



ADAPTATION FUND

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PROPOSAL FOR CAMEROON, MALAWI



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT
TECHNICAL REVIEW OF PROJECT PROPOSAL FOR
"FOSTERING ENTREPRENEURSHIP FOR CLIMATE RESILIENCE IN PERI-URBAN
COMMUNITIES OF CAMEROON AND MALAWI"

Project Title Fostering entrepreneurship for climate resilience in peri-urban communities of Cameroon and Malawi

Project ID AF00000568

Category Regular size project (over \$1 million)

Type Regional project

Stage Pre-concept

Country Regional (Cameroon, Malawi)

Implementing Entity UNIDO

Financing Requested USD 30,000,000.00

Reviewer Eveline Vasquez

Co-reviewer(s)

IE Contact Person

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Secretariat's Overall Comment

The project aims to increase the climate resilience and adaptive capacity of vulnerable communities in selected peri-urban areas of Malawi and Cameroon by promoting the deployment of community-driven adaptation solutions and fostering diversified climate-resilient livelihoods that generate long-term resilience benefits.

A PFG of USD 30,000 is requested.

The initial technical review raises several issues, such, elaboration of the regional context, clear statement of the problem, the inclusion of concrete adaptation measures, the geographic scope of the project, justification of cost effectiveness and sustainability and clear delineation of the roles of the Regional Implementing Entity, Regional Execution Entities and National Execution Entities. the need for a regional coordination mechanism, among others, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Request (CAR) raised in the review.

The second technical review has addressed some of the CR and CAR requests. Remaining CRs and CARs to be addressed relate to confirming USPs etc.

Country Eligibility

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

Response: Yes

Secretariat: Cameroon and Malawi are parties to the Kyoto Protocol and Paris Agreement

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

Response: Yes

Secretariat: Malawi and Cameroon are developing countries which face escalating climate risks. Key climate hazards in Malawi, include extreme heat, floods, droughts, and storms, while key climate risks in Cameroon include temperature extremes, frequent floods, and droughts. In both countries these risks are becoming

increasingly frequent, intense, and severe, disproportionately affecting vulnerable populations in peri-urban areas.

Project Eligibility

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

Response: Yes

Secretariat: Cameroon: As per endorsement letter dated 25 November 2025

Malawi: As per endorsement letter dated 12 December 2025

Has the pre-concept provided necessary information on the problem the proposed project/programme is aiming to solve, including both the regional and the country perspective?

Response: Not Cleared

Secretariat: Unsure

The Background and context (paragraphs 1 - 5) of the PCN provides a good analysis of the problem from the perspective of the shared challenge of climate vulnerability in peri-urban areas in Malawi and Cameroon. It identifies the main hazards, local drivers of vulnerability, and the impacts on communities, livelihoods, and infrastructure, while also showing why the proposed project is needed. However, the pre-concept does not describe a shared, transboundary or otherwise regional problem. Cameroon and Malawi are located in different sub-regions, different climatic zones, different regional economic communities and different linguistic and regulatory environments; they share no border, no river basin, no market and no common institution. What is presented is two national problems that are thematically similar – vulnerable, unplanned peri-urban expansion – which is a thematic commonality rather than a regional one.

CR 1: Please establish the regional dimension of the problem: what is common to Malawi and Cameroon that is not equally common to any other pair of African countries with vulnerable peri-urban areas, and what makes it necessary or advantageous to address that problem through a single regional operation rather than through two single-country projects. If the intended rationale is to compare the typologies of two contrasting peri-urban contexts, please state that explicitly and explain why the comparison requires joint financing.

CR 2: The geographic scope of the project is not well defined. The project covers “selected peri-urban areas” in each country “including Zomba in Malawi, Bafoussam in Cameroon and “relevant additional peri-urban areas”, none of which is identified or counted. Please state how many peri-urban areas will be targeted in each country, the criteria by which they will be selected and who will select them, and provide the indicative allocation of each component between Malawi and Cameroon; the components and financing table currently shows a single amount per component for “Malawi, Cameroon” jointly, so no country-level allocation is visible.

CR 3: The problem statement asserts that MSMEs are “particularly well positioned” to act as adaptation-solution providers and cites their share of the economy in each country, but gives no evidence of the number, sector distribution, technical capability or current adaptation activity of MSMEs in or serving the target peri-urban areas. Please provide this additional information on the MSMEs

Response: Not Cleared

IE: CR 1: A new paragraph has been added to clarify the regional dimension of the project. The revised text explains that Malawi and Cameroon are proposed together because they face a common structural adaptation challenge in rapidly expanding peri-urban areas, where increasing climate exposure interacts with infrastructure and planning constraints, vulnerable livelihoods, rural-urban economic linkages, and limited access to locally appropriate adaptation solutions. It clarifies that Zomba and Bafoussam represent two deliberately contrasting peri-urban contexts, allowing the project to test the same adaptation delivery model across different peri-urban typologies, climatic settings, institutional environments, linguistic contexts, and livelihood systems. The text further clarifies that the regional approach is not justified merely by thematic similarity, but by the added value, cost-effectiveness, and economies of scale generated through the joint testing, validation, and refinement of one transferable peri-urban adaptation model. Shared standards for GIS/EO-based risk assessment, participatory adaptation planning, provider qualification and matchmaking, safeguards, adaptation impact monitoring, and replication will be developed, applied, and assessed through one common regional framework, rather than separately in each country. This strengthens the rationale for joint financing and explains the added value compared with two separate single-country projects.

