooperatives, financial institutions, research organizations, incubators, accelerators, government entities, development partners, and other adaptation actors actively participate in knowledge exchange and apply project learning;
- **THEN** Mozambique's adaptation innovation ecosystem will be strengthened through improved coordination, knowledge sharing, institutional capacity, partnerships, and evidence-based learning for scalable locally led adaptation;
- **BECAUSE** sustained adaptation requires continuous learning, feedback loops, institutional ownership, and collaboration between communities, public institutions, enterprises, financial actors, and knowledge partners to keep adaptation actions responsive to changing climate risks and community needs.

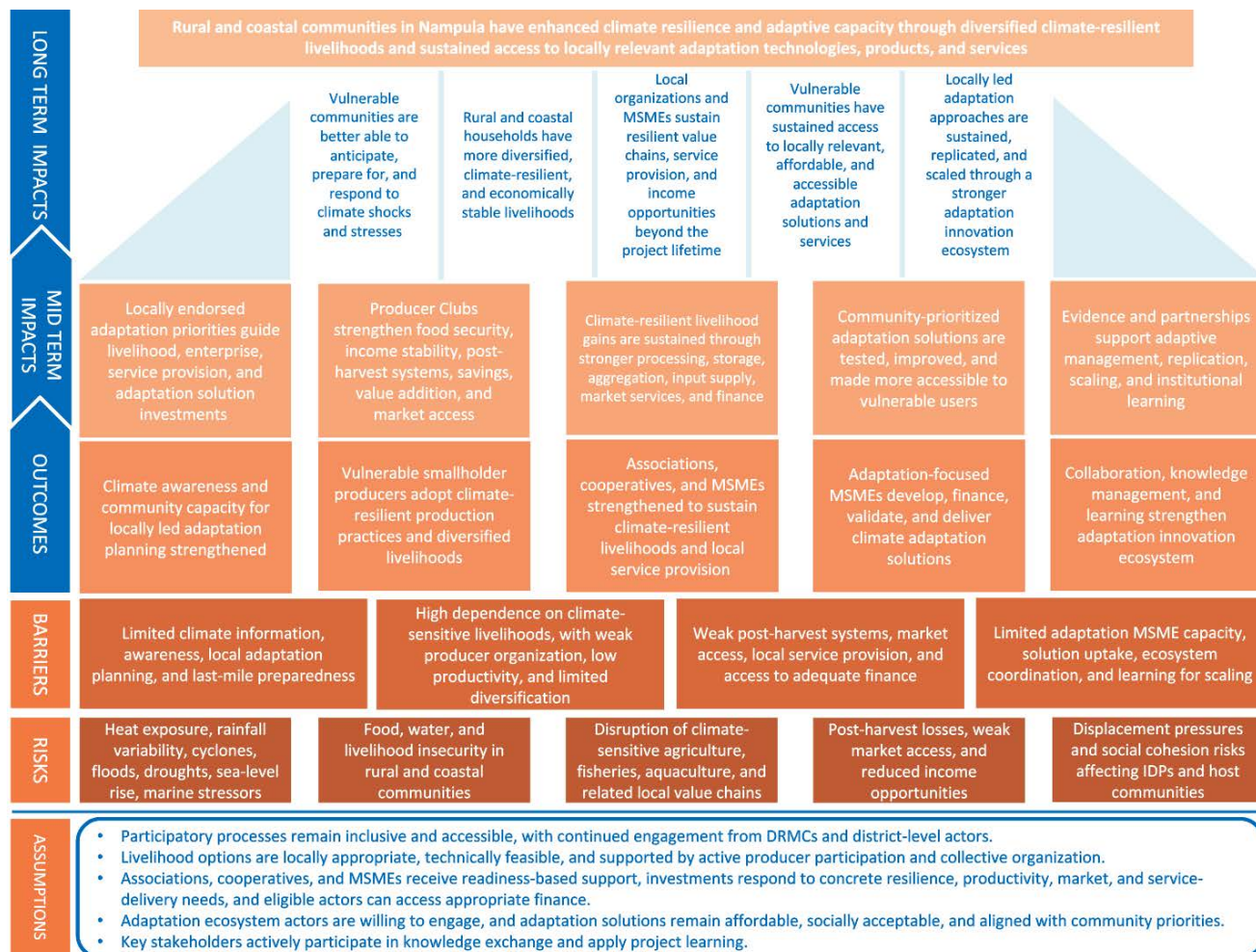


Figure 136 - Theory of Change diagram

A4. Project components overview

Component 1: Community-driven locally led adaptation planning for climate solutions development and resilient livelihoods

48. This component establishes the analytical, participatory, and strategic foundation of the project by generating localized evidence on climate risks and vulnerabilities and enabling communities to define their adaptation priorities. The purpose of this component is to ensure that all subsequent interventions are grounded in context-specific needs, aligned with locally led adaptation (LLA) principles, and responsive to the realities of target populations. The component will generate critical insights on local livelihood systems, climate-related constraints, and opportunities for adaptation. Its design responds to consultation findings indicating that limited access to information, low literacy, language and communication barriers, distance, and physical accessibility constraints may restrict the participation of vulnerable groups. Climate-awareness and adaptation-planning processes will therefore use accessible, locally appropriate formats and multiple communication channels to facilitate inclusive participation. Strengthening local awareness and planning capacities as well as institutional linkages will promote coordinated and locally-anchored response to climate risk reduction and adaptation action, supporting integrated local development processes in a manner that increases ownership and the sustainability of efforts. This will contribute towards Component 2 by promoting awareness of the need for climate-resilient production practices, towards Component 3 for strategic follow-up support of newly established community associations/cooperatives and 4 in identification and prioritization of adaptation solutions for community deployment and ownership, and towards Component 5 in adaptive learning and community ecosystem strengthened. While Component 1 sets the foundation for the ensuing project components, the approach of participatory adaptation planning and community identification of priorities will be an iterative process throughout the project lifetime. This component will benefit approximately 30,000 people from 60 vulnerable communities through adaptation planning, climate awareness, DRM/EWS structures and community-level preparedness activities.

Outcome 1.1: Strengthened climate awareness and community capacity for locally led adaptation planning

49. In Outcome 1.1, the project will work with target communities, including local disaster risk management (DRM) structures and local-level actors, with the aim that they become better equipped to access climate information, participate in adaptation planning processes, and integrate climate risks into local development and disaster preparedness systems.
50. For vulnerable populations in the target area, many have difficulty in meeting subsistence needs, which may result in challenges for project uptake if they are not first engaged in understanding the relevance of climate adaptation interventions for their livelihoods. The awareness activities address this need, while activities in community-level adaptation planning and DRM strengthening allow for improved preparedness, in order to safeguard the outcomes of investments in the subsequent components. The outcome will strengthen local awareness, preparedness, and ownership of adaptation planning in vulnerable rural and coastal communities.

Output 1.1.1 Access to climate information and capacity for adaptation planning and disaster preparedness strengthened in target communities

51. This output includes the development of materials on climate adaptation and preparedness, which will be locally-appropriate, and their dissemination through appropriate channels such as schools, community sensitization sessions and by radio. Through strengthened climate awareness, communities will be able to engage in developing or updating community-level local adaptation plans (LAPs) in alignment with existing government frameworks. In doing so, communities will also identify preliminary priorities for adaptation solutions. Disaster Risk Management Committees (DRMCs) will be established or revitalized (where already existing), and strengthened in disaster preparedness, early warning and response at the last mile. The process will be guided by LLA principles, inclusive participation and integration of local knowledge.

Activity 1.1.1.1 Develop and disseminate locally-appropriate climate awareness materials through schools, radios, and community sessions

52. The project will develop a set of materials for climate awareness (IEC materials, manuals for field staff, etc.), building upon existing materials developed by governmental or other entities, including on climate change impacts, disaster preparedness and practical adaptation measures that are appropriate to the local conditions. Materials will be translated into local languages, and adapted to maximise reach and inclusion. Communication methods will use simple and non-technical wording and accessible formats suited to different literacy levels and communication needs. Materials will be disseminated through a variety of channels including (a) face-to-face communication in schools – which generally play a central role, acting as the hub of a community, (b) sensitization workshops for other community members scheduled at appropriate times to reduce barriers for participation, and (c) a series of radio programmes broadcast through local radios. As appropriate, dissemination will also use community meetings, telephone-based communication, and visual materials, while outreach arrangements will seek to reach remote communities and persons with disabilities. These delivery arrangements reflect the measures recommended through the concept-stage consultations. Thirteen out of 14 respondents emphasized the use of local languages, while nine recommended simple and non-technical communication and the involvement of trusted community leaders and structures. The activity will allow community members to engage more meaningfully in adaptation planning processes under Activity 1.1.1.2.

Activity 1.1.1.2 Develop and update community local adaptation plans (LAPs)

53. With improved awareness on climate and adaptation concepts, the project will mobilize community members to take part in the development or updating (where existing) of community-level local adaptation plans (LAPs) in accordance with available tools from the government on LLA. Climate risk and vulnerability assessments will be conducted in a participatory manner, as well as the identifications of priorities for adaptation solutions. The participatory process will incorporate the practical inclusion measures recommended by respondents engaged during the stakeholders' consultations. Meetings will be held, where feasible, in accessible and safe locations and at times compatible with livelihood and care responsibilities. Measures will be taken to facilitate the participation of persons with disabilities and households in remote areas, including decentralized outreach or transport support where appropriate. Trusted community leaders and existing structures will support mobilization, while separate discussion spaces may be used where they facilitate the meaningful participation of specific groups. The project will also establish respectful, accessible, and confidential channels for feedback and complaints, including opportunities for anonymous feedback. To ensure ownership of the LAPs, the project will set up a system for community members to engage in monitoring and evaluation, while also training key community members to progressively lead such processes also beyond its lifecycle. The project will also set up dialogues and workshops to facilitate linkage of community adaptation priorities to district-level authorities and planning, strengthening the bottom-up flow of information and evidence.

Activity 1.1.1.3 Strengthen local disaster risk management structures and last-mile delivery of early warnings

54. With local-level risk assessments and adaptation planning completed, the project will – in coordination with INGD – establish or revitalize existing DRMCs to take on the role of early warning and disaster response at the last-mile. DRMCs will be provided with training on climate risk monitoring, and disaster preparedness, will be provided with basic emergency response kits, and with support for contingency planning and emergency response. DRMCs will be supported to conduct drills, simulations and early action exercises. Anchored in the DRMCs, the project will support the establishment (or strengthening where they already exist) of basic climate information and early warning systems appropriate to the local conditions (i.e. low-complexity, independent of grid power where possible), and strengthening linkage with government climate and early warning institutions. This approach responds to consultation priorities concerning stronger climate-risk assessment, community preparedness, data collection, institutional coordination, and the operation and maintenance of local systems.

Component 2: Community associations and cooperatives established for climate-resilient livelihoods

55. This component operationalizes LLA by translating community adaptation priorities identified in Component 1 into adaptation activities which directly strengthen the climate adaptation, resilience and economic resilience of target communities. It will do so through directly supporting the productive, organizational and financial capacity of vulnerable communities. In the context of the target area, smallholder producers often lack capacity (including practices, inputs, equipment and tools) for climate-resilient and sustainable production, which makes them more climate vulnerable, and over the long term, economically vulnerable. Overall, this component will support 5,000 producers that will become members of around 120 Producers Groups and 40 community associations and cooperatives.
56. First, the project will strengthen or create livelihoods through organization of smallholder farmers, fishers and other producers, building their capacities, boosting climate-resilient production capacity, and livelihood diversification towards alternative sustainable income generation. This will ensure food security, with the aim to move beyond subsistence towards income stability, and ultimately improved adaptation capacity. Second, building on this foundation, the project will strengthen the economic resilience of smallholder producers through support for aggregation, value addition, financial literacy and business skills, to increase their readiness to become established as formal associations and cooperatives, paving the way for economic resilience and the sustainability of project outcomes after the project lifetime. This will contribute to strengthening the enabling environment for Components 3, which will provide follow-up technical and financial support, including the formalization into registered MSMEs, for long-term climate resilience.

Outcome 2.1: Strengthened adaptive capacity of vulnerable communities through climate-resilient and diversified livelihoods

57. In Outcome 2.1, vulnerable rural and coastal smallholders strengthen their resilience to climate shocks through improved climate-resilient production systems, diversified livelihood opportunities, and strengthened local organizational structures. Communities increase their climate-resilient productive capacity, income stability, food security, and ability to cope with climate variability through locally-appropriate and sustainable livelihood diversification approaches. Smallholders will then be supported with tools for economic resilience, including for aggregation, value addition, and financial literacy and access to savings schemes. A sub-set of successful Producers Groups will be supported to register as associations, and eventually, graduation into cooperatives.

Output 2.1.1: Climate-resilient livelihoods and production systems established among vulnerable smallholder producers

58. This output will promote smallholder farmers, fishers, and other producers to organize, and to adopt climate-resilient and more sustainable production practices, as well as explore diversified sustainable income generation. Producer Groups – each having a model plot that serves as the field schools for regular trainings – will be the basic unit to serve as local platforms for demonstration and capacity building. The output aims to boost production capacity in climate-resilient agriculture and sustainable fisheries, while addressing issues of water management, and diversification towards sustainable income-generating activities.

Activity 2.1.1.1 Establish and revitalize Producers Groups in target communities

59. Smallholder producers (farmers and/or fisherfolk, depending on the location) will be mobilized by the project to organize into Producers Groups (PGs), of 40-50 people each for farmers, 30-40 each for fishers and other producers – ensuring gender equity and at least 40% youth participation. PGs will be self-governed with an elected committee, supported by project instructors. PGs will act as the local anchors of all activities under Component 2, and as the platform for introducing climate-resilient technologies and actions.

Activity 2.1.1.2 Promote climate-resilient production capacities and activities

60. At the established PCs, for crop farmers, a demonstration plot will be established for training on climate-resilient agricultural practices, crop diversification and sustainable water management. Training and demonstrations will build on adaptation practices reported through the local stakeholder consultations, including adjustments to planting calendars, crop and livelihood diversification, the use of tolerant crop varieties, water-saving and storage practices, conservation agriculture, sustainable changes in fishing practices, and community-based ecosystem restoration, while addressing the technical and resource constraints that currently limit their effectiveness. Vulnerable smallholders will be directly supported with agricultural inputs and tools. Among fisherfolk PCs, the project will build capacities for sustainable fisheries management, climate-resilient fishing practices, and post-harvest handling. Along the demonstration plots and the fisheries' sites, the project will support establishment of safe drinking water infrastructure, and where relevant, PCs will be mobilized to engage in ecosystem restoration actions.

Activity 2.1.1.3 Promote sustainable income generating activities

61. For households to engage in diversification of income generation activities (IGAs), PCs will be supported with technical trainings and start-up equipment to engage in nature-positive IGAs, including, for example, honey production, short-cycle livestock production, sustainable harvesting of Non-Timber Forest Products (NTFPs), and other locally-appropriate IGAs. The selection of income-generating activities will give particular consideration to locally identified priorities such as women's economic empowerment, youth employment and skills, diversification away from excessive dependence on fishing or a single crop, sustainable coastal livelihoods, and activities that protect the natural resources on which livelihoods depend.

Output 2.1.2: Economic resilience and market readiness strengthened among community producer organizations

62. This output will build on the strengthened production capacity from Output 2.1.1 to promote increased economic resilience among Producers Groups, through direct support to improve post-harvest storage, aggregation and value addition facilities within communities. The project will also strengthen the financial literacy of smallholders through training and facilitating access to financial services, savings and credit schemes. Following these activities, suitable Producers Groups will receive support to graduate into associations, in terms of registration, organizational and business management training, market and business linkages, and will be coached/mentored throughout its operationalization. Of those successful, these steps will be repeated for graduation into cooperatives. As such, the output will strengthen long-term economic resilience, climate-resilient value chains and the overall investment environment for MSMEs.

Activity 2.1.2.1 Establish and operationalize small-scale and community-based facilities for post-harvest systems

63. The project will establish and/or rehabilitate small-scale infrastructures at the community-level, including for post-harvest storage and aggregation of grains. This will allow for reducing post-harvest losses, as well as collective aggregation of produce, and will also enable the space for value addition activities and establishment of operations beyond the household-level. Specific investments will take account of consultation concerns regarding inadequate storage, fish processing, market infrastructure, water supply, maintenance capacity, and reliable market access.

Activity 2.1.2.2 Promote value addition opportunities

64. Connected to the aggregation centres, PCs will be directly supported with basic value addition, pre-processing, processing and post-harvest technologies, and receive training on the use and maintenance of equipment, and procurement. Processed products will include basic foods for local sales, such as flour and cooking oil, as well as processing of higher-value products for aggregated sales to off-takers.

Activity 2.1.2.3 Provide financial literacy and promote saving and credit schemes

65. At the PC-level, the project will provide basic financial literacy trainings to smallholders, to advance their business skills and their eventual long-term integration in the markets. The project will facilitate community-based saving group systems, to allow for exposure to savings and credit systems and principles, and will facilitate access to financial services and climate-resilient enterprise opportunities. This contributes to building capacities for the creation of formalized associations under Activity 2.1.2.4.

Activity 2.1.2.4 Support formalization of selected Producers Groups into registered associations and cooperatives

66. A subset of successful PCs will be supported to graduate into registered associations. They will be provided with trainings and coaching in basic governance, business management and business development. The project will also provide support in conducting local market assessments, and where appropriate – facilitating market linkages with off-takers and other actors. Among the associations, those showing readiness will be graduated into formalized cooperatives, where the steps will be repeated according to requirements for

cooperatives.