CR 2: The geographic scope has been clarified. The project is now described as targeting four peri-urban areas in total, two in Malawi and two in Cameroon. Zomba and Bafoussam are identified as the initial target areas, while one additional peri-urban area in each country will be selected during Concept Note development. The revised text also specifies that the additional areas will be selected jointly by the national Executing Entities, relevant local government structures, and UNIDO, based on agreed criteria including climate-risk exposure, vulnerability, relevance to adaptation priorities, rural-urban linkages, MSME potential, complementarity with ongoing initiatives, and value for comparative learning. The Project Components and Financing table has been revised to introduce an indicative country-level allocation between Malawi and Cameroon. The split reflects the revised geographic scope of two peri-urban areas per country.

CR 3: The MSME rationale has been strengthened with additional evidence on the number, sector distribution, and relevance of MSMEs in Malawi, Cameroon, Zomba, and Bafoussam. The revised text now includes data on MSMEs in Malawi, the role of MSMEs in Zomba's local economy, the number and composition of formal economic units in Cameroon, and newly created enterprises in Bafoussam. It also explains how MSMEs are present in sectors relevant to the supply, operation, and maintenance of climate-resilient solutions, while acknowledging constraints related to technical specifications, certification, quality standards, working capital, and access to finance. The text further states that targeted MSME mapping will be undertaken during CN development to generate more detailed information on MSMEs in or serving the target peri-urban areas and to inform the selection of adaptation solution providers.

Response: Not Cleared

Secretariat: Partially Cleared.

The IE indicates that Malawi and Cameroon face common structural adaptation challenges in rapidly expanding peri-urban areas, including increasing climate exposure, infrastructure and planning constraints, vulnerable livelihoods, rural-urban economic linkages, and limited access to locally appropriate adaptation solutions. While this provides a rationale for a regional approach, the justification for selecting only four locations in two

countries could be further strengthened.

CR 1: Could the IE please elaborate on the criteria used to select the target locations (two in Malawi and two in Cameroon), including how they represent different peri-urban contexts or typologies and how testing the approach in these locations will generate sufficiently robust evidence for replication and scaling beyond the two participating countries?

In addition, given that the thematic focal area is Disaster Risk Reduction and Early Warning Systems, could the IE clarify the current status and effectiveness of existing EWS in the selected locations and how the proposed criteria will address identified gaps or complement existing systems?

CR 2: Cleared:

- Four Project locations: Zomba in Malawi and Bafoussam in Cameroon have been identified as initial target areas, while one additional peri-urban area in each country will be selected during CN development.
- The additional areas will be selected jointly by the national Executing Entities, relevant local government structures, and UNIDO, based on agreed criteria including climate-risk exposure, vulnerability, relevance to adaptation priorities, rural-urban linkages, MSME potential, complementarity with ongoing initiatives, and value for comparative learning.

The IE will map the MSMEs during CN development, which will be helpful and should provide more granular information. However, the current evidence primarily demonstrates the presence of MSMEs in sectors relevant to the proposed adaptation pathways, rather than their existing technical capabilities or current adaptation-related activities.

CR3: Could the IE provide any available evidence on the extent to which MSMEs in or serving the target peri-urban areas are currently developing, supplying, operating, or maintaining climate-resilient products or services, and on the technical capabilities they currently possess?

Have the project/programme objectives, components and financing been clearly explained?

Response: Cleared

Secretariat: Yes, however additional information is required

The section on Project/Programme Objectives (para 6 - 8) clearly states the overall objective and specific objectives of the project while the Programme Components and Financing table presents the four components and the allocation across Components and Outcomes as well as the total requested funding. Preliminary estimates of the number of direct and indirect beneficiaries and MSMEs are also provided, including the planned percentages of women and youth. These estimates will be validated during CN development.

CR 4: Please correct the row numbering in the Project Components and Financing Table (p 3), which skips row 5. Please also present the allocation at the Output level add the indicative split of each component between Malawi and Cameroon if possible.

CR 5: For Component 3 (USD 6,000,000), please state what “tailored technical and financial support” to peri-urban communities consists of – grants, subsidies, revolving funds, guarantees, credit or vouchers as this has implications for safeguards, sustainability and other arrangements which should be addressed in the CN stage.

Response: Not Cleared

IE: CR 4: The Project Components and Financing table has been revised to correct the row numbering and introduce indicative allocations at both output and country levels for Malawi and Cameroon. The proposed split

reflects the revised geographic scope of two peri-urban areas per country.

CR5: Component 3 has been revised to clarify the nature of the tailored technical and financial support to be provided to peri-urban communities. The output wording and Component 3 narrative now specify that support will consist of technical assistance, mentoring, business planning, financial literacy support, and resilient livelihood-diversification grants for eligible peri-urban communities and livelihood groups. The text also clarifies that the precise modality, indicative size, eligibility criteria, safeguards requirements, and delivery arrangements will be defined during CN development.

Response: Cleared

Secretariat: The support will include technical assistance, mentoring, business planning, financial literacy training, and grants to support resilient livelihood diversification for eligible peri-urban communities and livelihood groups

Has the project/programme been justified in terms of how: - it supports concrete adaptation actions? - it builds added value through the regional approach? - it promotes new and innovative solutions to climate change adaptation? - it is cost-effective? - it is consistent with applicable strategies and plans? - it incorporates learning and knowledge management? - it will be developed through a consultative process with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund? - it will take into account sustainability?

Response: Not Cleared

Secretariat: Yes, however some additional information is required.

Part II describes the project justification. Paragraphs 9 - 12 describe the main outcomes and outputs for each component. A Theory of Change is also presented in Table 1 explaining the logic of achieving the outcomes as well as the assumptions.

On the cover page, the Thematic Focal Area is stated as: "Disaster risk reduction and early warning systems". However, the proposal contains no early warning system: no hazard monitoring, forecasting, alert generation or last-mile warning dissemination function appears anywhere in the four components. The only specified disaster risk reduction outputs are the GIS/EO climate-risk assessments, hotspot maps and climate-risk information products under Component 1 and Component 2 includes disaster risk reduction benefits

CAR 2: Please either (a) demonstrate how the project contributes to the "Disaster risk reduction and early warning systems" thematic focal area, identifying the specific disaster risk reduction and early warning outputs, or (b) re-designate the thematic focal area to a more appropriate one.

The pre-concept does not indicate the specific concrete adaptation measures to be provided by the project. Mention is made of "context-specific climate-resilient solutions, including but not limited to NbS and innovative technologies" in Components 1 to 3.

CAR 3: Please provide more details of the specific climate-resilient solutions to be provided under the project e.g. water harvesting, flood control, slope stabilization, afforestation etc. and indicate whether they will be constructed, strengthened or rehabilitated This will give a better justification for the estimated cost of the components.

The proposal is innovative in its approach of using MSMEs as adaptation solution providers. In this way, the

MSMEs act as drivers of adaptation innovation. The project will also foster process and business-model innovation by providing tailored technical and financial assistance, including catalytic grants linked to clear milestones. The combination of GIS/EO evidence with participatory co-creation under Component 1 is also a methodological innovation

CR 6: Give at least indicative examples of the innovative solutions the project expects to support.

CR7: Please elaborate on (i) What agency/Ministry will be responsible for the management of this aspect of the project and for providing the technical assistance required (ii) how the MSMEs will be selected to ensure that they are knowledgeable of innovative adaptation solutions,

CR 8: Please clarify the treatment of the “catalytic grants linked to clear milestones” to be made to adaptation-solution providers under Component 2. Please state the indicative grant sizes and total envelope, and how the use of Adaptation Fund grant resources to support for-profit enterprises is justified in adaptation terms rather than as enterprise development.

CAR 6: Please demonstrate the added value of the regional approach . Specifically: state what the project will achieve jointly that two single-country projects of the same total value could not; identify the regional institution(s), network(s) or platform(s) that will carry the regional function beyond the Implementing Entity, and their role; describe the concrete mechanisms of regional exchange (for example joint methodological standards, cross-country peer exchange, a shared MSME roster, joint knowledge products) .

The proposal mentions the alignment with the NAPs of Cameroon and Malawi as well as Malawi's Vision 2063 and Cameroon's Vision 2035. In addition, the project will contribute to sustainable development by generating social, economic and environmental benefits. However, there is no mention of the NDCs or any municipal or sectoral plans such as those related to land-use and disaster risk management, water or food and agriculture sectors.

CAR 7: Please add the Nationally Determined Contributions of both countries and identify the specific adaptation commitments to which the project contributes; and identify any national and municipal urban planning, land-use and disaster risk management instruments that govern peri-urban development in Zomba and Bafoussam,

Learning and knowledge management are covered in Component 4 See para 18). This component includes a GIS/EO learning and monitoring system as well as regional learning products and practical replication tools. to support implementation and replication in comparable peri-urban contexts.

CR 9: Please state how learning will be shared beyond the two participating countries, including the audience, mechanism or platform for dissemination beyond the two participating countries. Please also identify the national institutions that will host the GIS/EO monitoring system and the climate-risk information products after project completion. Please ensure that the component includes tools for assessing the impact of the learning products so that adjustments can be made to improve their efficacy.

The PCN was informed by initial consultations with relevant Ministries in both countries to better understand adaptation needs and priorities. However, no consultations were held with vulnerable groups, neither were gender considerations taken into account. The PCN states, however, that in the CN preparation stage, a stakeholder analysis and further consultations will be undertaken with relevant national and local government structures, technical institutions, vulnerable peri-urban communities, small-scale producers, processors, and vendors, and adaptation solution providers, with particular emphasis on the meaningful participation of women

and youth, in line with the AF Environmental and Social Policy and Gender Policy.

CR 11: Please ensure that the PFG provides sufficient resources to cover the cost of the consultations listed above in the development of the CN and final proposal.

With respect to sustainability of outcomes, the PCN addresses several dimensions (para 18) —particularly institutional ownership, partnerships, community engagement, capacity strengthening, livelihood resilience, and safeguards. —but there are a few aspects that have not been addressed. These include: long-term financing, operation and maintenance, post-project monitoring, knowledge management, institutional resourcing, and a clear exit and scaling strategy.

CAR 8: Please revise the section on Sustainability to briefly include the aspects listed above.

Response: Not Cleared

IE: CAR 2: The project retains “Disaster risk reduction and early warning systems” as its thematic focal area, and the results framework and narrative have been revised to clarify the project’s contribution to both DRR and EWS. Output 1.1.1 now includes accessible climate-risk and early warning information products developed using GIS/EO data and existing hydrometeorological and disaster risk information. Output 1.1.3 now includes community preparedness messages and last-mile early warning dissemination protocols. The Component 1 narrative further clarifies that GIS/EO-based assessments will identify exposed settlements, infrastructure, livelihood assets, evacuation routes, and priority locations for preparedness actions, and that the resulting information products will support community preparedness and last-mile dissemination of early warning information. In addition, Component 2 and Output 2.1.2 have been revised to clarify that eligible adaptation solution providers, including MSMEs, may supply enabling tools for DRR and EWS, thereby ensuring that the EWS/DRR dimension is reflected through concrete solution supply.