Component 3: Water, food and agriculture (WFA) community enterprises strengthened for long-term adaptation benefits

67. Building on the community priorities identified under Component 1 and the climate-resilient and diversified livelihoods created under Component 2, this component will provide follow-up support to sustain, upgrade, and, where relevant, scale climate-resilient livelihood gains and local service provision in rural and coastal communities for long-term adaptation benefits. The component will focus on:
- a. Registered associations and cooperatives created under Component 2; and
 - b. Existing vulnerable local MSMEs with the potential to upgrade their input systems, productivity, processing capacities, market readiness, quality compliance, financial readiness, access to finance, and investment capabilities in ways that strengthen diversified climate-resilient livelihood gains and local service provision, particularly youth- and women-led MSMEs.
68. The component will focus primarily, but not exclusively, on Water, Food, and Agriculture (WFA) sectors, including agriculture, fisheries, aquaculture, post-harvest handling, storage, processing, aggregation, input supply, market services, and related local enterprise functions. Support will be structured around two complementary pathways: i) Technical support to strengthen input systems, productivity, processing capacities, market readiness, quality compliance; and ii) Financial support to improve financial readiness, access to finance, and the ability of associations, cooperatives, and vulnerable MSMEs to invest in resilience-oriented upgrading and scaling.
69. The component will follow a readiness-based pathway across two levels. At the first level, associations and cooperatives emerging from Component 2 will receive more advanced support to strengthen collective management, service provision, product consistency, operational systems, buyer engagement, and financial readiness. Where viable, they may then be supported to develop into legally registered MSMEs. At the second level, existing vulnerable local MSMEs in Nampula, as well as MSMEs emerging from the first level, will receive targeted technical and financial support to upgrade their operations, improve market readiness, access finance, and sustain climate-resilient products, services, and value-chain functions. This sequencing ensures that each actor receives support appropriate to their level of readiness, while creating a clear pathway from associations and cooperatives to MSME-level operations where feasible, and strengthening existing MSMEs thereby contributing to long-term adaptation and resilience. The conducted consultations' findings reinforce the need for this follow-up pathway. Respondents identified market access, value-chain development, access to finance, post-harvest storage and processing, financial literacy, and support for groups to formalize and progress toward MSME-level operations as priority areas. They also highlighted the importance of long-term technical support and locally maintainable solutions rather than short-duration assistance.

Outcome 3.1: Associations, cooperatives, and MSMEs strengthened to sustain climate-resilient livelihoods and local service provision

70. Associations, cooperatives and existing vulnerable MSMEs strengthen their technical, operational, market, and financial capacities to sustain climate-resilient livelihoods, reduce climate-related and post-harvest losses, improve value addition, strengthen local service provision, and support resilient value chains in rural and coastal communities. By supporting actors at different levels of readiness, this outcome will help ensure that the livelihood gains generated under Component 2 are sustained through stronger local systems capable of providing climate-resilient products, services, income opportunities, and value-chain functions beyond the project lifetime.

Output 3.1.1: Technical capacities of associations, cooperatives, and MSMEs strengthened for long-term climate resilience

71. Associations, cooperatives, emerging MSMEs, and existing vulnerable local MSMEs receive targeted technical assistance to strengthen input systems, productivity, processing capacities, post-harvest handling, storage, aggregation, product consistency, service delivery, quality practices, business operations, and market readiness, thereby strengthening their long-term climate resilience. Technical support will include appropriate arrangements for equipment operation and maintenance, repair, access to spare parts, and after-sales services, responding to consultation concerns that weak maintenance can undermine the continuity of enterprise and community investments. It will be adapted to each readiness level, ensuring that associations and cooperatives strengthen enterprise readiness and, where viable, progress toward MSME-level operations, while emerging and existing MSMEs upgrade their operations, products, services, and market performance.

Activity 3.1.1.1: Strengthen technical readiness of associations and cooperatives

72. Community associations and cooperatives emerging from Component 2 will receive more advanced technical support to strengthen collective management, service provision, product consistency, operational systems, buyer engagement, local service ecosystem strengthening, business operations, and market readiness. Support may include upgrading climate-resilient production models, including sustainable polyculture systems combining aquaculture, such as fish, shrimp and/or seaweed, with crops and/or livestock, where technically and environmentally appropriate. It may also include strengthening the input and service systems required for these production models to function under changing climate conditions, including local hatcheries, nurseries, fingerling and seed supply systems, as well as associated technical services such as water quality management and biosecurity. To reduce production costs and dependency on imported inputs, support may include climate-smart local feed and input production using resilient crops and fish-processing by-products, as well as local sustainable feed systems. These production and input-side improvements may be complemented by climate-smart water management systems, renewable-powered cold storage, drying and processing facilities, and resilient production and post-harvest infrastructure at selected priority nodes/hubs. Support will also strengthen handling, processing, storage, service practices, quality compliance, product consistency, operational management, buyer engagement, and market-readiness capacities so that associations and cooperatives can better meet relevant market expectations, even where climate variability affects production conditions. Where viable, associations and cooperatives may be supported to progress toward locally rooted MSME models.

Activity 3.1.1.2: Upgrade technical readiness of emerging and existing MSMEs

73. MSMEs emerging from the Component 3 readiness pathway, together with existing vulnerable local MSMEs in Nampula, will receive targeted technical support to upgrade their operations and strengthen their contribution to climate-resilient livelihoods, local service provision, and value chains. Support will focus on improving the reliability, consistency, and marketability of products and services in selected value chains, including through strengthened business operations, structured service delivery, product consistency, operational management, buyer engagement, handling, processing, storage, quality compliance, market readiness, local service ecosystem strengthening, and value-chain linkages. Where relevant, support may also include upgrading production and processing capacities, improving input and feed systems, adopting climate-resilient technologies, strengthening renewable-powered cold storage, drying and processing facilities, and improving resilient post-harvest infrastructure. This will help stabilize local supply, strengthen value-chain linkages, and ensure that rural and coastal communities have more dependable access to climate-resilient products, services, and income opportunities.

Output 3.1.2: Financial readiness and investment capacities strengthened for resilience-oriented upgrading and scaling

74. Associations, cooperatives, emerging MSMEs, and existing vulnerable local MSMEs receive financial readiness support and access to appropriate financing mechanisms to invest in climate-resilient production, input systems, processing, storage, value addition, service delivery, market access, and enterprise upgrading. Financial support will be linked to concrete upgrading needs that strengthen resilience, productivity, market performance, service delivery, job creation, and long-term viability. Where relevant, the component may also pilot context-appropriate resilience financing and climate risk management instruments that help eligible enterprises and producer organizations absorb, recover from, and respond to climate-related disruptions affecting production, processing, storage, service delivery, and market access. Financing design will draw on consultation priorities concerning affordable credit, savings, grants, productive equipment and infrastructure, while ensuring that financing is linked to inclusive benefit-sharing, and long-term operation and maintenance.

Activity 3.1.2.1: Strengthen financial readiness and access to finance for associations and cooperatives

75. Associations and cooperatives emerging from Component 2 will receive investment-readiness support, business coaching, financial management support, and assistance to identify concrete enterprise upgrading needs. Support will be linked to investments that strengthen sector resilience, such as adopting climate-resilient technologies, improving input and feed systems, upgrading production and processing capacities, strengthening business operations, and scaling viable climate-resilient business models. Where relevant, associations and cooperatives may access catalytic grants linked to clear milestones, microcredit, revolving financing mechanisms, facilitated access to local financial institutions, blended finance approaches, and tailored financial products for cooperatives, producer groups, and service providers. These mechanisms will support specific upgrading investments that improve resilience, productivity, market performance, service delivery, job creation, and long-term viability, while enabling associations and cooperatives to progress toward MSME-level operations where feasible.

Activity 3.1.2.2: Strengthen investment readiness and access to finance for emerging and existing MSMEs

76. MSMEs emerging from the Component 3 readiness pathway, together with existing vulnerable local MSMEs in

Nampula, will receive support to strengthen investment readiness, prepare financing plans, improve financial management, and engage with local financial institutions, microfinance providers, business support organizations, and other financing partners. Financial support may include catalytic grants linked to clear milestones, microcredit, revolving financing mechanisms, facilitated access to local financial institutions, blended finance approaches, and tailored financial products for eligible MSMEs and service providers. Where relevant, the component may also pilot context-appropriate resilience financing and climate risk management instruments that help eligible MSMEs absorb, recover from, and respond to climate-related disruptions affecting production, processing, storage, service delivery, and market access. These mechanisms will support eligible MSMEs to finance resilience-oriented upgrading and scaling investments that strengthen climate-resilient products, services, value-chain functions, and local income opportunities beyond the project lifetime.

Component 4: Adaptation MSME ecosystem strengthened to enable long-term delivery of climate adaptation solutions

77. This component aims to strengthen the long-term capacity of adaptation MSMEs to develop, deploy, and scale climate adaptation solutions to vulnerable communities across Mozambique. Rather than focusing solely on the deployment of solutions during the project period, the component seeks to strengthen the adaptation entrepreneurship ecosystem and build a sustainable pipeline of enterprises capable of responding to evolving climate risks and adaptation needs over time. The component will focus primarily but not exclusively on MSMEs operating within WFA systems, including agriculture, livestock, fisheries, aquaculture, water resources management, and related value chains, reflecting the project's focus on the livelihood systems most vulnerable to climate change in Mozambique.
78. Building on the adaptation priorities identified through the locally led adaptation planning processes under Component 1, the component will support adaptation-focused MSMEs to strengthen their technical, operational, and financial capacities while improving the enabling conditions required for their long-term growth and sustainability. The adaptation MSMEs supported by the project and the solutions they deploy will be selected based on the climate risks identified through the CRVA conducted during the [project's full proposal development PFG](#) phase and the adaptation priorities subsequently identified by target communities through the LLA planning process. This responds to key barriers identified in the barrier analysis in Table 1, that currently constrain the ability of adaptation-focused enterprises to unlock their potential to support vulnerable communities. Through targeted technical assistance and financial support, adaptation MSMEs will be better positioned to develop, finance, and deliver climate adaptation solutions at scale. Communities participating in Component 1 will serve as demonstration and learning sites where adaptation solution providers can validate, tailor, test, and refine their technologies, products, and services in response to real-world adaptation needs and user feedback. This will help ensure that solutions are locally appropriate, effective, affordable, and responsive to the needs of vulnerable populations.
79. While Components 2 and 3 focus on strengthening climate resilience and livelihoods at the community level, this component focuses on strengthening the supply side of adaptation by ensuring that capable solution providers, financing mechanisms, market linkages, and ecosystem support structures are in place to deliver adaptation solutions at scale. Through technical assistance, access to finance, partnership development, and ecosystem strengthening, the component will contribute to the emergence of a stronger adaptation market capable of continuing to develop and deliver climate adaptation solutions to vulnerable communities well beyond the lifetime of the project. The component will also seek to build on and create synergies with existing UNIDO-supported financial inclusion initiatives in Mozambique. In particular, opportunities will be explored to connect eligible adaptation MSMEs with existing credit and microfinance mechanisms, including the BCI SUPER+ credit facility established through previous UNIDO support, which aims to improve access to concessional financing for MSMEs.

Outcome 4.1: Enhanced capacity of adaptation-focused MSMEs to develop, deliver, and scale climate adaptation solutions for vulnerable communities

80. This outcome aims to increase the adaptive capacity and resilience of vulnerable communities by strengthening the ability of adaptation-focused MSMEs, start-ups, and innovators to respond to adaptation priorities identified through the locally led adaptation planning processes under Component 1. The outcome will address key technical, operational, financial, and market barriers that currently limit the development and delivery of adaptation solutions in Mozambique. Through a combination of technical assistance, ecosystem strengthening, and access to finance, adaptation enterprises will be supported to develop, deploy, and scale technologies, products, and services that address locally identified climate risks and vulnerabilities while contributing to the development of a sustainable national adaptation entrepreneurship ecosystem. By strengthening both the supply of adaptation solutions and the enabling conditions required for their long-term delivery, the outcome

seeks to create a stronger and more resilient adaptation market capable of continuing to serve vulnerable communities beyond the project lifetime. Rather than supporting individual enterprises in isolation, the intervention aims to strengthen the broader adaptation entrepreneurship ecosystem, enabling MSMEs to become long-term partners in the delivery of locally led adaptation solutions across Mozambique.

Output 4.1.1: Community-prioritized climate adaptation solutions developed and delivered through strengthened adaptation MSMEs

81. Adaptation-focused MSMEs, innovators, and start-ups receive technical, operational, and business support to strengthen their capacity to develop, test, deliver, and scale climate adaptation solutions that respond directly to community-identified adaptation priorities. Support will focus on improving adaptation effectiveness, business sustainability, market readiness, operational performance, and the ability of enterprises to serve vulnerable and underserved populations. The output will also strengthen linkages between MSMEs, communities, research institutions, business support organizations, incubators, accelerators, financial institutions, and government stakeholders to foster innovation, knowledge exchange, and long-term ecosystem development. The output responds directly to barriers identified in the barrier analysis, including limited adaptation expertise, weak business capacities, insufficient understanding of adaptation markets, and limited collaboration among ecosystem actors. Through a combination of technical support, knowledge exchange, and ecosystem strengthening, adaptation enterprises will be better equipped to identify community needs, develop effective adaptation solutions, and sustainably deliver these solutions to climate-vulnerable populations.

Activity 4.1.1.1: Strengthen technical, operational, and business capacities of adaptation MSMEs

82. Technical assistance provided to adaptation-focused MSMEs, start-ups, innovators, and relevant ecosystem actors to strengthen the capacities required to develop, deliver, and scale climate adaptation solutions. Support may include training, mentoring, coaching, advisory services, business development support, technical guidance, and knowledge-sharing activities aimed at strengthening adaptation expertise, operational performance, business sustainability, market readiness, impact measurement, and understanding of locally led adaptation approaches. Technical support will also strengthen the capacity of enterprises to assess and demonstrate adaptation effectiveness; improve the affordability and accessibility of their solutions; establish appropriate maintenance, repair, and after-sales arrangements; comply with environmental and social safeguards and relevant quality, regulatory, and technical requirements; develop inclusive business models that serve vulnerable and underserved groups; and manage climate-related risks to business continuity and service delivery. Capacity-building efforts will also target incubators, accelerators, business development service providers, research institutions, and other ecosystem actors to strengthen the broader support ecosystem for adaptation entrepreneurship. The activity will strengthen both enterprise-level and ecosystem-level capacities required to support a functioning adaptation market. Support may include training, mentoring, coaching, technical advisory services, business development support, peer learning, and knowledge-sharing activities aimed at strengthening adaptation expertise, business performance, operational management, market readiness, impact measurement, and understanding of locally led adaptation approaches. Capacity-building efforts will extend beyond MSMEs to include incubators, accelerators, business development service providers, research institutions, and other ecosystem actors whose support is critical for sustaining adaptation entrepreneurship beyond the project period. Particular emphasis will be placed on strengthening the ability of ecosystem actors to continue supporting adaptation-focused enterprises after project completion, thereby creating long-term institutional capacity within Mozambique's adaptation innovation ecosystem.

Activity 4.1.1.2: Validate and refine community-responsive adaptation solutions through field application and user feedback

83. Adaptation-focused MSMEs supported to identify, develop, adapt, test, validate, and improve climate adaptation technologies, products, and services that respond to adaptation priorities identified through Component 1. The activity will facilitate continuous engagement between solution providers and beneficiary communities to ensure that adaptation solutions remain technically appropriate, affordable, accessible, socially acceptable, and responsive to evolving climate risks and local needs. Lessons and feedback generated throughout implementation will be used to strengthen adaptation effectiveness and support future scaling. Communities engaged under Component 1 will serve as demonstration and learning sites where adaptation solution providers can work directly with end users to better understand local climate risks, adaptation needs, and implementation challenges. Through iterative engagement, solution providers will be supported to tailor, validate, and refine adaptation technologies, products, and services to ensure they are technically effective, affordable, socially acceptable, and responsive to local contexts. The activity will generate practical evidence on what works under real-world conditions, enabling adaptation enterprises to strengthen their offerings while creating feedback loops that improve future adaptation solution design and deployment. Lessons generated

will contribute to replication and scaling both within and beyond the project target areas.

Output 4.1.2: Adaptation financing mechanisms established to support delivery and uptake of climate adaptation solutions

84. Financial mechanisms established to enable adaptation-focused MSMEs to expand the delivery of climate adaptation solutions while improving affordability and access for vulnerable communities. The output will support the deployment and scaling of adaptation solutions through targeted financing instruments and partnerships with financial institutions, while reducing barriers that limit investment in adaptation-oriented enterprises and markets. The output addresses one of the most significant barriers facing adaptation-focused enterprises and vulnerable communities alike: limited access to appropriate financing. While many adaptation solutions exist, their uptake and scaling are often constrained by insufficient working capital, limited investment readiness, high perceived risks, and affordability barriers among end users. Access to finance, savings, grants and credit was selected by eight of the nine respondents who answered the consultations' project-interest questions, while qualitative responses highlighted needs for affordable credit, community savings, productive equipment, and storage infrastructure. Through a combination of enterprise financing and demand-side financing mechanisms, the output will support both the supply and uptake of adaptation solutions while strengthening longer-term adaptation finance markets in Mozambique. In particular, opportunities will be explored to connect eligible adaptation MSMEs with existing credit and microfinance mechanisms, including the BCI SUPER+ credit facility established through previous UNIDO support, which aims to improve access to concessional financing for MSMEs.