CAR 3: The Component 2 narrative has been revised to provide indicative examples of concrete climate-resilient solutions. These include NbS approaches such as vegetative slope stabilization, riparian or wetland buffers, agroforestry systems, and afforestation/reforestation activities; innovative technologies such as locally appropriate risk-monitoring tools, modular water harvesting, storage, and efficient small-scale irrigation technologies, climate-resilient storage, cooling, aggregation, and market-access solutions, and improved materials, maintenance models, or service delivery arrangements for climate-resilient construction, rehabilitation, ecosystem restoration, and operation and maintenance; and enabling tools for DRR and EWS, including local alert dissemination services, community preparedness tools, risk signage, evacuation-route and safe-area mapping, community alert boards, mobile, radio, or community-based dissemination channels, and related maintenance or operation services. The text also clarifies that these solutions will remain subject to participatory selection and prioritization by communities, technical and financial feasibility, and safeguards screening.

CR 6: The innovation section now includes a reference to the indicative examples of concrete climate-resilient innovative solutions described under Component 2.

CR 7: The PCN has been revised to clarify institutional responsibilities and MSME selection. The innovation section now states that the MSME support process will be managed at country level by the national Executing Entities, in coordination with local government structures and technical institutions, with UNIDO providing technical oversight, quality assurance, and support for the regional methodology. The implementation arrangements further clarify that the national Executing Entities will coordinate the identification, selection, and support of adaptation solution providers and livelihood groups, while UNIDO will provide technical oversight, quality assurance, and methodological support. The revised text also specifies that adaptation solution providers

will be selected through transparent calls or expressions of interest based on criteria including relevance to community-selected adaptation priorities, technical experience, local service capacity, ability to meet technical specifications and safeguards requirements, operation and maintenance capacity, financial management capacity, and potential to provide affordable and locally appropriate solutions.

CR 8: The treatment of catalytic grants under Component 2 has been clarified. The Component 2 narrative now specifies an indicative envelope of USD 6,000,000 within Output 2.1.2 for catalytic grants to selected adaptation solution providers. Individual grants are expected to range indicatively between USD 20,000 and USD 100,000, depending on the type, scale, location, and technical requirements of the climate-resilient solution. The text clarifies that grants will be disbursed in tranches linked to milestones such as completion of technical design, safeguards clearance, procurement or installation of equipment or materials, verified supply or installation of the selected solution, training of users, and establishment of operation and maintenance arrangements. It also clarifies that grant resources will not support general enterprise development but will finance additional costs and upfront investments required to supply community-selected climate-resilient solutions that generate public adaptation benefits for vulnerable peri-urban communities.

CAR 6: The regional rationale, Component 4, and the Cost-effectiveness section have been revised to demonstrate the added value, cost-effectiveness, and economies of scale of the regional approach compared with two separate single-country projects of the same total value. The text now clarifies that the project will jointly develop, test, validate, and refine one transferable peri-urban adaptation delivery model across Malawi and Cameroon. Its methodological standards, provider qualification and matchmaking approaches, safeguards procedures, adaptation impact monitoring framework, and replication tools will be developed, applied, and assessed jointly. This will allow the project to compare the model's performance across different climatic, institutional, linguistic, and socio-economic settings, generate evidence on its robustness, transferability, and scalability, and reduce duplication in technical assistance, monitoring, learning, and knowledge product development. The revised text also identifies the Regional Learning and Replication Platform as the platform that will carry the regional function beyond the Implementing Entity. The platform will involve national Executing Entities, peri-urban local government structures, relevant technical institutions, MSME support organizations or associations, and selected adaptation solution providers. Their roles have been clarified, including linking lessons to national adaptation planning and institutional uptake, supporting municipal peer exchange and local planning uptake, validating methodological guidance, integrating climate-risk evidence into planning and monitoring, and exchanging on solution supply, operation and maintenance, catalytic grants, and sustainable service models. Concrete regional exchange mechanisms have also been specified, including joint methodological guidance, cross-country peer exchange, technical clinics, a shared roster of adaptation solution providers and technical expertise, comparative monitoring reviews, joint knowledge products, and practical replication tools.

CAR 7: The alignment section has been revised to include both countries' NDCs and relevant local planning instruments. For Malawi, the text now refers to Malawi's NDC 3.0 and its adaptation priorities related to vulnerable communities, ecosystems, and key socio-economic sectors, including agriculture, water resources, infrastructure, climate services, urban resilience, and NbS. It also refers to Zomba's Resilience Action Plan, including priorities related to flood mitigation, drainage improvement, sustainable forest management, and strategies to cope with rainstorms. For Cameroon, the text now refers to Cameroon's NDC 3.0 and its adaptation-relevant priorities related to climate-smart agriculture, agrometeorological data, local knowledge and NbS, disaster risk reduction, and water resources management. It also refers to Bafoussam's Urban Master Plan, particularly its focus on strengthening infrastructure and managing climate risks.