Activity 4.1.2.1: Establish financing mechanisms for adaptation MSMEs

85. Financial support mechanisms designed and operationalized to support adaptation-focused MSMEs in developing, deploying, and scaling climate adaptation solutions that respond to community priorities. Financing support will help address key barriers related to upfront investment costs, market entry, business expansion, and service delivery to vulnerable and underserved populations. The activity will support adaptation enterprises throughout different stages of growth while promoting long-term sustainability and adaptation impact. The activity will establish financing mechanisms that address key constraints faced by adaptation enterprises at different stages of development, including early-stage innovation, market entry, business expansion, and delivery of solutions to vulnerable and underserved populations. Financing instruments may include grants, performance-based incentives, blended finance approaches, or other mechanisms deemed appropriate during project implementation. Particular attention will be given to ensuring that financing is linked to adaptation outcomes and contributes to the long-term sustainability of adaptation enterprises. By reducing financial barriers and enabling enterprises to invest in growth and innovation, the activity will strengthen the overall capacity of the adaptation market to respond to evolving climate resilience needs. In particular, opportunities will be explored to connect eligible adaptation MSMEs with existing credit and microfinance mechanisms, including the BCI SUPER+ credit facility established through previous UNIDO support, which aims to improve access to concessional financing for MSMEs.

Activity 4.1.2.2: Facilitate micro-credit and financial products for adaptation solution uptake

86. Partnerships established with financial institutions and other financing providers to improve access to micro-credit and other financial products that enable vulnerable households, community groups, cooperatives, and local enterprises to adopt climate adaptation solutions. The activity will seek to reduce financial barriers to adaptation uptake while promoting equitable access for women, youth, displaced populations, and other vulnerable groups. Financial products will be aligned with local adaptation priorities and designed to support sustained adoption and use of adaptation solutions. The activity will build on existing financial infrastructure and partnerships in Mozambique to expand access to adaptation-related finance among vulnerable populations that would otherwise be unable to afford adaptation investments. Rather than creating parallel financing structures, the project will seek to collaborate with existing microfinance institutions, savings and credit organizations, and other financial service providers to develop and deliver financial products tailored to adaptation needs. Where feasible, the activity will build on lessons and partnerships established through previous successful initiatives in Mozambique. Financial products may support the uptake of adaptation technologies, climate-resilient livelihood investments, climate-resilient agricultural inputs, water management solutions, or other locally prioritized adaptation measures. Particular attention will be given to ensuring equitable access for women, youth, displaced populations, and other vulnerable groups, while strengthening the long-term capacity of financial institutions to serve adaptation-related markets beyond the project lifetime.

Component 5: Adaptation innovation, learning, and collaboration ecosystem strengthened to sustain and scale locally led adaptation

87. This component aims to establish the long-term ecosystem required to sustain, replicate, and scale adaptation

outcomes beyond the project lifetime. Building on the community-driven adaptation planning processes under Component 1, the climate adaptation interventions implemented under Components 2 and 3, and the adaptation enterprises strengthened under Component 4, the component will strengthen Mozambique's adaptation ecosystem through dedicated platforms for innovation, collaboration, knowledge management, learning, communication, and scaling, targeting around 100,000 indirect beneficiaries. The component will build upon and connect existing ecosystem actors, networks, platforms, and initiatives already established by ADPP, government institutions, development partners, research institutions, and other ongoing projects in Mozambique, rather than creating parallel structures. Stakeholder consultations also identified a range of existing actors and platforms with which the project could coordinate, including provincial and district extension and planning structures, natural-resource management forums, fisheries councils, NGOs, research institutions, community organizations, financial-service actors, and ongoing initiatives in agriculture, fisheries, coastal restoration, livelihoods and resilient infrastructure. These potential partnerships will be mapped and validated during the [project's full proposal development](#) phase. In this regard, the project will strengthen and expand existing adaptation, innovation, and community development ecosystems to improve coordination, knowledge exchange, and the long-term sustainability of adaptation efforts.

88. Central to the component is the establishment of Climate Adaptation and Innovation Hubs that will serve as long-term platforms for stakeholder engagement, co-creation, testing and validation of adaptation solutions, partnership development, and ecosystem support. Where feasible, the project will leverage and build upon existing facilities, partnerships, networks, and institutional arrangements established by ADPP, government entities, and other ecosystem actors. The hubs will connect communities, MSMEs, financial institutions, cooperatives, research institutions, universities, government entities, and development partners to strengthen collaboration and accelerate the development, deployment, and scaling of climate adaptation solutions. The hubs will also provide a physical space for innovation, experimentation, dialogue, and knowledge exchange, helping to strengthen the broader adaptation ecosystem and create lasting institutional capacity beyond the project lifetime.
89. The component will further establish systems to capture, generate, manage, and disseminate knowledge emerging from project implementation. Through robust monitoring and learning systems, knowledge products, communication and outreach activities, peer-learning initiatives, and collaboration with national, regional, and global adaptation initiatives, the component will facilitate replication and scaling of successful approaches in other provinces, countries, and adaptation programmes while ensuring that Mozambique benefits from experiences and innovations emerging from adaptation efforts worldwide.

Outcome 5.1: Adaptation stakeholders enabled to innovate, collaborate, learn, and scale climate adaptation solutions

90. This outcome aims to strengthen the capacities and relationships of key adaptation stakeholders required to sustain and scale adaptation outcomes beyond the project lifetime. Building on the adaptation interventions implemented under the project, the outcome will strengthen collaboration, innovation, learning, and knowledge exchange among communities, MSMEs, cooperatives, financial institutions, research organizations, universities, government entities, and development partners. Through dedicated innovation platforms, partnership mechanisms, and knowledge systems, stakeholders will be better equipped to develop, improve, replicate, and scale adaptation solutions while contributing to a stronger and more connected adaptation ecosystem in Mozambique.

Output 5.1.1: Adaptation innovation and collaboration platforms strengthened

91. Innovation and collaboration platforms strengthened to support adaptation innovation, ecosystem development, partnership building, stakeholder engagement, and co-creation of adaptation solutions. Through the Climate Adaptation and Innovation Hubs, stakeholders will be connected to jointly identify adaptation challenges, develop solutions, exchange knowledge, strengthen partnerships, and accelerate adaptation action. The output will contribute to the development of a stronger adaptation ecosystem capable of supporting innovation, entrepreneurship, and locally led adaptation processes beyond the project lifetime.

Activity 5.1.1.1: Establish Climate Adaptation and Innovation Hubs and deliver adaptation ecosystem services

92. Climate Adaptation and Innovation Hubs established, equipped, and operationalized in Nampula and Maputo to serve as long-term platforms for adaptation innovation, stakeholder engagement, capacity-building, and ecosystem development. Through the hubs, a range of ecosystem support services will be delivered, including innovation challenges, mentorship programmes, technical assistance, networking events, innovation showcases, study tours, youth engagement initiatives, and co-creation processes. The hubs will provide physical and collaborative spaces where communities, MSMEs, researchers, financial institutions, government entities, and development partners can jointly develop, test, validate, and scale adaptation solutions.

Infrastructure, equipment, and facilities required to support innovation, demonstration activities, knowledge exchange, and collaborative problem-solving will be provided.

Activity 5.1.1.2: Strengthen adaptation partnerships, networks, and institutional collaboration

93. Partnerships and collaboration mechanisms strengthened among adaptation stakeholders to improve coordination, knowledge exchange, and collective action. The activity will facilitate multi-stakeholder dialogue, matchmaking initiatives, networking events, collaboration platforms, and institutional partnerships that strengthen linkages among communities, MSMEs, financial institutions, research institutions, government entities, and development partners. Particular attention will be given to strengthening long-term institutional relationships capable of sustaining adaptation innovation and locally led adaptation beyond the project lifetime, while fostering collaboration with national, regional, and international adaptation initiatives.

Output 5.1.2: Adaptation learning, knowledge management, and scaling mechanisms strengthened

94. Knowledge management, learning, and evidence generation systems strengthened to support adaptive management, replication, and scaling of successful adaptation approaches. The output will establish mechanisms to capture, analyse, disseminate, and apply lessons emerging from project implementation while strengthening learning and collaboration across local, national, regional, and global adaptation stakeholders. Particular attention will be given to generating practical evidence, methodologies, tools, and investment-relevant knowledge that can support future adaptation initiatives in Mozambique and beyond.

Activity 5.1.2.1: Operationalize adaptation evidence and knowledge systems

95. Monitoring, evaluation, accountability, learning, and knowledge management systems established and operationalized to generate evidence on adaptation outcomes, resilience improvements, livelihood benefits, ecosystem performance, and community-level impacts. The activity will support adaptive management while generating practical knowledge, methodologies, case studies, tools, guidance materials, and evidence that can inform future adaptation initiatives, policy processes, and investment decisions. Particular attention will be given to documenting lessons emerging from locally led adaptation approaches, adaptation entrepreneurship models, and community resilience interventions supported under the project. In line with the consultation findings, monitoring and learning systems will include participatory feedback mechanisms through which communities and local institutions can assess the continued relevance, accessibility, functionality, and sustainability of supported interventions, propose adjustments based on implementation experience, and receive transparent feedback on consultation and monitoring findings, thereby strengthening communication between project actors, participating communities, and government structures.

Activity 5.1.2.2: Facilitate adaptation knowledge dissemination, outreach, and scaling

96. Communication, outreach, learning exchange, and knowledge-sharing mechanisms established to disseminate project experiences, promote cross-learning, and support replication of successful adaptation approaches. The activity will facilitate study tours, peer-learning initiatives, communities of practice, knowledge-sharing events, communication campaigns, publications, digital platforms, and engagement with national, regional, and global adaptation networks. Particular emphasis will be placed on promoting replication in other provinces of Mozambique, facilitating South-South exchange, leveraging UNIDO's global adaptation portfolio, and translating project results into scalable models, investment opportunities, and policy recommendations that can be adopted by other institutions, countries, and adaptation programmes.

B. Economic, social and environmental benefits

97. The project will fully comply with the Adaptation Fund's ESP requirements. As per UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), the Environmental and Social screening template has been completed, and this project has been categorized as a Category B project. As a standard requirement for Adaptation Fund projects, an Environmental and Social Impact Assessment (ESIA) will be carried out during the [PFG-project's full proposal development](#) phase to examine the project's potential environmental and social impacts. This study will culminate in the development of an Environmental and Social Management Framework (ESMF).

B1. Economic benefits

98. The project will generate significant economic benefits by creating climate-resilient income opportunities, reducing dependence on vulnerable livelihood systems, strengthening local enterprises, and reducing climate-related economic losses in rural and coastal communities in Nampula Province as well as in the country as a

whole. Overall, the project will support a transition from climate-vulnerable subsistence livelihoods toward more diversified, market-oriented, and climate-resilient local economic systems. Economic benefits are expected to include more stable household incomes, reduced climate-related losses, increased value addition, improved market participation, strengthened local enterprises, new employment and self-employment opportunities, and broader economic value creation in the adaptation sector.

99. Preliminary quantitative estimates, derived from evaluations of comparable interventions implemented by ADPP under ENI- and USAID-funded projects in Cabo Delgado (see *Table 7*), indicate that the project activities in Component 2 are expected to increase household income among supported farmers, fishers and producers by 20-30% through improved productivity, livelihood diversification, value addition, reduced post-harvest losses and improved market access. In Mozambique, post-harvest losses are estimated at 30% (FAO). Support to climate-resilient production systems, water management, storage, processing and aggregation is expected to reduce post-harvest losses by up to 50%, thereby increasing the volume and value of products reaching markets. The project is also expected to strengthen the resilience and competitiveness of participating MSMEs, with supported enterprises expected to achieve an estimated 15–25% increase in enterprise. Investments in climate-resilient water, food and agriculture systems, ecosystem restoration, and locally led adaptation measures are expected to reduce climate-related livelihood losses and avoid losses and damages associated with droughts, floods and cyclones by approximately 15–20% in targeted communities over the project period. These interventions will contribute to more stable household incomes, increased local economic activity, improved food security, and reduced recovery costs following climate shocks. All quantitative estimates are preliminary and will be validated and refined during the [PFG-project's full proposal development](#) phase through detailed baseline studies, economic analyses, market assessments, and climate risk modelling.
100. Where feasible, the project will also explore opportunities to strengthen access to adaptation finance and investment mechanisms to support the long-term sustainability and scaling of adaptation solutions developed through the project. Under Component 2, the project will support vulnerable smallholder farmers, fishers, and other producers to diversify and strengthen their livelihoods through Producers Groups, climate-resilient production practices, sustainable income-generating activities, value addition, storage, aggregation, processing, and market access. These interventions will help communities move beyond subsistence production and reduce dependence on highly climate-sensitive livelihood activities. By promoting diversified income streams, staggered production cycles, post-harvest loss reduction, and access to markets, the project will increase household income stability and strengthen livelihoods as a direct means of adaptation and long-term resilience. Under Component 3, the project will build on these community-level livelihood gains by supporting newly established and existing MSMEs in and around Water, Food and Agriculture (WFA) systems. This will generate economic benefits by improving productivity, reducing production and post-harvest losses, strengthening input and service systems, upgrading processing and storage capacities, improving product quality, and facilitating access to markets and finance. Support to WFA and non-WFA MSMEs will help transform community livelihood activities into more viable local enterprises, creating stronger economic linkages between producers, processors, service providers, buyers, and local markets in the long run. Component 4 will generate additional economic benefits by strengthening Mozambique's adaptation MSME ecosystem and supporting enterprises that develop, deliver, and deploy climate adaptation solutions in response to community priorities identified under Component 1. These solutions will help communities adapt to climate impacts and reduce economic losses and damages linked to droughts, floods, cyclones, water scarcity, declining productivity, and ecosystem degradation. At the same time, support to adaptation-focused MSMEs, start-ups, innovators, incubators, accelerators, and financial institutions will stimulate entrepreneurship, create new business opportunities, strengthen local value chains, generate employment, and support market access for small and emerging enterprises. Indicatively, the project will support approximately 120 Producers Groups comprising around 5,000 farmers and fishers, 30 associations or cooperatives, 40 existing WFA MSMEs, 60 adaptation-focused MSMEs, and approximately 1,000 new or strengthened jobs and self-employment opportunities, particularly for women and youth. These figures are preliminary estimates and will be further assessed and validated during full project proposal development through an in-depth data collection exercise, including the analysis of baseline conditions, market opportunities, livelihood systems, and enterprise development potential.

B2. Social benefits

101. On the social front, the project aims to strengthen the climate resilience, adaptive capacity, and well-being of vulnerable rural and coastal communities in Nampula Province, generating a wide range of social co-benefits. As described in section A, Nampula faces increasing pressure from recurrent climate shocks, including cyclones, floods, droughts, water scarcity, and ecosystem degradation, while also hosting large numbers of IDPs from the conflict in the neighboring Cabo Delgado. These overlapping pressures place additional strain

on livelihoods, natural resources, basic services, and local coping capacities, increasing the vulnerability of both displaced populations and host communities and, in some areas, contributing to competition over scarce resources. Reduced exposure to climate risks, improved food and water security, strengthened livelihood opportunities, and increased access to adaptation services are expected to contribute to greater social stability, improved well-being, and reduced vulnerability, particularly among women, youth, IDPs, smallholder farmers, fishers, and other marginalized groups. The project's participatory approach, grounded in Locally Led Adaptation (LLA) principles, will ensure that communities are actively engaged in identifying climate risks, prioritizing adaptation needs, and shaping resilience strategies. Through vulnerability assessments, adaptation planning processes, strengthened climate awareness, access to climate information, and enhanced disaster risk management capacities, vulnerable populations will gain increased knowledge of climate risks, adaptation options, and preparedness measures, while also strengthening their participation in local decision-making. This bottom-up approach promotes social inclusion, local ownership, and empowerment, ensuring that adaptation interventions respond directly to community priorities and that both host communities and displaced populations have a voice in shaping local resilience pathways. The project will further strengthen social cohesion and collective resilience through the establishment and strengthening of Producers Groups, Associations, Cooperatives, MSMEs, and Disaster Risk Management Committees. These structures will improve collaboration, strengthen social networks, facilitate knowledge sharing, and create opportunities for leadership development among women and youth. Improved access to climate-resilient livelihoods, productive assets, adaptation solutions, markets, and financial services will contribute to greater livelihood security and reduce the risk of negative coping strategies, while creating shared economic opportunities that can help reduce tensions associated with resource scarcity and livelihood competition. In addition, the project will strengthen collaboration among communities, local authorities, MSMEs, financial institutions, research organizations, civil society actors, and government entities involved in climate adaptation. Through the Climate Adaptation and Innovation Hubs, stakeholder dialogues, knowledge exchange activities, training programmes, mentorship initiatives, and multi-stakeholder partnerships, the project will foster trust, strengthen institutional linkages, and support more inclusive and coordinated adaptation efforts. Particular attention will be given to ensuring the meaningful participation of women, youth, IDPs, and other vulnerable groups across project activities, thereby contributing to more equitable, cohesive, and resilient communities. The project is expected to directly benefit approximately 30,000 community members across 60 rural and coastal communities through adaptation planning, climate awareness and preparedness activities, strengthened livelihoods, improved access to climate-resilient water, food and agriculture systems, adaptation services, and resilience-building interventions. Around 100,000 beneficiaries will be reached indirectly by the project through awareness-raising, knowledge-sharing and climate adaptation information activities. Particular emphasis will be placed on ensuring the meaningful participation and inclusion of women, youth, IDPs, and other vulnerable groups, with preliminary targets of at least 50% women participation and 40% youth participation across project activities. In addition, the project is expected to strengthen the capacities of approximately 60 Disaster Risk Management Committees and 60 community-level adaptation planning structures, contributing to more inclusive, resilient, and cohesive communities. These figures are preliminary estimates and will be validated and refined during full project proposal development.

B2a. Gender assessment

102. Women and girls in Nampula Province are disproportionately affected by climate change due to unequal access to land, productive resources, finance, climate information, livelihood opportunities, and decision-making processes, as well as the unequal distribution of unpaid care and domestic responsibilities. These inequalities can be compounded by age, disability, displacement, geographic isolation and dependence on climate-sensitive livelihoods, with particularly acute vulnerabilities among displaced women, female-headed households, young women, women with disabilities, and women in remote rural and coastal communities. According to the 2022/23 Demographic and Health Survey, only 25.6% of women aged 15-49 in Nampula are literate, compared with 55.8% of men⁵⁷. This substantial gender gap can restrict women's access to climate information, training, financial services, technologies and formal decision-making processes. Underlying water insecurity further increases domestic and care burdens: only 35.7% of Nampula's population uses an improved drinking-water source, 14.4% of households rely primarily on surface water, and only 0.9% of the population has access to safely managed drinking-water services⁵⁸. Given women's and girls' significant role in unpaid domestic and care work, limited and increasingly unreliable access to water can increase the time and effort required for water collection and household responsibilities, reducing their availability for education, paid work, livelihood activities, training, and participation in community decision-making. Restrictive social norms and

⁵⁷ https://www.unicef.org/mozambique/en/media/10191/file/EN_Provincial%20Profile%20Nampula%202025_11May2026.pdf.pdf

⁵⁸ https://www.unicef.org/mozambique/en/media/10191/file/EN_Provincial%20Profile%20Nampula%202025_11May2026.pdf.pdf

gender-based violence (GBV) can further constrain women's autonomy, mobility, access to resources, and ability to participate safely in adaptation activities and decision-making. In Nampula, according to the 2022/23 Demographic and Health Survey, 55.9% of women aged 20-24 were married before the age of 18, including 18.3% before the age of 15, while 22.5% of women aged 18-49 reported having experienced physical violence⁵⁹. These conditions may increase existing vulnerabilities and require GBV-sensitive approaches to project participation and benefit delivery. Concept-stage respondents identified increased workloads for women and girls as a recurring climate impact and highlighted restrictive social norms, care responsibilities, low literacy, transport and distance constraints, limited information, disability-related accessibility barriers, and displacement-related constraints as potential barriers to participation. These barriers can be particularly significant for youth, persons with disabilities, IDPs and host communities, and households in remote areas, and may compound existing gender inequalities. Women's economic empowerment was also repeatedly identified as a project priority. The project will adopt a gender-responsive approach consistent with the Adaptation Fund Gender Policy, Mozambique's National Gender Policy and Strategy, and the Estratégia de Género para a Pesca e Aquacultura (EGPA 2025–2029), which identifies women's economic empowerment, equitable access to productive resources, leadership, and participation in decision-making as national priorities. Gender-responsive methodologies will be integrated throughout project planning, implementation, monitoring and evaluation, including community consultations, adaptation planning, capacity-building and livelihood interventions, to ensure women's safe and meaningful participation and decision-making. Specific measures will address barriers that limit women's participation and adaptive capacity, including unequal access to land, productive assets, finance, climate information, technologies, markets, business development services, and leadership opportunities, while accounting for additional barriers related to age, disability, displacement and geographic isolation. Targeted support will be provided to women-led livelihoods and vulnerable local MSMEs linked to agriculture, aquaculture and fisheries, recognizing that climate-related supply disruptions, infrastructure and post-harvest losses, limited finance and weak market access can affect both enterprise resilience and the services and livelihood opportunities available to vulnerable communities. The project will actively promote women's participation and leadership in climate-resilient livelihoods, Water, Food and Agriculture systems, adaptation entrepreneurship, community adaptation structures and local adaptation governance, recognizing women as agents of change and drivers of resilience. Gender-responsive and inclusive implementation measures will include communication in local languages and accessible formats, physically accessible and safe venues, convenient scheduling, decentralized outreach where feasible, confidential feedback mechanisms, and separate discussion spaces where appropriate. Implementation will apply GBV-sensitive and do-no-harm principles, including measures to avoid exposing participants to increased risks of violence, harassment, exploitation or retaliation, and appropriate confidential and survivor-centred referral mechanisms where GBV risks or incidents are identified. Targets will be established to promote women's representation within Producers Groups, associations, cooperatives, Disaster Risk Management Committees, Local Adaptation Planning structures, and other community-level decision-making bodies supported by the project. Particular attention will be given to displaced women and female-headed households facing additional barriers to livelihoods, productive resources, services, finance and decision-making, as well as women in host communities where displacement can increase pressure on already constrained resources and livelihood systems. The project will seek to ensure that women represent at least 50% of direct beneficiaries and participants across project activities. Sex-disaggregated indicators will be used to monitor participation, benefits, and outcomes, while grievance and redress mechanisms will be established to ensure safe, accessible, and confidential channels for feedback and complaints. All project interventions will be screened to identify and mitigate potential gender-related risks and unintended negative impacts. The project will contribute to strengthening women's adaptive capacity, economic resilience, leadership, access to productive resources and adaptation finance, and participation in local governance. A full gender and intersectional vulnerability analysis during project formulation will further assess differentiated vulnerabilities, including those related to age, disability, displacement and geographic isolation, as well as GBV-related risks, and inform beneficiary targeting, implementation and risk-mitigation measures, safeguards, and disaggregated indicators and targets.

Women and girls in Nampula Province are disproportionately affected by climate change due to unequal access to land, productive resources, finance, climate information, livelihood opportunities, and decision-making processes, as well as the unequal distribution of unpaid care and domestic responsibilities. Climate-related hazards such as droughts, floods, cyclones, ecosystem degradation, and declining agricultural and fisheries productivity increase women's workloads, reduce livelihood opportunities, and heighten vulnerability, particularly among female-headed households and displaced women. These impacts are further intensified by existing constraints on women's adaptive capacity. According to the 2022/23 Demographic and Health Survey, only 25.6% of women aged 15-49 in Nampula are

⁵⁹ https://www.unicef.org/mozambique/en/media/10191/file/EN_Provincial%20Profile%20Nampula%202025_11May2026.pdf.pdf

literate, compared with 55.8% of men⁶⁰. This substantial gender gap can restrict women's access to climate information, training, financial services, technologies and formal decision-making processes. Underlying water insecurity further increases domestic and care burdens: only 35.7% of Nampula's population uses an improved drinking-water source, 14.4% of households rely primarily on surface water, and only 0.9% of the population has access to safely managed drinking-water services⁶¹. Given women's and girls' significant role in unpaid domestic and care work, limited and increasingly unreliable access to water can increase the time and effort required for water collection and household responsibilities, reducing their availability for education, paid work, livelihood activities, training, and participation in community decision-making. Additionally, restrictive social norms can limit women's ability to respond to and recover from climate impacts. In Nampula, according to the 2022/23 Demographic and Health Survey, 55.9% of women aged 20-24 were married before the age of 18, including 18.3% before the age of 15, while 22.5% of women aged 18-49 reported having experienced physical violence⁶². These conditions can reduce women's autonomy, mobility, educational attainment and ability to participate safely in livelihood and community decision-making activities. Concept-stage respondents identified increased workloads for women and girls as a recurring climate impact and highlighted restrictive social norms, care responsibilities, low literacy, transport and distance constraints, and limited information as potential barriers to participation. Women's economic empowerment was also repeatedly identified as a project priority. The project will adopt a gender-responsive approach consistent with the Adaptation Fund Gender Policy, Mozambique's National Gender Policy and Strategy, and the Estratégia de Género para a Pesca e Aquacultura (EGPA 2025–2029), which identifies women's economic empowerment, equitable access to productive resources, leadership, and participation in decision-making as national priorities. The project will ensure the meaningful participation of women throughout project planning, implementation, monitoring, and evaluation. Gender-responsive methodologies will be integrated into community consultations, adaptation planning processes, capacity-building activities, and livelihood interventions to ensure that women can safely and effectively participate in project activities and decision-making processes. Specific measures will be implemented to address barriers that limit women's participation and adaptive capacity, including unequal access to land, productive assets, finance, climate information, technologies, markets, business development services, and leadership opportunities. Targeted support will be provided to women-led livelihoods and adaptation-focused MSMEs through access to training, technical assistance, networking opportunities, business incubation, mentorship, market linkages, and financing opportunities, where appropriate. The project will actively promote women's participation in climate-resilient livelihood activities, Water, Food and Agriculture systems, adaptation entrepreneurship, and local adaptation governance processes, recognizing women not only as beneficiaries of adaptation interventions but also as agents of change and drivers of resilience within their communities. Particular attention will be given to increasing women's participation and leadership within community adaptation structures and local adaptation governance mechanisms. Gender-responsive implementation measures will include communication in local languages, accessible and safe venues, convenient scheduling, transport or decentralized outreach where feasible, confidential feedback mechanisms, and separate discussion spaces where these support women's meaningful participation. Targets will be established to promote women's representation within Producers Groups, associations, cooperatives, Disaster Risk Management Committees, Local Adaptation Planning structures, and other community-level decision-making bodies supported by the project. Recognizing the presence of displaced populations in Nampula Province, the project will also pay particular attention to the needs and priorities of displaced women and female-headed households, who often face additional barriers to accessing livelihoods, productive resources, services, finance, and decision-making spaces. The project will seek to ensure that women represent at least 50% of direct beneficiaries and participants across project activities. Sex-disaggregated indicators will be used to monitor participation, benefits, and outcomes, while grievance and redress mechanisms will be established to ensure safe, accessible, and confidential channels for feedback and complaints. All project interventions will be screened to identify and mitigate potential gender-related risks and unintended negative impacts. The project will contribute to strengthening women's adaptive capacity, economic resilience, leadership, decision-making power, access to productive resources and adaptation finance, and participation in local governance processes, thereby supporting more equitable, inclusive, and climate-resilient communities. A full gender analysis will be conducted during the project formulation stage to assess gender-specific vulnerabilities, barriers to adaptation, participation opportunities, and potential project impacts on women, men, girls, and boys.

B3. Environmental benefits

103. The project will generate environmental benefits through ~~the adoption of~~ adopting climate-resilient production practices and sustainable natural resource management approaches that strengthen ecosystem resilience and support long-term adaptation outcomes. ~~Environmental~~ benefits will also be generated through ~~the implementation of~~ implementing community-prioritized adaptation solutions identified through the locally led adaptation planning process, including nature-based approaches that contribute to ecosystem restoration,

⁶⁰ https://www.unicef.org/mozambique/en/media/10191/file/EN_Provincial%20Profile%20Nampula%202025_11May2026.pdf.pdf

⁶¹ https://www.unicef.org/mozambique/en/media/10191/file/EN_Provincial%20Profile%20Nampula%202025_11May2026.pdf.pdf

⁶² https://www.unicef.org/mozambique/en/media/10191/file/EN_Provincial%20Profile%20Nampula%202025_11May2026.pdf.pdf

improved watershed management, strengthened coastal resilience, and ~~enhanced~~ ecosystem services. By promoting crop diversification, crop sequencing, staggered harvesting, agroforestry, small-scale water management, sustainable fisheries management, and alternative sustainable income generation activities, the project will contribute to improved soil health, reduced land degradation, better water management, and more resilient productive landscapes. In coastal, riparian, and other climate-vulnerable landscapes, the project will support community-based ecosystem restoration and nature-based adaptation measures in degraded areas. These interventions are expected to reduce erosion and flood risks, protect coastal and riparian ecosystems, and strengthen the ecosystem services that support fisheries, agriculture, water security, and community resilience. The project will also promote ~~more~~ resource-efficient and climate-resilient Water, Food and Agriculture systems through support to sustainable polyculture models, local hatcheries and nurseries, climate-smart feed and input production, water quality management, biosecurity, renewable-powered cold storage, drying and processing facilities, and resilient post-harvest infrastructure. These interventions will ~~help~~ reduce climate-related and post-harvest losses while improving the sustainability and resilience of local production systems. The project is expected to integrate ecosystem resilience and ~~sustainable~~ natural resource management considerations into approximately 60 community-level adaptation plans and support the adoption of climate-resilient and environmentally sustainable practices across 60 target communities. All project interventions will be designed and implemented in accordance with the Adaptation Fund ~~Environmental and Social Policy~~ (ESP) and Gender Policy. Potential environmental and social risks will be identified, assessed, and managed through the ESMF and related safeguard instruments. The project is expected to generate net positive environmental ~~and development~~ outcomes and is not expected to increase the vulnerability of beneficiaries or non-beneficiaries or reduce their ~~long-term~~ capacity to adapt to climate change. At the full project proposal development stage, the environmental benefits of the project intervention, as well as potential environmental and social risks, will be assessed and the ~~above~~ estimates validated through an in-depth data collection exercise.

C. Cost-effectiveness analysis

103. ——— The proposed intervention was selected as the preferred adaptation model after considering a range of alternatives, including business-as-usual approaches, top-down adaptation planning, individual household support, production-only livelihood interventions, infrastructure-only investments, finance-only support, direct procurement of adaptation technologies, and stand-alone knowledge activities. While these ~~alternatives~~ address specific adaptation challenges, they do not adequately connect climate risk awareness, locally led adaptation planning, livelihood diversification, enterprise development, adaptation finance, solution delivery, and learning. ~~In contrast,~~ the ACRE model combines these elements through a sequenced and mutually reinforcing pathway. A preliminary qualitative and quantitative cost-effectiveness comparison, including proxy estimates where available, is presented in Table 4. Given the concept-stage nature ~~of the proposal~~, quantitative cost-effectiveness estimates are presented as preliminary proxy estimates where available. Intervention-specific cost-effectiveness metrics will be refined during the ~~PFG full proposal development~~ phase through ~~detailed~~ technical, economic and financial analyses.

104. Preliminary analysis indicates that the ~~integrated~~ ACRE model offers greater cost-effectiveness than single-component adaptation approaches because it combines locally led adaptation planning, climate-resilient livelihoods, enterprise development, adaptation finance, and knowledge systems within a single investment framework. Based on the ~~current~~ concept budget of US\$25 million, the project is expected to directly benefit approximately 30,000 people, 100 MSMEs (40 WFA MSMEs and 60 adaptation MSMEs), 120 producers groups, comprising around 5,000 farmers and fishers, and create or strengthen approximately 1,000 jobs and self-employment opportunities, while indirectly benefiting 100,000 people from surrounding communities through strengthened value chains and adaptation services. Based on the ~~current~~ concept budget of US\$25 million and the estimated 30,000 direct beneficiaries, the project represents a preliminary ~~proxy~~ estimate of approximately US\$833 per direct beneficiary. This indicative estimate is provided for illustrative purposes only, as the final intervention package, budget allocation, beneficiary numbers and ~~resulting~~ cost-effectiveness metrics will be refined during the ~~PFG full proposal development~~ phase through ~~detailed~~ engineering, economic and financial analyses. Preliminary estimates further suggest that improved climate-resilient production, post-harvest management, ecosystem restoration, and strengthened adaptation services could reduce climate-related livelihood losses by approximately 15–20% and ~~reduce~~ post-harvest losses by up to 50% in supported value chains. Household incomes are expected to increase by 20–30%, while supported MSMEs are expected to increase turnover by 15–25% through improved productivity, value addition, and market access. These ~~preliminary~~ estimates indicate that the project is expected to generate substantial long-term economic benefits relative to the proposed investment. This assumption will be validated during the ~~PFG full proposal development~~

phase through detailed economic and financial analyses, including cost-benefit analysis, avoided-loss modelling, and assessment of ecosystem service values. Ecosystem restoration investments are expected to provide long-term cost savings by reducing erosion, improving water regulation, protecting productive assets and lowering future climate-related losses. Their economic value will be assessed during the [PFG full proposal development](#) phase through ecosystem service valuation and avoided-loss analysis.

Table 4: Cost-effectiveness analysis of project intervention⁶³

Option	Baseline presence	Relevant groups	Main climate risks addressed	Indicative cost-effectiveness rationale	Indicative timeframe	Key strengths	Key limitations
Business-as-usual	Existing fragmented adaptation efforts with limited services, finance, and MSME support.	Vulnerable rural and coastal communities, producers, fisherfolk, women, youth, MSMEs.	Cyclones, floods, droughts, sea-level rise, food insecurity, livelihood disruption.	No upfront investment, but high recurring climate losses and recovery costs. No long-term resilience gains.	Limited and short-lived benefits.	No major new investment required.	Does not address adaptation barriers or build resilience.
Community-driven locally led adaptation planning	Existing community structures and local planning processes.	Communities, DRMCS, district actors, vulnerable groups.	Cyclones, floods, droughts, heat stress, weak preparedness.	Improves targeting of adaptation investments, reduces maladaptation risk and avoids inefficient resource allocation.	Short-medium term.	Improves targeting and preparedness through community-driven planning.	Limited livelihood benefits without follow-on investments.
Producer Groups	Existing or newly formed producer organizations.	Farmers, fisherfolk, producers, women and youth.	Climate-sensitive livelihoods, weak organization, low adaptive capacity.	Economies of scale reduce service delivery costs while improving productivity, market access and resilience.	Short-medium term.	Cost-effective collective delivery, learning, and service provision.	Requires strong facilitation and participation.
Integrated climate-resilient livelihoods	Existing agriculture, fisheries, livestock, and informal livelihoods.	Farmers, fisherfolk, women and youth..	Droughts, floods, crop losses, food insecurity, income instability.	Generates higher and more stable incomes, reduces production losses and strengthens long-term resilience. Quantitative estimates provided in para. 105.	Short-medium term.	Diversifies livelihoods and strengthens resilience.	Requires locally appropriate livelihood options.
Post-harvest aggregation and market access	Existing post-harvest and market constraints.	Producer groups, cooperatives, producers.	Post-harvest losses, weak markets, low financial resilience.	Reduces post-harvest losses, increases value addition and producer prices, improving returns on production investments.	Short-medium term.	Increases value retention and market access.	Requires maintenance, governance, and market demand.
Graduation into associations and cooperatives	Builds on Producer Groups.	Selected producer organizations.	Livelihood insecurity, weak bargaining power, limited finance.	Strengthens market access, bargaining power and finance, sustaining benefits beyond the project lifetime.	Medium term.	Creates durable institutions with stronger market and finance access.	Not all groups will be ready for formalization.
WFA technical upgrading	Existing cooperatives and MSMEs.	Cooperatives, associations, MSMEs.	Climate-sensitive value chains, low productivity, weak services.	Improves productivity, resource efficiency and product quality while reducing operating costs and climate risks.	Medium-long term.	Strengthens local service provision and value chains.	Requires sufficient readiness and market demand.
Financial readiness and access to finance	Existing financial actors but limited adaptation finance.	Cooperatives, MSMEs, producer groups.	Low investment capacity and financial resilience.	Leverages additional public and private investment, increasing the impact of project resources.	Medium-long term.	Links finance to readiness and investment opportunities.	Requires strong financial intermediation.
Adaptation MSME capacity-building	Existing adaptation and innovation actors.	Adaptation MSMEs, innovators, incubators, communities.	Limited adaptation solutions and weak business capacity.	Strengthens local adaptation solution providers, lowering future adaptation delivery costs and improving service availability.	Medium-long term.	Builds local adaptation solution markets.	Requires viable providers and user demand.
Financing for adaptation solution uptake	Existing but limited adaptation finance infrastructure.	MSMEs, households, cooperatives, FIs.	Affordability and investment barriers.	Accelerates adoption of adaptation solutions by reducing affordability barriers and mobilising additional investment.	Medium-long term.	Supports both solution delivery and adoption.	Requires tailored financial products and risk management
Climate Adaptation and Innovation Hubs, MEL and scaling	Existing but fragmented ecosystem actors.	Communities, MSMEs, FIs, universities, government.	Weak coordination, learning, and scaling.	Generates long-term returns through replication, scaling, knowledge sharing and mobilisation of additional adaptation finance.	Long term.	Supports learning, replication, and scaling.	Benefits depend on stakeholder engagement and uptake.