CR 9: The learning and knowledge management section has been expanded to clarify how learning will be shared beyond Malawi and Cameroon, who the audiences are, which institutions will host the GIS/EO

monitoring system and climate-risk information products, and how the effectiveness of learning products will be assessed. The revised text states that learning will be shared through regional knowledge products, webinars, technical exchanges, policy briefs, replication tools, and relevant urban resilience, adaptation, MSME, climate innovation, and locally led adaptation platforms. The primary audiences include national and local governments, municipal planners, disaster risk management and climate adaptation institutions, MSME support agencies, adaptation practitioners, regional and international knowledge networks, and financing partners. The text also clarifies that the GIS/EO monitoring system and climate-risk information products will be hosted by the relevant national Executing Entities and peri-urban local government structures, with specific hosting and maintenance arrangements to be confirmed during CN development. Tools to assess learning product effectiveness have also been added, including participant feedback, pre- and post-learning surveys, uptake tracking, downloads or access analytics where relevant, documentation of replication requests, and periodic review of whether knowledge products are informing planning, investment, and implementation decisions.

CR 11: The consultative process section and PFG have been revised to clarify that sufficient dedicated resources will be allocated for inclusive stakeholder consultations in both countries during CN development. In the PFG, Activity 1.1 includes analytical assessments, gender and social inclusion analysis, project scoping, and stakeholder consultations with relevant national and local government structures, technical institutions, vulnerable peri-urban communities, small-scale producers, processors and vendors, and adaptation solution providers, with particular emphasis on the meaningful participation of women and youth, in line with the AF Environmental and Social Policy and Gender Policy. The Activity 1.1 budget has also been redistributed to allocate USD 10,000 specifically to stakeholder analysis and consultations, including structured questionnaires. These resources will support the preparation, translation where needed, dissemination, collection, and analysis of questionnaires, as well as facilitation and follow-up consultations required for CN development. In addition, Activity 2.1 includes USD 4,000 for two validation workshops, one per country, to validate the draft Concept Note, proposed target areas, project design, safeguards considerations, gender and social inclusion findings, and stakeholder consultation outcomes with relevant national and local stakeholders.

CAR 8: The sustainability section has been revised to address long-term financing, operation and maintenance, post-project monitoring, knowledge management, institutional resourcing, and exit and scaling. The text now clarifies that operation and maintenance arrangements will be defined for each selected solution and reflected in grant milestones, training activities, and local adaptation action plans. Long-term financing will be supported by linking selected solutions to local planning and budgeting processes, strengthening MSME service and maintenance models, and identifying opportunities for continued financing through public budgets, local revenue mechanisms, private-sector participation, and future climate and development finance. Post-project monitoring will be supported through the GIS/EO-enabled monitoring system and climate-risk information products, while knowledge management will be sustained through regional learning products, replication tools, and the Regional Learning and Replication Platform. The text also states that the exit and scaling strategy will be developed during CN preparation and refined during implementation, including handover arrangements, maintenance plans, institutional responsibilities, safeguards requirements, and pathways for replication in comparable peri-urban contexts.

Response: Not Cleared

Secretariat:

The IE retains “Disaster risk reduction and early warning systems” as its thematic focal area.

CAR 2:

(i) Could the IE clarify what is meant by “enabling tools for DRR and EWS” as outputs of Component 1, and how these tools will relate to existing national and/or local early warning systems in the target countries? In

particular, please clarify whether the project intends to strengthen existing EWS capacities and last-mile dissemination, or to develop new EWS components.

(ii) Given the proposed use of existing hydrometeorological and disaster-risk information, it would also be useful to clarify what specific gaps in existing EWS will be addressed by the project at the peri-urban/community level.

(iii) For Output 1.3; Could the IE clarify how the proposed community preparedness messages and last-mile early warning dissemination protocols will link to existing hazard monitoring, forecasting, and warning mechanisms, and whether these activities are intended to strengthen an existing early warning system rather than establish a new system?

The IE clarifies which innovative technologies could be used, as well as the enabling tools for DRR and EWS that could be considered under Output 2.1.2, subject to community prioritization and technical and financial feasibility. The IE also identifies EWS supporting elements, including last-mile dissemination, community preparedness tools, risk signage, and communication channels.

CAR3: Could the IE briefly clarify the existing EWS arrangements in the target areas and how these proposed components are expected to complement them? Please also clarify whether the associated costs have been considered in the preliminary financing estimates.

CR 6: Cleared. The climate-resilient innovative solutions are described under Component 2.

CR7: Cleared. The support process will be managed at country level by the national Executing Entities, in coordination with local government and technical institutions, with UNIDO providing technical oversight, quality assurance, and support for the regional methodology.

CR8. Cleared. The IE clarifies that Output 2.1.2 will provide catalytic grants of approximately USD 20,000–100,000 to selected adaptation solution providers, depending on the type, scale, location, and technical requirements of the solution. Grants will finance additional costs and upfront investments required to deliver community-selected climate-resilient solutions, rather than general enterprise development.

CAR 6: Cleared.

The information presented is sufficient for this stage. The proposal indicates that the regional institution network will be led by the IE (UNIDO), with a national Executing Entity in each country, given the absence of established geographical, political, or institutional links between the two countries. However, at the concept note stage,

(i) Please clarify how this implementation structure will ensure effective cross-country coordination and generate robust evidence on the consistency and comparability of the approach across the two contexts.

(ii) Please clarify how the sustainability of the Regional Learning and Replication Platform and the continued application and replication of the model will be ensured beyond the project period, including how the platform will be maintained and sustained over the long term?