⁶³ At Concept Note stage, quantitative cost-effectiveness estimates are necessarily preliminary and are presented as indicative proxy estimates. Intervention-specific cost-effectiveness metrics will be developed and validated during the PFG phase through detailed technical, economic and financial analyses.

D. Alignment with national-sub-national sustainable development strategies

105. The project is fully aligned with the national and subnational sustainable development and climate adaptation priorities of Mozambique. It supports national strategies for climate resilient rural and coastal transformation, inclusive economic growth, and sustainable natural resource management. The project contributes directly to the objectives of the National Adaptation Plan (NAP) as well as Local Adaptation Plans (LAPs) by supporting key pillars of improving access to adaptation solutions and increasing adaptive capacity among vulnerable communities, and the support to climate-resilient livelihoods by enabling adaptation MSMEs ecosystem to develop and deliver climate adaptations solutions locally. The project is also consistent with Resilience and Development Strategy for Northern Mozambique (ERDN) and the National Strategy for Development of Northern Mozambique as the project aims at strengthening climate resilience, adaptive capacity, and livelihood opportunities among vulnerable communities, including those affected by displacement. *Table 5* maps the principal national and sub-national policies and strategies relevant to the proposed intervention and identifies the specific ACRE project components through which these priorities will be operationalized.

Table 5: Project alignment with national/sub-national sustainable development strategies

National plans/ strategies/ policies	Alignment with project components
National Adaptation Plan (NAP) (2023)	The project directly contributes to the implementation of the NAP through PC1 , which strengthens locally led adaptation planning, climate information and adaptive capacity; PC2 , which supports climate-resilient livelihoods; PC3 , which promotes sustainable Water, Food and Agriculture systems; PC4 , which facilitates access to climate adaptation solutions through local MSMEs; and PC5 , which strengthens adaptation knowledge sharing, partnerships and scaling. Together, these components translate the NAP's adaptation priorities into actionable investments benefiting vulnerable communities.
Nationally Determined Contribution (NDC 2.0 / 3.0)	The project contributes to the implementation of the adaptation priorities set out in Mozambique's NDC through PC1 , which strengthens adaptive capacity and locally led adaptation planning; PC2 and PC3 , which reduce vulnerability in agriculture, fisheries, water and food systems while promoting ecosystem-based adaptation; PC4 , which supports adaptation MSMEs; and PC5 , which strengthens institutional capacity, knowledge sharing and coordination.
National Climate Change Adaptation and Mitigation Strategy (ENAMMC) (2013–2025)	The project contributes to ENAMMC through PC1 , which strengthens preparedness, adaptive capacity and local adaptation planning; PC2 and PC3 , which reduce climate vulnerability in key productive sectors and promote sustainable natural resource management; PC4 , which supports locally driven adaptation solutions through adaptation MSMEs; and PC5 , which strengthens the enabling environment for long-term resilience.
Local Adaptation Plans (LAPs)	The project directly supports the objectives of Local Adaptation Plans through PC1 , which undertakes community climate risk and vulnerability assessments (CRVAs), adaptation planning and prioritisation. PC2 , PC3 and PC4 implement the locally identified adaptation priorities through climate-resilient livelihoods, sustainable Water, Food and Agriculture systems, and adaptation MSMEs, while PC5 strengthens local ownership, learning and adaptive capacity.
National Climate Finance Strategy (ENFC) (2025–2034)	The project contributes to the objectives of the ENFC through PC4 , which strengthens access to adaptation finance, climate adaptation entrepreneurship and private-sector engagement in adaptation, and PC5 , which supports the development of adaptation investment pipelines, partnerships and mechanisms to mobilise additional public and private finance for scaling adaptation solutions.
National Development Strategy (ENDE) (2025–2044)	The project supports ENDE through PC2 , which strengthens climate-resilient livelihoods; PC3 , which promotes sustainable Water, Food and Agriculture systems; PC4 , which supports adaptation enterprises and inclusive economic growth; and PC1 , which strengthens locally led adaptation planning underpinning sustainable rural development.
Agriculture Sector Strategic Plan (PEDSA)	The project aligns with PEDSA through PC2 , which supports climate-resilient agricultural livelihoods, livelihood diversification and producer organisations; PC3 , which strengthens sustainable production systems, value chains, post-harvest management and natural resource management; and PC4 , which promotes MSME development across agricultural value chains.
National Disaster Risk Reduction Strategy (DRR)	The project contributes to national disaster risk reduction objectives through PC1 , which strengthens climate risk assessments, community adaptation planning and climate information; PC2 , which strengthens community resilience and preparedness; and PC5 , which supports institutional coordination, capacity building and knowledge management to reduce vulnerability to floods, droughts, cyclones and other climate hazards.
Fisheries and Aquaculture Development Strategy	The project supports the strategy through PC2 , which strengthens climate-resilient coastal livelihoods; PC3 , which promotes sustainable fisheries and aquaculture production systems and improved post-harvest management; and PC4 , which strengthens adaptation MSMEs and value chains serving vulnerable coastal communities.
Food and Nutrition Security Strategy (ESAN III) and gender frameworks	The project contributes to ESAN III through PC2 and PC3 , which strengthen food security, nutrition, resilient livelihoods and climate-resilient Water, Food and Agriculture systems. It further supports national gender objectives through PC1 , which promotes inclusive participation in adaptation planning; PC4 , which strengthens the economic empowerment of women, youth, IDPs and other vulnerable groups through adaptation entrepreneurship; and PC5 , which promotes inclusive institutional capacity and knowledge sharing.
National Strategy for Development of Northern Mozambique	The project contributes to the strategy through PC1 , which strengthens locally led adaptation planning; PC2 , which promotes climate-resilient livelihoods for IDPs and host communities; PC3 , which strengthens Water, Food and Agriculture systems; PC4 , which develops adaptation MSMEs and inclusive economic opportunities; and PC5 , which strengthens disaster risk management, collaboration and long-term resilience in displacement-affected areas.

Resilience and Development Strategy for Northern Mozambique (ERDN)	The project supports the objectives of the ERDN through PC1 , which strengthens community adaptation planning; PC2 , which improves resilient livelihoods; PC3 , which strengthens climate-resilient Water, Food and Agriculture systems; PC4 , which promotes adaptation MSME development and economic opportunities; and PC5 , which strengthens resilience, social cohesion and sustainable recovery in displacement-affected communities.
Estratégia de Género para a Pesca e Aquacultura (EGPA 2025–2029)	The project contributes to the EGPA through PC1 , which promotes women's participation and leadership in adaptation planning; PC2 , which strengthens women's climate-resilient livelihoods; PC3 , which promotes gender-responsive fisheries and Water, Food and Agriculture systems; and PC4 , which improves women's access to finance, adaptation services and entrepreneurship across adaptation value chains.
Regional Frameworks	
SADC Regional Climate Change Strategy and Action Plan	The project contributes to the implementation of the SADC Regional Climate Change Strategy and Action Plan through PC1-PC5 , which collectively strengthen climate resilience, adaptive capacity, food security, sustainable livelihoods, disaster risk reduction, locally led adaptation, innovation, knowledge sharing and regional learning.
UN Sustainable Development Cooperation Framework	
UN Sustainable Development Cooperation Framework (UNSDCF)	The project supports the UNSDCF through PC1 , which strengthens local governance and adaptation planning; PC2 and PC3 , which improve climate resilience, sustainable livelihoods and food and water security; PC4 , which promotes inclusive economic development through adaptation MSMEs; and PC5 , which strengthens gender equality, institutional capacities and evidence-based adaptation.

E. Alignment with national technical standards and the Environmental and Social Policy of the Adaptation Fund

106. Mozambique has established a comprehensive framework of laws, regulations, and technical standards governing environmental management, natural resource use, land administration, disaster risk reduction, infrastructure development, and social inclusion. Compliance with these national standards will be a fundamental principle guiding project design and implementation. During project preparation, a detailed regulatory review will be undertaken to identify all applicable requirements and ensure that project activities are designed, implemented, and monitored in accordance with relevant national legislation, permitting procedures, environmental assessment requirements, land-use regulations, and other sector-specific technical standards. In addition, the project will comply with the Adaptation Fund Environmental and Social Policy (AF ESP). An Environmental and Social Impact Assessment (ESIA) will be carried out and delivered in a manner commensurate with the risk profile of the project. This study will culminate in the development of an Environmental and Social Management Framework (ESMF). The ESMF will also establish procedures for stakeholder engagement, grievance redress, and monitoring of environmental and social performance, while ensuring alignment with the Adaptation Fund Gender Policy and other relevant safeguard requirements. The principal national legal and regulatory frameworks expected to guide project implementation are summarized in *Table 6*. This list is indicative rather than exhaustive and will be further refined during the [PFG-project's full proposal development](#) phase as project activities and implementation arrangements are finalized. Infrastructure and site-level investments supported by the project will be screened and implemented in accordance with applicable environmental legislation, including Environmental Law No. 20/1997 and the Regulations for the Environmental Impact Assessment Process. Where required, environmental assessments, management plans, permits, and authorizations will be obtained from the relevant national authorities prior to implementation. Project interventions involving natural resource management, agriculture, aquaculture, water resources, ecosystem restoration, and land use will comply with the relevant sectoral legislation and technical standards. Particular attention will be given to sustainable resource management, biodiversity conservation, biosecurity requirements, and the protection of customary land rights. Where relevant, project implementation will be guided by the principles of Free, Prior and Informed Consent (FPIC) and participatory decision-making processes. The project will further ensure compliance with national gender and social inclusion legislation, promoting equal opportunities, non-discrimination, and meaningful participation of women and vulnerable groups in project activities and governance structures. Any financial products or mechanisms supported by the project will likewise comply with applicable national regulatory and supervisory requirements.

Table 6: Compliance with Mozambique national technical standards and legal frameworks

Policy / Standard	Purpose of the Policy	Relevance to the project	Responsible Public Authority	Compliance assurance steps (where applicable)
Environmental Law – Law No. 20/97	Establishes the legal basis for environmental management; applies to all activities with environmental	Overarching framework for environmental due diligence of project activities and MSME delivery. Cross-cutting: contributes/applies to all field activities, primarily Outputs 2.1.1., 3.1.1. and 4.1.1. (production systems, MSME processing/storage facility upgrading, adaptation solutions); May apply to	Ministry of Agriculture, Environment and Fisheries (MAAP); National Agency for Environmental Quality Control (AQUA IP) for monitoring and enforcement; Nampula provincial environmental services ;	Integrate environmental due-diligence criteria into community adaptation planning processes (Output 1.1.1.); conduct due-diligence screening of field activities during PFG-project's full proposal development phase; embed requirements in the project ESMF; include applicable

	impact.	Output 1.1.1. where local adaptation planning must embed environmental due diligence and screening of prioritized adaptation solutions	Provincial Environment and Conservation Sites Service (SPAEC)	environmental compliance clauses/provisions in sub-grant agreements
EIA Regulation – Decree No. 54/2015	Sets categories, licensing, and oversight for Environmental Impact Assessment (EIA).	Screening of any sub-projects/works; determines if EIA is needed for specific activities. Applies primarily to Outputs 2.1.1., 3.1.1. and 4.1.1. and activities involving sub-projects, works, installations (production systems, MSME processing/storage upgrades, and community-prioritized adaptation solutions)	MAAP - environmental authority and Nampula provincial environmental services; National Agency for Environmental Quality Control (AQUA IP); Provincial Environment and Conservation Sites Service (SPAEC)	Screen and categorize sub-projects/USP; obtain environmental permits/licences/document exemptions, as applicable prior to works; prepare simplified environmental study where applicable/required
Environmental Quality & Effluent Emissions – Decree No. 18/2004 (amended by 67/2010)	Establishes environmental quality standards and effluent limits for air/water.	Ensures MSME installations and any activities adhere to applicable emission/quality thresholds. Applies to Outputs 2.1.1., 3.1.1. and 4.1.1.	National Agency for Environmental Quality Control (AQUA IP); Nampula provincial environmental services; Provincial Environment and Conservation Sites Service (SPAEC)	Assess installations against applicable air/water and effluent limits through technical/environmental review at the design and upgrading stage, supported by effluent and emissions sampling and laboratory analysis where relevant; incorporate the thresholds and a monitoring plan into MSME upgrading plans and the ESMF
Water Law – Law No. 16/91	Declares water as public domain; defines allocation/authorizations and user obligations.	Governs authorizations for rainwater harvesting and use where required; informs local water-use practices. Applies to Outputs 2.1.1., 3.1.1., and 4.1.1. (for water use in production/irrigation systems and water-related adaptation solutions)	National Directorate of Water Resources Management, Ministry of Public Works, Housing and Water Resources; Relevant regional water administration (ARA-Norte IP)	Obtain water-use authorization from the relevant ARA for abstraction/rainwater harvesting where thresholds are exceeded; register community water uses; align with local water-use practices
Water Policy – Resolution No. 42/2016	Sets national policy for water resources, supply and sanitation management.	Aligns with project's small-scale water activities. Applies to Outputs 2.1.1., 3.1.1., and 4.1.1. (small scale water and sanitation activities)	MOPHRH – National Directorate of Water Supply and Sanitation (DNAAS); Nampula provincial water services	Align activities with water and national water-supply and sanitation norms; coordinate with provincial water authorities
Biosafety Regulation on GMOs – Decree No. 71/2014	Establishes biosafety controls for GMOs.	Seed and other farm input complies with biosafety law. Applies to Outputs 2.1.1., 3.1.1. and 4.1.1. where seeds, planting materials or other biological/agricultural inputs are used/supplied/delivered (production systems, input-supply MSMEs and adaptation solutions involving biological inputs)	National Directorate of Health and Biosafety (DNSAB) under MAAP; MAAP agriculture services for seed and input control; Provincial Directorate of Agriculture and Fisheries (DPAP)	Source-certified, approved (non-GMO) seed and inputs; screening of relevant adaptation solutions involving living modified organisms against biosafety requirements; verification of biosafety compliance
Food Safety Management Systems – NM ISO 22000	National adoption of ISO 22000 through INNOQ (standards authority).	Guides MSME handling of inputs/food-grade storage and processing where relevant to post-harvest solutions. Applies to Outputs 2.1.1., 3.1.1. and 4.1.1.	National Institute for Standardization and Quality (INNOQ); Ministry of Health (MISAU) and National Inspectorate of Economic Activities (INAE) for food-safety inspection	Apply food-safety and hygiene good practices in post-harvest handling, storage and processing; reference and integrate INNOQ / NM ISO 22000 standards in MSME training; pursue certification where relevant.

F. Duplication of project with other funding sources

107. During the design of this project and at the time of conducting stakeholder consultations, it was ensured that there is no duplication of project interventions in the country. *Table 7* summarizes relevant past and ongoing initiatives and demonstrates how the proposed project builds on existing experience, avoids duplication through a clearly differentiated intervention approach, and promotes coordination and synergies with related programmes and projects. Concept-stage respondents identified additional local and provincial actors, structures and initiatives in fisheries, agriculture, ecosystem restoration, financial inclusion, resilient infrastructure, livelihood development and community organization. These will be mapped and verified during the [PFG-project's full proposal development](#) phase to confirm their current activities, geographic coverage and potential roles in coordination or implementation.

Table 7: Project baseline for synergies

Project title	Dates	Budget (USD)	Non duplication justification	Lessons learned for project design and opportunities for synergies	Coordination mechanism
Enhancing Rural Access to Climate Adaptation Technologies, Products and Services (A2A) (AF, UNIDO, Regional)	2027-2034	30,000,000	The project is regional, targeting Angola and Mozambique. In Mozambique, interventions are planned in Tete Province, whereas ACRE focuses on Nampula Province, addressing different climate risks, ecosystems and vulnerable populations. There will be no overlap in beneficiaries or investments.	This project is in the Adaptation Fund pipeline and not yet under implementation. However, strong complementarities exist around climate adaptation technologies, MSME development, climate information services, locally led adaptation, climate-resilient livelihoods and market-based adaptation solutions. Joint learning and replication opportunities will strengthen adaptation innovation ecosystems across both projects.	Coordination through UNIDO and ADPP.
Building climate resilience by linking climate adaptation and social protection (LINK) (GCF, Save the Children)	2024–2029	28,300,000	LINK targets nine districts across Manica, Tete and Gaza Provinces. ACRE will operate in Nampula Province. There will be no overlap in geographic coverage, beneficiaries or project financing.	The project will build on adaptation planning approaches promoted under LINK while extending climate-resilient livelihoods, water security and community resilience interventions to Nampula Province. Opportunities exist to draw lessons on locally led adaptation, district planning and social protection linkages.	ACRE will coordinate with the project implementing partners and relevant government institutions, where appropriate, to exchange lessons learned and ensure complementarity.
Promotion of renewable energy for productive uses through SME financing mechanisms (GEF, UNIDO, FUNAE, BCI-Mozambique)	2017-2024	2,851,384	The project focused on renewable energy for productive uses through SME financing and has been completed. ACRE focuses on climate adaptation, climate-resilient livelihoods and adaptation-focused enterprises rather than renewable energy investments. There is no duplication of activities or financing.	The intervention successfully supported Mozambican enterprises through financing mechanisms and technical support for developing bankable investment proposals. ACRE can build on lessons related to SME investment readiness, engagement with financial institutions and sustainable financing pathways for climate-focused enterprises.	ACRE will build on lessons generated by the project and coordinate with relevant stakeholders where appropriate.
Climate-resilient food security for women and men smallholders through integrated risk management (GCF, WFP)	2021-2026	10,000,000	The project targets Tete Province, whereas ACRE focuses on Nampula Province, addressing different climate risks and vulnerable populations. There will be no overlap in project investments or beneficiaries.	Strong synergies exist around climate-resilient food security, integrated climate risk management, livelihood diversification and support to vulnerable smallholder farmers. Lessons on climate services and risk-informed agricultural planning can inform ACRE implementation.	ACRE will coordinate with relevant government institutions and project partners, where appropriate, to exchange experience and promote complementarity.
Scaling up local adaptation and climate-risk informed planning for resilient livelihoods (GEF, UNDP)	2025-2030	10,000,000	The project supports climate-risk informed planning in Angoche District and selected districts in other provinces. ACRE will build on existing planning processes while financing complementary adaptation investments, ecosystem restoration, adaptation technologies and livelihood interventions.	The project will build on climate-risk information, local adaptation planning methodologies, local government capacity building and approaches for financing locally prioritised adaptation actions. ACRE adds value by translating adaptation plans into concrete investments and climate-resilient livelihood opportunities.	ACRE will coordinate with the implementing partners and relevant government authorities to ensure complementarity and avoid duplication of investments.
Mozambique Disaster Risk Management & Resilience Program (World Bank)	2019–2024	90,000,000	The programme focuses primarily on disaster risk management systems, resilient infrastructure and institutional strengthening. ACRE complements these investments through community-based climate adaptation, ecosystem restoration and climate-resilient livelihoods.	Opportunities exist for learning related to disaster preparedness, resilient infrastructure, risk-informed planning and institutional capacity for disaster risk management, which can inform community resilience interventions under ACRE.	ACRE will coordinate with relevant government institutions and development partners where activities are complementary.
Ecosystem-based Adaptation (EbA) in the Greater Maputo Area (UNEP)	2019–2023	22,900,000	The project was implemented in the Greater Maputo Area and has been completed. ACRE applies ecosystem-based adaptation approaches in Nampula Province under different ecological and socio-economic conditions, without overlapping geographically or financially.	Strong complementarities exist around ecosystem restoration, local adaptation planning, community resilience and climate-resilient livelihoods. Lessons on EbA methodologies and community implementation models can inform ACRE implementation.	ACRE will promote knowledge exchange with relevant institutions and partners working on ecosystem-based adaptation.
Adaptation SME Innovation Facility (ASIF) (AF, UNIDO)	2026-2030	10,000,000	ASIF is a global innovation facility supporting adaptation SMEs through grants and innovation support. ACRE complements this by supporting adaptation enterprises and climate-resilient business development in Nampula without duplicating financing.	Strong collaborative linkages with ASIF can support the adaptation, dissemination and use of methodologies, innovation support models, business coaching approaches and investment readiness for climate adaptation enterprises.	Coordination through UNIDO and ASIF.

Building a Blue Future for Ecosystems and People on the East African Coast (Futuro Azul) (WCS, ADPP, AMA, ProAzul, University Eduardo Mondlane, BIOFUND, InoM)	2022-2027	7,917,900	The Blue Futures project focuses on marine protected areas, conservation and sustainable coastal livelihoods. ACRE complements these investments through integrated coastal adaptation, climate-resilient livelihoods and support for adaptation enterprises in selected coastal districts of Nampula.	Lessons learned on mangrove restoration, community fisheries management and blue economy enterprises have informed ACRE's coastal adaptation strategy. Opportunities exist for synergies on coastal adaptation, marine ecosystem conservation, alternative livelihoods and community resilience.	Coordination through coastal district governments, MIMAIP and project coordination platforms.
MozNorte Programme (including ADPP as implementer)	2024-2026	9,771,117	MozNorte focuses primarily on conflict recovery, local governance and community development. ACRE complements these investments by addressing climate adaptation, ecosystem restoration and adaptation-focused economic development.	The experience highlights the importance of community-driven planning, local governance and economic inclusion. These approaches have been integrated into ACRE's implementation model. Synergies around community resilience, livelihood diversification, community-driven development, natural resource management, youth and women engagement, IDP and host community support, and local governance strengthening in northern Mozambique, including Nampula.	Coordination through provincial governments, FNDS and district development platforms.
Supporting Agricultural Development in the Nacala Corridor of Nampula Province	2025-2026	1,000,000	The project focuses on agricultural development in the Nacala Corridor. ACRE complements these investments by integrating climate adaptation, ecosystem restoration, adaptation finance and climate-resilient enterprise development into agricultural systems.	Strong complementarities with agricultural development, climate-smart agriculture, smallholder farmer support, private sector engagement, value chain development, and farmer capacity development in Nampula Province.	ACRE will coordinate with relevant government institutions and implementing partners to promote complementarity and exchange lessons learned.
Northern Crisis Recovery Project (World Bank, UNOPS)	2021-2026	200,000,000	The project supports recovery and development in northern Mozambique. ACRE complements these efforts through long-term climate adaptation, ecosystem restoration and climate-resilient livelihood interventions.	Opportunities exist for coordination on recovery planning, resilience building and integrated approaches for communities affected by climate shocks and displacement.	ACRE will coordinate with relevant government institutions and development partners where implementation areas or target groups are complementary.
Strengthening Food Production Systems in Cabo Delgado (AgroVida) – (EKN, Aga Khan and ADPP)	2024-2029	17,300,000	AgroVida operates in Cabo Delgado, while ACRE focuses on Nampula Province. AgroVida emphasizes food systems and recovery; ACRE adds adaptation planning, ecosystem restoration, adaptation finance and MSME development.	Lessons on farmer organizations, climate-smart agriculture, market linkages and livelihood diversification have informed Component 2 of ACRE.	Coordination through ADPP, Aga Khan Foundation, provincial agricultural services and donor coordination forums.
Sustainable Agriculture and Livelihoods Recovery (ENI, ADPP)	2023-2026	1,900,000	The project supports recovery and livelihoods in Cabo Delgado, whereas ACRE will implement adaptation investments in Nampula Province. There will be no overlap in beneficiaries or financing.	Lessons on producer groups, value chains, community recovery and market linkages have informed the design of climate-resilient livelihood and enterprise interventions under ACRE. Specifically, socioeconomic development and recovery from conflict and disasters, livelihood and business opportunities for IDPs and host communities	Coordination through ADPP, provincial authorities and existing livelihood coordination platforms.

G. Learning and knowledge management component to capture and disseminate lessons learned

108. Knowledge generation, learning, and dissemination are central to the project's objective of developing scalable and replicable models for locally led adaptation. Beyond delivering direct adaptation benefits to target communities, the project seeks to generate practical evidence, methodologies, tools, and lessons that can inform future adaptation investments, policies, and programmes within Mozambique and beyond. To achieve this, a comprehensive learning and knowledge management system will be established to systematically capture, analyse, document, and disseminate knowledge generated throughout project implementation. The project will adopt a learning-by-doing approach, using implementation experiences to generate evidence on the effectiveness, sustainability, and scalability of locally led adaptation approaches, climate-resilient livelihood interventions, adaptation-focused MSME support mechanisms, and ecosystem-strengthening strategies. In line with the consultation findings, particular attention will also be given to documenting the durability of supported interventions over the short, medium, and long term and to identifying which delivery arrangements, financing mechanisms, partnerships, and technologies remain functional beyond the period of initial project support. Monitoring, evaluation, accountability, and learning systems will generate data and evidence on adaptation outcomes, resilience improvements, livelihood impacts, ecosystem performance, and community-level benefits. Particular attention will be given to identifying successful approaches, documenting implementation challenges, and capturing lessons that can improve future adaptation programming.

109. The Climate Adaptation and Innovation Hubs established under Component 5 will serve as key platforms for knowledge exchange, learning, and dissemination. The hubs will facilitate collaboration among communities, MSMEs, financial institutions, government entities, universities, research organizations, and development partners, creating opportunities for peer learning, joint problem-solving, and continuous improvement of adaptation solutions. Through innovation showcases, stakeholder dialogues, learning events, and exchanges, the hubs will promote the sharing of experiences and encourage replication of successful approaches. Knowledge generated through the project will be translated into a range of practical knowledge products and learning resources, including case studies, technical guidance materials, methodologies, tools, policy recommendations, communication products, and investment-relevant evidence. Particular emphasis will be placed on documenting community-driven adaptation planning approaches, adaptation entrepreneurship models, innovative financing mechanisms, and successful adaptation solutions that demonstrate potential for replication and scaling. The project will further facilitate learning and exchange at local, national, regional, and global levels. Learning exchanges, study tours, peer-learning initiatives, communities of practice, and knowledge-sharing events will be organized to promote cross-learning among stakeholders and support the dissemination of lessons beyond the project target areas. The project will actively engage with relevant adaptation initiatives, centres of excellence, research networks, and practitioners within Mozambique, across Africa, and globally. It will also leverage UNIDO's broader adaptation and resilience portfolio to exchange experiences and share lessons across countries and regions. To maximize long-term impact, knowledge management efforts will focus not only on documenting results but also on supporting uptake and application of lessons learned. In line with the consultation findings, knowledge products will be made available in accessible formats and, where relevant, local languages, while findings will be communicated back to communities and local institutions through channels suited to different literacy levels, connectivity conditions, and accessibility needs. Evidence and knowledge generated through the project will be used to strengthen future adaptation investments, inform policy processes, support replication in other provinces of Mozambique, and contribute to the development of scalable models that can be adapted and applied in other countries facing similar climate challenges.

H. Stakeholder consultations

110. Stakeholder consultations were undertaken during concept development to ensure country ownership, validate and complement the findings of the desk-based analysis, identify adaptation priorities and barriers, and strengthen the design of the proposed intervention. The consultation process combined community-level engagement in Nampula Province with consultations of institutional stakeholders. The findings provided an initial validation and refinement of information generated through the desk review, particularly regarding the project background and context, barrier analysis and alignment with national and local needs, priorities and ongoing initiatives and existing policies.

111. The first consultation stream focused on community-level engagement in Nampula Province. A structured questionnaire was developed and distributed between 4 and 9 June 2026 to stakeholders in-person or via phone. Respondents comprised 14 stakeholders, of whom nine were men and five were women. The six community members consulted comprised four men and two women; the four representatives of local government authorities and decentralized public institutions comprised three men and one woman; the three representatives of community-based organizations, including NGOs and CSOs, comprised two men and one woman; and the private-sector representative was a woman~~Respondents comprised 14 stakeholders out of which nine were men and five were women. The consultation included six community members engaged in farming, fishing, fish processing, or a combination of these activities; four representatives of local government authorities and decentralized public institutions; three representatives of community-based organizations, including NGOs and CSOs; and one private-sector representative.~~ Figure 17, Figure 18, and Figure 19 illustrate the distribution of respondents by gender and stakeholder group. The objective was to validate and complement the desk-based analysis by gathering local perspectives on climate risks, vulnerabilities, adaptation barriers, livelihood challenges, community priorities, social dynamics, and opportunities for climate adaptation and resilience-building. Responses were analyzed using Microsoft Excel, including descriptive statistics to summarize response frequencies, recurring priorities, and key trends across stakeholder groups, and integrated throughout the concept note, particularly within the background and context analysis, vulnerability assessment, identification of vulnerable groups, barrier analysis, and proposed adaptation measures. As several questionnaire items allowed respondents to select multiple answers, the frequencies reported throughout the concept note indicate the number of respondents identifying each issue and should not be interpreted as mutually exclusive categories. Given the limited and purposive concept-stage sample, the

findings are indicative rather than statistically representative and will be further validated through more extensive consultations during the [PFG-project's full proposal development](#) phase.



Figure 17,18, and 19 - Respondents' distribution by gender and by stakeholder group

112. The second consultation stream focused on institutional stakeholders to ensure alignment with national priorities and ongoing initiatives. Consultations were conducted through an in-person meeting was held online on 19 May 2026, between UNIDO, ADPP-Mozambique, and relevant government representative Adaptation Fund National Designated Authority (NDA) to discuss the project structure and timeline as well as overall alignment with national priorities, needs and ongoing initiatives. A second meeting was held on 15 June 2026 between UNIDO, ADPP-Mozambique and the NDA office and wider MAAP representatives to present and discuss the final project idea for final feedback, validation and endorsement. Following this meeting, resulting feedback was incorporated into the concept note and submitted once again to the NDA for non-objection to proceed with the submission to the Adaptation Fund Secretariat.
113. Given the concept-stage nature of the current consultation process, discussions focused primarily on validating the overall project rationale, intervention logic, and priority areas for support. During the [PFG-project's full proposal development](#) phase, a more comprehensive stakeholder engagement process will be undertaken to further refine and validate the project design. This is expected to include a national stakeholder kick-off workshop, detailed community consultations and field assessments in target areas, focus group discussions with vulnerable groups, gender and social inclusion assessments, environmental and safeguards consultations, technical working sessions with government institutions and implementation partners, and a final project validation workshop. The findings from these consultations will be used to validate beneficiary estimates, refine project activities and targets, strengthen implementation arrangements, and ensure that the full proposal reflects local priorities, stakeholder inputs, and adaptation needs.

I. Justification for funding requested, focusing on the full cost of adaptation reasoning

114. Nampula Province faces increasing climate risks from cyclones, floods, droughts, rising temperatures, coastal erosion, salinization, ecosystem degradation, and declining agricultural and fisheries productivity. These impacts directly threaten livelihoods, food and water security, local economies, ecosystems, and the well-being of vulnerable rural and coastal communities, including internally displaced persons (IDPs) and host communities.

I1. Baseline (without AF support)

115. Without Adaptation Fund support, vulnerable communities will continue to rely on climate-sensitive livelihood systems characterized by low productivity, limited diversification, weak market integration, and limited access to climate information, finance, and adaptation solutions. Adaptation planning will remain fragmented and largely absent at community level, limiting communities' ability to identify climate risks and prioritize adaptation investments. Water, food, and agriculture systems will continue to face increasing climate pressures, including declining productivity, post-harvest losses, water stress, ecosystem degradation, and exposure to extreme weather events. Local MSMEs will remain constrained by limited technical capacity, weak access to finance, limited adaptation expertise, and insufficient incentives to develop and deliver adaptation solutions. Institutions responsible for adaptation planning, disaster risk management, and local development will continue to face capacity constraints, while adaptation knowledge, innovation, and learning systems will remain underdeveloped. As a result, climate-related losses and damages are expected to increase, further undermining livelihoods, food security, social cohesion, ecosystem resilience, and long-term development prospects.

12. Adaptation alternative enabled by AF resources through this project

116. With Adaptation Fund support, vulnerable communities will gain access to climate risk information, participatory adaptation planning processes, and locally led adaptation mechanisms that enable them to identify, prioritize, and implement adaptation solutions. Climate-resilient and diversified livelihood opportunities will be developed and strengthened, while water, food, and agriculture systems will become more resilient to current and projected climate impacts through the deployment of climate-resilient practices, technologies, infrastructure, and services. Adaptation-focused MSMEs will receive technical assistance, incubation, business development support, access to finance, and opportunities to develop and deploy adaptation solutions that respond directly to community priorities. The project will also strengthen institutional capacities, adaptation governance, innovation ecosystems, knowledge generation, learning systems, and stakeholder coordination mechanisms required to sustain adaptation outcomes and support future scaling and replication.