CAR 7: Not cleared.

The IE has provided the requested information on the NDCs and relevant national and municipal planning, land-use, and disaster risk management instruments.

1. Please clarify how these policies and instruments specifically address or support Early Warning Systems (EWS) in the target locations.

2. Please clarify how the proposed project activities relate to and build on these existing frameworks and initiatives, particularly with regard to EWS?

3. Please confirm if the projects contains USPs as per <https://www.adaptation-fund.org/wp-content/uploads/2021/05/Updated-guidance-on-USPs-.pdf>

CR 9: Cleared.

The IE indicates that the GIS/EO monitoring system and climate-risk information products will be hosted by national Executing Entities and local government structures, while the Regional Learning and Replication Platform will carry the regional function beyond the IE (UNIDO).

At the Concept note stage the IE should clarify in the proposal document how these mechanisms will be connected to ensure effective use, coordination, and continued availability of the information products beyond project completion.

CR 11: Cleared

CAR 8: Cleared

Does the pre-concept briefly explain which organizations would be involved in the proposed regional project/programme at the regional and national/sub-national level, and how coordination would be arranged? Does it explain how national institutions, and when possible, national implementing entities (NIEs) would be involved as partners in the project?

Response: Not Cleared

Secretariat: Yes, however, additional information is required

Part III of the Pre-concept Note describes the Implementation Arrangements, indicating that the project will be implemented by UNIDO and at the national level, the project will be jointly executed by the Ministry of Environment, Protection of Nature and Sustainable Development (MINEPDED) in Cameroon and a national or local Executing Entity in Malawi but that entity has not yet been identified and will be identified during CN development.

UNIDO will also be one of the Executing Entities and will be responsible for the implementation of Component 4 of the project. leading the structured learning, knowledge management, regional exchange, and replication functions of the project, while supporting coherence and coordination across the country-level interventions. A Project Management Unit (PMU) will be established in each country, with primary responsibility for managing and implementing Components 1, 2, and 3 and ensuring that implementation remains aligned with the project objective, results framework, safeguards requirements, and expected outcomes.

CAR 9: The Implementing Entity is also an Executing Entity – jointly with the national Executing Entities for the country-level components, and as sole Executing Entity for Component 4. Under the Fund's cost and fee rules an Implementing Entity may provide execution services only in exceptional and well-justified circumstances, and must justify why it is best positioned to do so. Please justify UNIDO's role as an Executing Entity, and in particular explain why the learning, knowledge management, regional exchange and replication functions of Component 4 cannot be executed by a national or regional institution – which would also strengthen both the regional added value and the sustainability of the learning function – and set out the measures that will prevent conflict of interest between UNIDO's oversight role as Implementing Entity and its delivery role as Executing Entity.

CR 12: Please describe how coordination will be arranged between the two countries: the regional governance

body, if any, with its composition, mandate and meeting frequency; the reporting lines between the two Project Management Units, the Executing Entities and UNIDO; Please include an indicative organisation chart showing all parties and their reporting lines.

Response: Not Cleared

IE: CAR 9: The implementation arrangements have been revised to clarify that UNIDO will serve as Executing Entity for Component 4, while the national Executing Entities will lead the implementation of Components 1, 2, and 3 at country level. UNIDO's role as Executing Entity for Component 4 has been justified by the regional and comparative nature of the component, which requires cross-country coordination, common methodological standards, consolidation of comparable GIS/EO-based evidence, and the development of regional knowledge products and replication tools. The text further explains that UNIDO is well positioned to perform this role due to its technical expertise in climate adaptation, MSME engagement, innovation, GIS/EO-informed planning, and regional knowledge management, as well as its institutional relationships in both countries. The revised text also clarifies that, at pre-concept stage, no national or regional institution has yet been identified with the combined mandate, fiduciary capacity, technical expertise, and cross-country convening role required to execute Component 4 across both Malawi and Cameroon. To strengthen ownership and sustainability of the learning function, relevant national, regional, and technical institutions will be further assessed during CN development and integrated into the Regional Learning and Replication Platform. Measures to prevent conflict of interest between UNIDO's oversight role as Implementing Entity and its execution role for Component 4 have also been added. The text now specifies that a clear functional separation will be established between UNIDO's implementation oversight and execution responsibilities. It further clarifies that Component 4 will report through separate execution arrangements, while remaining subject to UNIDO's Implementing Entity oversight and review by the Regional Project Steering Committee.

CR 12: Part III has been revised to describe the coordination arrangements between the two countries. Coordination will be ensured through a Regional Project Steering Committee, two country-level PMUs, and a Regional Learning and Replication Platform. The Regional Project Steering Committee will include representatives of UNIDO, the national Executing Entities of Malawi and Cameroon, the country PMUs, relevant national technical institutions, and peri-urban local government structures from the targeted areas, including Zomba and Bafoussam. Its mandate will be to provide strategic guidance, review annual workplans and progress reports, promote coherence between the two country workstreams, address implementation bottlenecks, and ensure that regional learning and replication activities remain aligned with national priorities and Adaptation Fund requirements. The Committee will meet at least twice per year, with additional meetings convened as needed. The reporting lines have also been clarified in narrative form and illustrated in an organizational chart. The revised text explains that the Adaptation Fund will provide resources to UNIDO as Implementing Entity, which will exercise overall fiduciary, safeguards, quality assurance, and results-based oversight. Each country PMU will report to its respective national Executing Entity for the day-to-day management and implementation of Components 1, 2, and 3, while the national Executing Entities will report to UNIDO as Implementing Entity on technical, financial, safeguards, and results-based progress. For Component 4, the UNIDO execution team will report through separate Component 4 execution arrangements, while remaining subject to Implementing Entity oversight and Regional Project Steering Committee review. The Regional Learning and Replication Platform will connect the two PMUs, national Executing Entities, local government structures, technical institutions, MSME support organizations or associations, and selected adaptation solution providers for technical coordination, peer exchange, comparative monitoring, knowledge management, and replication support, without replacing the formal reporting lines.

Response: Not Cleared

Secretariat:

CAR 9: Not cleared.

UNIDO clarifies the functional separation between its oversight and execution roles for Component 4 to manage potential conflicts of interest. Could UNIDO clarify how this arrangement will contribute to the sustainability and continued application of the project's results and model beyond project completion?

CR12: Cleared: Coordination will be ensured through a Regional Project Steering Committee, two country-level PMUs, and a Regional Learning and Replication Platform.

Resource Availability

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

Response: Cleared

Secretariat: Yes, the amount requested USD 30, 000,000 is within the funding window for regional projects

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

Response: Not Cleared

Secretariat: The figures are rounded and add up.

Implementing Entity Management Fee of USD 2,727,272 is exactly 10.00% of the total project/programme cost of USD 27,272,728.

Project/Programme Execution Costs of USD 2,432,128 is 8.92% of the total project/programme cost of USD 27,272,728, which is within the 10% ceiling applicable to regional projects/programmes.

Eligibility of IE

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

Response: Cleared

Secretariat: UNIDO is an accredited entity of the AF

PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Fostering entrepreneurship for climate resilience in peri-urban communities of Cameroon and Malawi

Countries: Cameroon, Malawi

Thematic Focal Area¹: Disaster risk reduction and early warning systems

Type of Implementing Entity: Multilateral Implementing Entity

Implementing Entity: United Nations Industrial Development Organization (UNIDO)

Executing Entities: Ministry of Environment, Protection of Nature and Sustainable Development (MINEPDED) in Cameroon, national or local entity in Malawi identified at CN stage, UNIDO

Amount of Financing Requested: 30,000,000 (in U.S Dollars Equivalent)

Project Formulation Grant Request: Yes ☒ No ☐

Amount of Requested financing for PFG: 30,000 (in U.S Dollars Equivalent)

Letters of Endorsement (LOE) signed for all countries: 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 pre-concept has been submitted before

☐ This is the first submission ever of the pre-concept

In case of a resubmission, please indicate the last submission date: 7/15/2026

Please note that pre-concept should not exceed 5 pages (in addition to this first cover page)

Project/Programme Background and Context:

1. Malawi faces escalating climate risks, with temperatures projected to increase by 2°C compared to pre-industrial levels by 2050². Climate hazards, including extreme heat, floods, droughts, and storms³, are becoming increasingly frequent, intense, and severe, disproportionately affecting vulnerable populations in peri-urban areas⁴. Similarly, in Cameroon temperatures are projected to increase by 2.1°C compared to pre-industrial levels by 2050⁵. Key climate risks include temperature extremes, frequent floods, and droughts⁶, which severely impact vulnerable peri-urban communities⁷.

2. Zomba (Malawi) and its surrounding peri-urban areas, located within the Lake Chilwa Basin, are particularly affected by climate change impacts⁸. Peri-urban expansion is largely unplanned, increasing exposure to climate hazards, while infrastructure constraints, insufficient essential urban services, and limited adaptive capacity further exacerbate vulnerability⁹. Extreme rainfall from tropical cyclones displaces communities and deepens food insecurity, as smallholders lose crops and livestock, while post-flood contamination increases disease risks¹⁰. Rainfall-induced landslides and debris flows from the Zomba Plateau constitute a persistent hazard¹¹, and more intense rainfall drives greater surface runoff and less recharge, undermining drinking water and irrigation¹². The limited availability of locally detailed hazard mapping for peri-urban Zomba constrains the safe siting of essential infrastructure, leaving assets exposed to climate risks and increasing disruptions to market access, service delivery, and local economic activity.

3. Bafoussam (Cameroon) and its surrounding peri-urban areas represent a high-risk Western Highlands context where accelerated and largely unplanned expansion onto unstable hillslopes increases exposure to rainfall-triggered landslides and erosion, while natural drainage limitations and urban planning constraints further amplify these risks¹³. In addition, rising temperatures and high inter-annual rainfall variability contribute to significant heat stress on crops, with direct effects on yields and productivity¹⁴. These climate impacts are particularly significant because peri-urban areas form part of a multifunctional interface between the city and the countryside, shaped by two-way flows of goods, services, and administrative functions. Climate shocks threaten not only vulnerable peri-urban communities, but also the infrastructure, market, and service linkages on which their livelihoods depend¹⁵.

4. Climate impacts on peri-urban communities in Malawi and Cameroon, including Zomba and Bafoussam, are further exacerbated by several barriers that constrain their adaptive capacity. First, community knowledge is not always sufficiently integrated into local planning and investment decisions, limiting the ability of vulnerable groups to validate risks and select solutions that reflect their priorities. Second, affordable and context-specific climate-resilient adaptation solutions remain difficult to access for vulnerable communities, while technical and financial barriers constrain their adoption and sustained use. Third, peri-urban livelihoods, especially those of small-scale producers, processors, and traders, rely on climate-sensitive systems of production, aggregation, processing, storage, transport, and market access. When climate hazards disrupt these systems, impacts extend beyond individual households, affecting the rural-urban linkages that sustain local income-generating activities. At the same time, MSMEs in Malawi and Cameroon are already embedded in the productive, service, and market systems that connect peri-urban communities with rural production areas and

¹ Thematic areas are: Food security; Disaster risk reduction and early warning systems; Transboundary water management; Innovation in adaptation finance.