13. Incremental reasoning

117. Adaptation Fund resources are required to finance the additional costs associated with adapting to climate change that would not be incurred under a development-only scenario. These include climate risk and vulnerability assessments, community-based adaptation planning, climate information services, adaptation-focused livelihood diversification, ecosystem-based adaptation measures, adaptation-focused MSME development, adaptation finance facilitation, innovation challenges, adaptation knowledge systems, learning platforms, institutional strengthening, and coordination mechanisms. Conventional development investments may support livelihoods, enterprise development, agricultural production, fisheries, infrastructure, or service delivery, but they do not typically finance the climate-specific systems, capacities, services, and investments required to anticipate, manage, and respond to current and future climate risks. Without these additional investments, communities, institutions, and local markets would remain poorly equipped to adapt to increasing climate variability and extreme events. The proposed project is fully self-contained under the requested Adaptation Fund financing. Adaptation Fund resources will cover the full costs required to transition from a business-as-usual development pathway towards a climate-resilient development pathway, without any external co-financing. By addressing climate-specific risks and overcoming systemic adaptation barriers, the project will strengthen the resilience of communities, ecosystems, institutions, and markets while protecting development gains and creating the conditions for sustainable and scalable adaptation beyond the project lifetime.

J. Project sustainability

118. Sustainability has been embedded throughout the project design to ensure that adaptation outcomes generate lasting benefits for vulnerable communities, local institutions, MSMEs, and ecosystems beyond the duration of Adaptation Fund financing. By combining locally led adaptation planning, climate-resilient livelihoods, resilient WFA systems, adaptation entrepreneurship, institutional strengthening, and innovation and learning mechanisms, the project seeks to create adaptation pathways that are self-sustaining, replicable, and scalable within Nampula Province and beyond. Economic sustainability will be achieved through investments in climate-resilient livelihoods, strengthened producer organizations, resilient WFA systems, and adaptation-focused MSMEs. Under Components 2 and 3, Producer Groups, associations, cooperatives, and livelihood groups will receive support to improve productivity, diversify income streams, reduce climate-related losses, strengthen value addition, and improve market access. These interventions are expected to increase profitability and economic resilience, creating incentives for continued adoption and reinvestment beyond project completion, thereby contributing to long-term climate resilience. Under Component 4, adaptation-focused MSMEs will receive technical assistance, business development support, incubation, market linkages, and support to access finance, enabling them to establish viable business models for the continued delivery of adaptation products and services. By strengthening both demand for and supply of adaptation solutions, the project will help establish sustainable local adaptation markets capable of continuing to operate without external support. Institutional sustainability will be reinforced through the development of community-driven adaptation plans, strengthened Disaster Risk Management Committees, and enhanced capacities of local institutions responsible for adaptation planning and implementation. In line with this approach, the concept-stage consultations identified climate-risk assessment and planning and agricultural and fisheries extension services as the most important institutional capacities for effective implementation and long-term sustainability, each cited by four out of four respondents. Community facilitation and participatory planning, locally led adaptation planning, operation and maintenance of local infrastructure, support to MSMEs and local economic development, and coordination across sectors and partners were each identified by three respondents, while data collection and monitoring was identified by two. These findings confirm the need to combine strong community-level structures with strengthened district-level planning, extension, monitoring, coordination,

infrastructure-management, and enterprise-support capacities. Accordingly, the project will work closely with the Ministry of Agriculture, Environment and Fisheries (MAAP), district authorities, extension services, and community-based organizations to ensure that adaptation planning methodologies, climate risk assessment tools, monitoring systems, and lessons learned are integrated into existing planning and decision-making processes wherever feasible. Alignment with Mozambique's National Adaptation Plan, Nationally Determined Contribution, and relevant sectoral strategies will further promote long-term ownership and continuity beyond the project period.

119. Social sustainability is embedded through the project's locally led adaptation approach, which places communities at the centre of decision-making and implementation. Communities will actively participate in identifying climate risks, prioritizing adaptation investments, implementing interventions, and monitoring results. Particular emphasis will be placed on strengthening the participation and leadership of women, youth, IDPs, fishing communities, and other vulnerable groups. In support of this approach, the concept-stage consultations identified a range of existing community and institutional structures that the project can recognize, build upon, and strengthen. These include savings groups, livelihood clubs, mangrove associations, Community Fisheries Councils or Fishermen's Management Committees, natural resource management committees, water management committees, fishing groups, producer groups practicing conservation agriculture, seasonal fishing calendars, and groups engaged in seaweed cultivation. Respondents also referred to existing community agendas, provincial and district plans, fisheries management areas, extension structures, and district-level natural resource management forums. By working through these existing structures, alongside strengthening Producer Groups, community adaptation structures, local governance mechanisms, and collective action platforms, the project will foster social cohesion, local ownership, and community capacities that continue to support resilience-building after project closure. Environmental sustainability will be promoted through investments in ecosystem restoration, sustainable natural resource management, climate-resilient agriculture and fisheries systems, and nature-based adaptation measures. These interventions are designed to strengthen ecosystem services that underpin long-term resilience, including water regulation, soil fertility, erosion control, coastal protection, biodiversity conservation, and fisheries productivity. By strengthening community stewardship of natural resources and integrating ecosystem resilience into local adaptation planning processes, the project will generate environmental benefits that continue to accrue beyond the implementation period.

120. For physical assets and infrastructure supported under Components 2 and 3, including small-scale water, food and agriculture systems, processing and storage facilities, productive equipment, and other community adaptation investments, long-term sustainability will be a key criterion during design and selection. During the [PFG-project's full proposal development](#) phase, detailed operation, maintenance and asset-management arrangements will be developed for each investment, taking into account the specific ownership and governance model. Where appropriate, assets will be owned and managed by community groups, producer organizations, cooperatives, MSMEs or relevant local institutions, with clearly defined roles and responsibilities for operation, routine maintenance, repair and eventual replacement. The project will prioritize low-complexity, locally maintainable technologies and strengthen local technical capacities through training, while linking beneficiaries to local suppliers, maintenance providers and after-sales service arrangements where available. Financial sustainability will be supported through business models, user fees, enterprise revenues, cooperative contributions, revolving financing mechanisms, maintenance funds or other locally appropriate cost-recovery arrangements, as appropriate for each investment type. These arrangements will be further defined during the [PFG-project's full proposal development](#) phase and incorporated into investment selection criteria, financing agreements and operation and maintenance plans to support the continued functioning of project-supported assets beyond the project lifetime.

121.120. These arrangements will also enhance the long-term cost-effectiveness of the proposed investments by extending the operational life of project-supported assets, reducing future operation, maintenance and replacement costs, and ensuring that adaptation benefits continue beyond the project lifetime. By strengthening local ownership, institutional capacity, sustainable financing arrangements and private sector participation, the project will reduce reliance on continued external financing while maximising the long-term value and sustainability of Adaptation Fund investments. This approach will help ensure that adaptation investments continue to generate economic, social and environmental benefits well beyond the duration of the project, thereby improving the overall cost-effectiveness of the proposed intervention from a long-term sustainability perspective.

K. Environmental and social impacts and risks

122.121. The project will fully comply with the Adaptation Fund's ESP requirements. As per UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), this project has been categorized as a Category B. As a standard requirement for Adaptation Fund projects, an Environmental and Social Impact

Assessment (ESIA) will be carried out to examine the project's potential environmental and social impacts. This study will culminate in the development of an Environmental and Social Management Framework (ESMF).

The ESMF will act as an early-stage risk assessment and mitigation tool for all community-level interventions, ensuring that supported solutions are environmentally responsible, socially appropriate, and legally compliant. It will facilitate systematic evaluation and management of potential direct, indirect, cumulative and transboundary environmental and social risks in alignment with both ESP Principles and applicable national laws and regulations. The ESMF will facilitate the systematic evaluation and management of direct, indirect, cumulative and transboundary environmental and social risks in alignment with both ESP Principles and applicable national laws and regulations. Direct impacts are expected to be localized, temporary and manageable, and may be associated with small-scale infrastructure, community adaptation investments, livelihood activities, adaptation MSMEs and other project-supported interventions. Potential indirect impacts may include increased demand for natural resources, waste generation, occupational health and safety risks, and other secondary impacts associated with project-supported activities. Cumulative impacts may arise where multiple small-scale interventions are implemented within the same landscape or watershed, particularly in relation to natural resource use and ecosystem pressures. No significant transboundary environmental or social impacts are anticipated, as project activities will be implemented within Nampula Province and are not expected to affect shared international watercourses, transboundary ecosystems or neighbouring countries. These potential impacts and risks will be further assessed during the [PFG-project's full proposal development](#) phase and addressed through the ESIA, ESMF, subproject screening procedures and site-specific mitigation measures, as appropriate. The ESMF will integrate specific management measures and monitoring activities identified during the impact assessment process. Interventions will be categorized by risk level (low, moderate, high), with high-risk activities subject to rigorous scrutiny, potential redesign, or exclusion. Furthermore, the ESMF will guide the E&S risk screenings and assessments for any USPs. Where applicable, the process will require Free, Prior, and Informed Consent (FPIC), promote transparency, and ensure inclusive community engagement. Environmental and social impacts identified at this stage are summarized in *Table 89* below.

Table 89: Environmental and social impacts and risks

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>		MEDIUM RISK – The project is fully aligned with Mozambican laws, regulations, and national development priorities and will be implemented in close coordination with national and local authorities. However, some uncertainty remains regarding the compliance capacity of local implementing partners, adaptation MSMEs, cooperatives, and other entities that may receive support during implementation. To mitigate this risk, all partners and beneficiaries will undergo due diligence and compliance screening prior to receiving support. A more detailed assessment and corresponding mitigation measures will be developed during the full proposal stage.
<i>Access and Equity</i>		LOW RISK – Promoting equitable access to adaptation benefits is a central objective of the project. Through its Locally Led Adaptation (LLA) approach, the project will ensure that vulnerable and climate-affected populations, including internally displaced persons (IDPs), host communities, women, youth, smallholder farmers, fishers, and other marginalized groups, actively participate in identifying priorities, designing interventions, and accessing project benefits. Transparent beneficiary selection processes, community consultations, and inclusive participation mechanisms will be applied throughout implementation to promote equitable access to resources, services, finance, livelihood opportunities, and adaptation solutions. Concept-stage consultations identified potential barriers to equitable participation, including limited access to information, low literacy levels, documentation requirements, language barriers, accessibility challenges, distance and transport constraints, communication limitations, and time availability. These barriers will be addressed through accessible and locally appropriate communication in relevant languages and formats, including visual, oral, radio, and telephone-based approaches; support to overcome documentation-related barriers where feasible; accessible venues and outreach to remote communities and persons with disabilities; convenient scheduling; engagement through trusted community structures; and confidential, and where appropriate anonymous, feedback and grievance mechanisms. Further assessment will be conducted during the PFG-project's full proposal development phase to ensure full compliance with this principle.
<i>Marginalized and Vulnerable Groups</i>		LOW RISK – The project specifically targets populations that are disproportionately affected by climate change, displacement, poverty, and livelihood insecurity. Through vulnerability assessments, participatory planning processes, targeted livelihood support, adaptation MSME development, and strengthened community institutions, the project is designed to enhance the resilience and adaptive capacity of vulnerable groups, including women, youth, internally displaced persons (IDPs), female-headed households, smallholder farmers, fishers, and other marginalized populations. Measures will be taken to ensure their meaningful participation and equitable access to project benefits throughout implementation. A more detailed assessment will be conducted during the PFG-project's full proposal development phase to identify any additional measures required to ensure compliance with this principle.
<i>Human Rights</i>		LOW RISK – The project is designed to strengthen resilience, livelihoods, and adaptive capacity and is not expected to adversely affect human rights. Nevertheless, all implementing partners, MSMEs, contractors, and beneficiaries receiving support under the project will be screened to ensure compliance with human rights principles, non-discrimination, occupational health and safety standards, and protection of vulnerable groups. Further assessment and management will be required during implementation to ensure full compliance with this principle.
<i>Gender Equality and Women's Empowerment</i>		MEDIUM RISK - Women and girls in Nampula Province often face structural barriers related to access to land, finance, productive resources, markets, information, and decision-making processes. Additional vulnerabilities may affect women within displacement-affected communities, including internally displaced persons (IDPs) and female-headed households. Concept-stage consultations also indicated that climate impacts can increase the workloads of women and girls and that restrictive social norms, care responsibilities, limited mobility, and competing livelihood demands may constrain their participation in

		adaptation activities and access to project benefits. While the project is expected to generate positive gender outcomes through inclusive adaptation planning, livelihood development, MSME support, and adaptation entrepreneurship, there is a risk that women may not benefit equally without targeted measures. The project will therefore apply gender-responsive targeting, participation mechanisms, leadership opportunities, capacity-building, and entrepreneurship support to ensure equitable access to project benefits. A detailed gender analysis and Gender Action Plan will be developed during the PFG-project's full proposal development phase.
<i>Core Labour Rights</i>		LOW RISK – Some supported livelihood activities, MSMEs, and local enterprises may operate within informal economic sectors where labour standards are inconsistently applied. The project will promote compliance with national labour legislation and international labour standards, including occupational health and safety, non-discrimination, fair working conditions, and prevention of child labour. Further assessment and management will be required during implementation to ensure full compliance with this principle.
<i>Indigenous Peoples</i>		LOW RISK – No adverse impacts on Indigenous Peoples are anticipated. Mozambique is characterized by a diversity of ethnic and cultural groups across the country, including in the proposed project areas, and there are no clearly distinct Indigenous Peoples groups that would be uniquely affected by project activities. The project is designed to benefit local communities broadly through inclusive and participatory approaches and is not expected to result in exclusion, discrimination, or disproportionate impacts on any particular group. Particular attention will be given to vulnerable and marginalized populations to ensure equitable access to project benefits and participation in project activities.
<i>Involuntary Resettlement</i>		MEDIUM RISK - The project is not expected to involve involuntary resettlement, physical displacement, land acquisition, or economic displacement. However, some activities, including adaptation infrastructure, MSME facilities, livelihood interventions, ecosystem management measures, or community adaptation investments, may require access to land or affect the use of natural resources. In displacement-affected areas, particular attention will be required to ensure that project activities do not create conflicts over land, resources, or tenure arrangements between host communities and internally displaced persons (IDPs). During the PFG-project's full proposal development phase, a detailed assessment will be undertaken to identify any potential risks related to land access, resource use, or economic displacement. Screening procedures and safeguard measures will be incorporated into the Environmental and Social Management Framework (ESMF) to ensure that no project-supported activity results in involuntary resettlement or restrictions on legitimate access to resources.
<i>Protection of Natural Habitats</i>		MEDIUM RISK – The project promotes sustainable management of natural resources and ecosystem-based adaptation. However, activities involving water management, small-scale infrastructure, livelihood diversification, ecosystem restoration, or adaptation solutions may create localized environmental impacts if poorly designed or implemented, operated and maintained. Environmental screening procedures and safeguard measures will be applied to avoid impacts on sensitive habitats and ecosystems. Where private-sector providers are engaged, relevant environmental-performance, maintenance, repair, and after-sales obligations will be incorporated into selection and contractual arrangements.
<i>Conservation of Biological Diversity</i>		LOW RISK – The project is expected to generate positive biodiversity outcomes through sustainable resource management and ecosystem-based adaptation measures. However, some interventions may unintentionally affect local biodiversity if not properly managed. Biodiversity considerations will therefore be integrated into project planning, screening, and implementation processes. Further assessment and management will be required during implementation to ensure full compliance with this principle.
<i>Climate Change</i>		LOW RISK – The project's primary objective is to strengthen climate adaptation and resilience. All interventions are expected to contribute positively to climate resilience and adaptive capacity. Screening processes will nevertheless ensure that supported activities do not create maladaptation risks or unintended negative climate impacts. Further assessment and management will be required during implementation to ensure full compliance with this principle.
<i>Pollution Prevention and Resource Efficiency</i>		LOW RISK – Small-scale processing, storage, productive infrastructure, and MSME activities supported under the project may generate limited waste streams or resource consumption. The project will promote resource-efficient technologies, sustainable production practices, renewable energy solutions where appropriate, and proper waste management procedures. Further assessment and management will be required during implementation to ensure full compliance with this principle.
<i>Public Health</i>		LOW RISK – The project is expected to generate positive public health outcomes through improved food security, water management and climate resilience. However, small-scale food processing, cold storage facilities, water-related infrastructure, livelihood activities and minor civil works may present localized occupational health and safety, food safety, water quality and community health risks if not properly designed, constructed and operated. During the PFG-project's full proposal development phase, a detailed assessment will be undertaken and appropriate environmental, health and safety measures, food safety standards, water quality requirements, and operation and maintenance procedures will be incorporated into the Environmental and Social Management Framework (ESMF), together with screening procedures for all subprojects.
<i>Physical and Cultural Heritage</i>		LOW RISK – The project is not expected to adversely affect physical or cultural heritage, as activities will avoid known protected cultural, archaeological and historical sites. However, small-scale civil works associated with water infrastructure, storage facilities and other community adaptation investments may result in unexpected discoveries. During the PFG-project's full proposal development phase, screening procedures will be developed to identify potential risks and the ESMF will include chance finds procedures, consultation requirements where appropriate, and measures to avoid or minimise impacts on physical and cultural heritage.
<i>Lands and Soil Conservation</i>		MEDIUM RISK – The project will promote climate-resilient agriculture, sustainable land management, erosion control, agroforestry, and ecosystem-based adaptation measures that are expected to generate positive impacts on soil health and land productivity. However, localized risks associated with land preparation, water management structures, or infrastructure investments may occur if not properly designed. These risks will be assessed and mitigated through the Environmental and Social Management Framework during project preparation.

PART III: IMPLEMENTATION ARRANGEMENTS

~~123-122.~~ The project will be implemented by the United Nations Industrial Organization (UNIDO) and executed by Ajuda de Desenvolvimento de Povo para Povo (ADPP) Mozambique (PC1, PC2) and UNIDO (PC4, PC4, PC5), in collaboration with the Ministry of Agriculture, Environment and Fisheries (MAAP). UNIDO will engage the MAAP and/or qualified national and local entities, as applicable, to undertake the implementation of specific activities and deliverables, based on the expertise required and in accordance with UNIDO and Adaptation Fund procurement rules. The implementation arrangement will be refined and confirmed at [PFG-project's full proposal development](#) stage, where UNIDO will also explore the possibility of transferring execution of most of the project components to ADPP-Mozambique. This implementation arrangement combines UNIDO's technical expertise in climate adaptation, innovation, private sector engagement, and project management with ADPP's extensive field presence, community networks, and experience working with vulnerable populations in Mozambique, ensuring strong local ownership, stakeholder engagement, and long-term sustainability of project interventions. UNIDO entails oversight of overall project implementation to ensure that the project carried

out in accordance with agreed standards and requirements. The project maintains full alignment with the Adaptation Fund Results Framework (AFRF), as indicated in *Table 9*. UNIDO will be accountable to the Adaptation Fund for all financed activities and will be responsible for project cycle management services and corporate activities, including all enquiries regarding the project implementation progress, and project-level reporting, and the achievement of the project's impacts on the global environment. UNIDO will be responsible for the project mid-term and terminal evaluation, under oversight of UNIDO. It is envisaged that the project will set up a Project Management Unit (PMU) at the national level, which will be responsible for day-to-day management of project activities. A Project Steering Committee (PSC), chaired by the MAAP, will be established to provide overall strategic guidance and direction of the project. Members of the PSC include UNIDO, ADPP-Mozambique and key stakeholders and target communities to be identified and confirmed at inception phase.

A. Project alignment with the Results Framework of the Adaptation Fund

Table 9.10: Project alignment with the Results Framework of the Adaptation Fund

Project Objective/Outcome(s) ⁶⁴	Project Objective/Outcome Indicator(s)	Adaptation Fund Outcome	Adaptation Fund Outcome Indicator	Grant Amount (USD)
Outcome 1.1: Strengthened climate awareness and community capacity for locally led adaptation planning	No. of targeted communities supported to develop or update LAPs and establish functional DRR structures	Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes	Indicator 3B: People implementing new or improved adaptation actions	2,500,000
Outcome 2.1: Strengthened adaptive capacity of vulnerable communities through climate-resilient and diversified livelihoods	No. of targeted households supported to adopt climate-resilient production practices and livelihood diversification	Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	Indicator 6A: People adopting improved and/or new climate-resilient livelihood practices	6,500,000
Outcome 3.1: Associations, cooperatives, and MSMEs strengthened to sustain climate-resilient livelihoods and local service provision	No. of producers groups/MSMEs strengthened through technical and financial assistance	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	Indicator 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change	5,000,000
Outcome 4.1: Enhanced capacity of adaptation-focused MSMEs to develop, deliver, and scale climate adaptation solutions for vulnerable communities	No. of adaptation MSMEs supported to develop and/or deploy climate adaptation technologies, products, services responding to community needs	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	Indicator 8A: Innovations successfully reaching scale up that demonstrate local innovation participation and/or local innovation benefit	4,500,000
Outcome 5.1: Adaptation innovation ecosystem strengthened through adaptive learning, knowledge management, partnerships	No. of stakeholders applying project knowledge, methodologies and tools to strengthen climate change awareness and adaptation practice	Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes	Indicator 3A: People with strengthened awareness of climate change risks and how to better address them	3,400,274
Total outcome level grant amount				21,900,274
Project Outcome(s)	Project Outcome/Output Indicator(s)	Adaptation Fund Output	Adaptation Fund Output Indicator	Grant Amount (USD)
Output 1.1.1: Access to climate information and capacity for adaptation planning and disaster preparedness strengthened in target communities	No. of targeted communities with strengthened access to climate information, adaptation planning and disaster preparedness capacities	Output 3.3: Increased ownership of adaptation and climate risk reduction processes	Indicator 3.3: Number of local institutions and/or communities responsible for decision-making over how adaptation solutions are defined, prioritized, designed, and/or implemented	2,500,000 2,500,000
Output 2.1.1: Climate-resilient livelihoods and production systems established among vulnerable	No. of vulnerable smallholder producers supported to adopt climate-resilient livelihood and production practices	Output 6.1: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	Indicator 6.1: People receiving targeted support for new and/or improved livelihoods to manage climate risk	4,500,000 6,500,000

⁶⁴ The AF utilized OECD/DAC terminology for its results framework. Project proponents may use different terminology but the overall principle should still apply

Output 2.1.2: Economic resilience and market readiness strengthened among community producer organizations Outcome 3.1: Associations	No. of community producer organizations supported to strengthen economic resilience and market readiness No. of producers groups/MSMEs strengthened through	Output 6.1: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability Output 8.1: Innovations identified and piloted that	Indicator 6.1: People receiving targeted support for new and/or improved livelihoods to manage climate risk Indicator 8.1A: Innovations identified that demonstrate local innovation participation	2,000,000 5,000,000
Output 3.1.1: Technical capacities of associations, cooperatives, and MSMEs strengthened for long-term climate resilience Outcome 4.1: Enhanced capacity of adaptation-focused MSMEs	No. of associations, cooperatives and MSMEs receiving technical support for long-term climate resilience No. of adaptation MSMEs supported to develop and/or deploy climate adaptation technologies, products	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 Output 8.1: Innovations identified and piloted that	Indicator 8.1A: Innovations identified that demonstrate local innovation participation and/or local innovation benefit Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/or	2,750,000 4,500,000
Output 3.1.2: Financial readiness and investment capacities strengthened for resilience-oriented upgrading and scaling Outcome 5.1: Adaptation innovation ecosystem strengthened	No. of associations, cooperatives and MSMEs supported to strengthen financial and investment readiness for resilience-oriented upgrading and scaling	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 Output 8.2: Innovations identified and piloted that	Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/or local innovation benefit Indicator 8.2: Innovation-focused knowledge products disseminated and/or learning events facilitated that support	2,250,000 3,400,274
Output 4.1.1: Community-prioritized climate adaptation solutions developed and delivered through strengthened adaptation MSMEs	No. of community-prioritized climate adaptation solutions developed and/or delivered through supported adaptation MSMEs	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	2,750,000
Output 4.1.2: Adaptation financing mechanisms established to support delivery and uptake of climate adaptation solutions	No. of adaptation financing mechanisms established to support delivery and uptake of climate adaptation solutions	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	1,750,000
Output 5.1.1: Adaptation innovation and collaboration platforms strengthened	No. of adaptation innovation and collaboration platforms established or strengthened	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	1,500,000
Output 5.1.2: Adaptation learning, knowledge management, and scaling mechanisms strengthened	No. of project-supported knowledge products, learning activities and scaling mechanisms developed or implemented	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	1,900,274
Total output level grant amount				21,900,274

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

A. Record of endorsement on behalf of the government

H.E. Gustavo Sobrinho Dgedge State Secretary Land and Environment Ministry of Agriculture, Environment and Fisheries (MAAP) Praça dos Heróis Mocambicanos Maputo Mozambique	Date: 30 June 2026
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B. Implementing Entity certification

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 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.	
<i>Name & Signature</i> <i>Implementing Entity Coordinator</i>	
Ms. Ganna Onysko Senior GEF, GCF, AF Coordinator Division of Funding Partner Relations Directorate of Global Partnerships and External Relations United Nations Industrial Development Organization (UNIDO)	
Date: (Month, Day, Year)	Tel. and email: +43 1 26026 3647 g.onysko@unido.org
Project Contact Person: Ms. Caterina Bianco, Associate Technical Expert, TCS/CMP/CTI, UNIDO	
Email: c.bianco@unido.org ; Tel: +43 1 26026 3481	



**REPUBLIC OF MOZAMBIQUE
MINISTRY OF AGRICULTURE, ENVIRONMENT AND FISHERIES
OFFICE OF THE MINISTER**

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

N/Ref: 199/MAAP/GM/SETA/90/2026

Maputo, 30th June 2026

Subject: Endorsement for “Advancing Climate-resilient Livelihoods and Community-based Adaptation for Rural and Coastal Communities in Nampula”

Dear Sir/Madam,

In my capacity as the Designated Authority for the Adaptation Fund in Mozambique, I hereby confirm that the above-mentioned single-country project proposal is consistent with Mozambique’s national priorities and strategies for climate change adaptation, and supports the Government’s efforts to reduce the adverse impacts of, and risks posed by, climate change.

Accordingly, I am pleased to endorse this project proposal for submission to the Adaptation Fund, with a requested Adaptation Fund grant amount of USD 25,000,000.

If approved by the Adaptation Fund Board, the project will be implemented by the United Nations Industrial Development Organization (UNIDO), as the accredited Implementing Entity, and executed by UNIDO and ADPP Mozambique in collaboration with the Ministry of Agriculture, Environment and Fisheries (MAAP).

Yours Sincerely,

A handwritten signature in blue ink, reading "Gustavo Sobrinho Dgedge".

**Gustavo Sobrinho Dgedge
State Secretary of Land and Environment
Ministry of Agriculture, Environment, and Fisheries**



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date: 03-August04 September 2026

Adaptation Fund Project ID: N/A

Country: Mozambique

Title of Project/Programme: Advancing climate-resilient livelihoods and community-based adaptation for rural and coastal communities in Nampula

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

Implementing Entity: United Nations International Development Organization (UNIDO)

Executing Entities: UNIDO¹

A. Project Preparation Timeframe

Start date of PFG	January 2027
Completion date of PFG	September 2027

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note ²
1. Development and submission of the full project proposal and annexes, including CRVA, KPIs, baseline data collection, theory of change, budget and follow-up revisions as needed. 2. Development of gender analysis and action plan 3. Development of Environmental and	Full project proposal and associated annexes	114,248 ~~249.85~~	1. Costs for engagement of company/ies or expert/s to develop the full proposal 2. Costs for engagement of technical expert for overall drafting coordination 3. Operational expenses (travel costs for institutional/stakeholders consultations, translation costs)

¹ ADPP-Mozambique may be engaged as a service provider to conduct some PFG activities.

Social Impact Assessment (ESIA) commensurate with the risk level of the project i.e. ESS Category B, that will flow into the ESMF. 4. Finalization of implementation arrangements, including HACT assessments as needed 5. Development of risk assessment and mitigation measures 6. Development of M&E plan			
7. Conduct in-country stakeholder consultations and community engagement (Nampula) for project design 8. Organise in-person validation workshop	Stakeholder engagement report	24,000	1. Costs for organizing validation workshop, including venue, participants DSA, logistics, stationary 2. Costs for engaging of local/international company/ies or expert/s to conduct consultations and required travel
9. IE fee (8,5%)	IE admin and technical support for project development, monitoring and supervision, compliance assurance	11,751. ~~15~~	Technical and admin support services
Total Project Formulation Grant		150,000	

C. Implementing Entity

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

Implementing Entity Coordinator, IE Name	Ms. Ganna Onysko Senior GEF, GCF, AF Coordinator Division of Funding Partner Relations Directorate of Global Partnerships and External Relations United Nations Industrial Development Organization - UNIDO Implementing Entity Coordinator	
Signature		Date:
Project Contact Person	Ms. Caterina Bianco +43 1 26026 3481 c.bianco@unido.org	
Telephone	+43 1 26026 3708	
E-mail	TO: g.onysko@unido.org CC: gef@unido.org / glo@unido.org / f.haidara@unido.org	

1. Stakeholder consultations were undertaken during concept development to ensure country ownership, validate and complement the findings of the desk-based analysis, identify adaptation priorities and barriers, and strengthen the design of the proposed intervention. The consultation process combined community-level engagement in Nampula Province with consultations of institutional stakeholders. The findings provided an initial validation and refinement of information generated through the desk review, particularly regarding the project background and context, barrier analysis and alignment with national and local needs, priorities and ongoing initiatives and existing policies
2. The first consultation stream focused on community-level engagement in Nampula Province. A structured questionnaire was developed and distributed between 4 and 9 June 2026 to stakeholders in-person or via phone. Respondents comprised 14 stakeholders out of which nine were men and five were women. The consultation included six community members engaged in farming, fishing, fish processing, or a combination of these activities; four representatives of local government authorities and decentralized public institutions; three representatives of community-based organizations, including NGOs and CSOs; and one private-sector representative. Figure 13 and Figure 14 illustrate the distribution of respondents by gender and stakeholder group, respectively. The objective was to validate and complement the desk-based analysis by gathering local perspectives on climate risks, vulnerabilities, adaptation barriers, livelihood challenges, community priorities, social dynamics, and opportunities for climate adaptation and resilience-building. Responses were analyzed using Microsoft Excel, including descriptive statistics to summarize response frequencies, recurring priorities, and key trends across stakeholder groups, and integrated throughout the concept note, particularly within the background and context analysis, vulnerability assessment, identification of vulnerable groups, barrier analysis, and proposed adaptation measures. As several questionnaire items allowed respondents to select multiple answers, the frequencies reported throughout the concept note indicate the number of respondents identifying each issue and should not be interpreted as mutually exclusive categories. Given the limited and purposive concept-stage sample, the findings are indicative rather than statistically representative and will be further validated through more extensive consultations during the PFG phase.
3. The second consultation stream focused on institutional stakeholders to ensure alignment with national priorities and ongoing initiatives. Consultations were conducted through an in-person meeting was held online on 19 May 2026, between UNIDO, ADPP-Mozambique, and relevant government representative Adaptation Fund National Designated Authority (NDA) to discuss the project structure and timeline as well as overall alignment with national priorities, needs and ongoing initiatives. A second meeting was held on 15 June 2026 between UNIDO, ADPP-Mozambique and the NDA office and wider MAAP representatives to present and discuss the final project idea for final feedback, validation and endorsement. Following this meeting, resulting feedback was incorporated into the concept note and submitted once again to the NDA for non-objection to proceed with the submission to the Adaptation Fund Secretariat.

4. Given the concept-stage nature of the current consultation process, discussions focused primarily on validating the overall project rationale, intervention logic, and priority areas for support. During the PFG phase, a more comprehensive stakeholder engagement process will be undertaken to further refine and validate the project design. This is expected to include a national stakeholder kick-off workshop, detailed community consultations and field assessments in target areas, focus group discussions with vulnerable groups, gender and social inclusion assessments, environmental and safeguards consultations, technical working sessions with government institutions and implementation partners, and a final project validation workshop. The findings from these consultations will be used to validate beneficiary estimates, refine project activities and targets, strengthen implementation arrangements, and ensure that the full proposal reflects local priorities, stakeholder inputs, and adaptation needs.



Figure 1 and 14 - Respondents' distribution by and by stakeholder group

Gender assessment

Women and girls in Nampula Province are disproportionately affected by climate change due to unequal access to land, productive resources, finance, climate information, livelihood opportunities, and decision-making processes, as well as the unequal distribution of unpaid care and domestic responsibilities. Climate-related hazards such as droughts, floods, cyclones, ecosystem degradation, and declining agricultural and fisheries productivity increase women's workloads, reduce livelihood opportunities, and heighten vulnerability, particularly among female-headed households and displaced women. Concept-stage respondents identified increased workloads for women and girls as a recurring climate impact and highlighted restrictive social norms, care responsibilities, low literacy, transport and distance constraints, and limited information as potential barriers to participation. Women's economic empowerment was also repeatedly identified as a project priority. The project will adopt a gender-responsive approach consistent with the Adaptation Fund Gender Policy, Mozambique's National Gender Policy and Strategy, and the Estratégia de Género para a Pesca e Aquacultura (EGPA 2025–2029), which identifies women's economic empowerment, equitable access to productive resources, leadership, and participation in decision-making as national priorities. The project will ensure the meaningful participation of women throughout project planning, implementation, monitoring, and evaluation. Gender-responsive methodologies will be integrated into community consultations, adaptation planning processes, capacity-building activities, and livelihood interventions to ensure that women can safely and effectively participate in project activities and decision-making processes. Specific measures will be implemented to address barriers that limit women's participation and adaptive capacity, including unequal access to land, productive assets, finance, climate information, technologies, markets, business development services, and leadership opportunities. Targeted support will be provided to women-led livelihoods and adaptation-focused MSMEs through access to training, technical assistance, networking opportunities, business incubation, mentorship, market linkages, and financing opportunities, where appropriate. The project will actively promote women's participation in climate-resilient livelihood activities, Water, Food and Agriculture systems, adaptation entrepreneurship, and local adaptation governance processes, recognizing women not only as beneficiaries of adaptation interventions but also as agents of change and drivers of resilience within their communities. Particular attention will be given to increasing women's participation and leadership within community adaptation structures and local adaptation governance mechanisms. Gender-responsive implementation measures will include communication in local languages, accessible and safe venues, convenient scheduling, transport or decentralized outreach where feasible, confidential feedback mechanisms, and separate discussion spaces where these support women's meaningful participation. Targets will be established to promote women's representation within Producers Groups, associations, cooperatives, Disaster Risk Management Committees, Local Adaptation Planning structures, and other community-level decision-making bodies supported by the project. Recognizing the presence of displaced populations in Nampula Province, the project will also pay particular attention to the needs and priorities of displaced women and female-headed households, who often face additional barriers to accessing livelihoods, productive resources, services, finance, and decision-making spaces. The project will seek to ensure that women represent at least 50% of direct beneficiaries and participants across project activities. Sex-disaggregated indicators will be used to monitor participation, benefits, and outcomes, while grievance and redress mechanisms will be

established to ensure safe, accessible, and confidential channels for feedback and complaints. All project interventions will be screened to identify and mitigate potential gender-related risks and unintended negative impacts. The project will contribute to strengthening women's adaptive capacity, economic resilience, leadership, decision-making power, access to productive resources and adaptation finance, and participation in local governance processes, thereby supporting more equitable, inclusive, and climate-resilient communities. A full gender analysis will be conducted during the project formulation stage to assess gender-specific vulnerabilities, barriers to adaptation, participation opportunities, and potential project impacts on women, men, girls, and boys.