² https://www.climate-impact-economics.org/en/news/climate-risk-profile_malawi.pdf

³ <https://climateknowledgeportal.worldbank.org/country/malawi/natural-disasters-historical>

⁴ <https://www.sciencedirect.com/science/article/pii/S0169204621002619>; https://www.researchgate.net/profile/Mulala-Simatele/publication/342122238_Climate_Variability_and_Change_in_Africa/links/5ee32626299bf1faac4e7bdd/Climate-Variability-and-Change-in-Africa.pdf#page=155; <https://reliefweb.int/report/malawi/malawi-flood-2026-dref-operational-update-mdmw025>

⁵ https://www.adaptationcommunity.net/wp-content/uploads/2022/09/GIZ_Climate-Risk-Profile_Cameroon_EN.pdf

⁶ <https://climateknowledgeportal.worldbank.org/country/cameroon/natural-disasters-historical>

⁷ https://www.researchgate.net/publication/391199408_Vulnerability_of_Urban_Housing_to_Climate_Change_in_Cameroon; <https://rmts.onlinelibrary.wiley.com/doi/10.1002/qj.70066>

⁸ <https://www.adaptation-undo.org/projects/transformational-adaptation-climate-resilience-lake-chilwa-basin-malawi-transform>

⁹ <https://pmc.ncbi.nlm.nih.gov/articles/PMC11369521/>

¹⁰ https://www.villagereach.org/wp-content/uploads/2023/06/VR-Malawi-Cyclone-response_Activity.pdf

¹¹ <https://ris.utwente.nl/ws/portalfiles/portal/356707490/s10346-023-02203-7.pdf>

¹² <https://gwpd-gwp.org/wp-content/uploads/2026/04/malawi-snapshot-gwlp-web-1.pdf>

¹³ https://www.researchgate.net/publication/391199408_Vulnerability_of_Urban_Housing_to_Climate_Change_in_Cameroon

¹⁴ https://www.researchgate.net/publication/343442330_VARIABILITE_CLIMATIQUE_ET_INFLUENCE_SUR_LES_CULTURES_MARAICHERES_DANS_LA_ZONE_PERIURBAINE_DE_BAFOUSSAM_OUEST_CAMEROUN

¹⁵ <https://www.mdpi.com/2072-4292/15/5/1316>

urban centres. In Malawi, almost 1.6 million MSMEs employ about 1.8 million people¹⁶, with most operating in agriculture, retail, manufacturing, and services¹⁷. In Zomba, this pattern is reflected in a local economy that includes trade, agriculture and industry, is largely composed of informal income-generating activities, and depends strongly on MSMEs, which represent 99% of the local economy¹⁸. In Cameroon, SMEs, social economy organizations, and handicraft production units accounted for 99.9% of the 569,208 formal economic units recorded in 2025¹⁹, while SMEs account for almost 99.8% of the country's production base, with the majority operating in the tertiary sector²⁰. In 2024, SME financing requests, loans, support and profiling covered sectors relevant to the project's adaptation pathways, including agro-industry, energy, digital technology, construction, professional, scientific and technical services, transport, and industrial supply²¹. In Bafoussam, 926 newly created enterprises were recorded in 2024, including 68 in the primary sector, 116 in the secondary sector, and 742 in the tertiary sector, confirming the importance of service-oriented enterprises while also indicating the presence of productive activities relevant to climate-resilient solution supply²². Together, these data point to the presence of MSMEs in sectors that can support the supply, operation, and maintenance of climate-resilient solutions. MSMEs' proximity to communities, understanding of local market needs, and operational flexibility make them well positioned to tailor products and services to evolving demand and changing climate scenarios. However, challenges in accessing and applying technical specifications, performance requirements, certification procedures, and quality standards, combined with limited working capital and access to affordable finance, constrain their ability to invest in the equipment, materials, and upfront costs required to supply resilient products and services. During CN development, targeted MSME mapping will generate detailed information on the number, sector distribution, technical capabilities, current adaptation-related activities, financing constraints, and market reach of MSMEs in or serving the targeted peri-urban areas.

5. The proposed project will address the above adaptation barriers by combining participatory co-creation with Geographic Information System (GIS) and Earth Observation (EO) data to validate priority climate risks in peri-urban areas, identify specific adaptation needs, and select context-specific climate-resilient solutions, in line with Locally Led Adaptation (LLA) principles. Adaptation solution providers, including MSMEs selected locally, nationally and, where relevant, regionally across Malawi and Cameroon, will then be matched with the selected solutions and provided with tailored technical and financial assistance to support their effective supply. In parallel, peri-urban small-scale producers, processors, and traders will be supported to leverage these solutions to diversify their income sources and generate long-term resilience benefits beyond project completion. By linking locally led planning, MSME-enabled adaptation solution supply, and climate-resilient livelihood diversification, the project will strengthen the resilience and adaptive capacity of selected peri-urban communities across Malawi and Cameroon, including Zomba and Bafoussam.

6. While Malawi and Cameroon do not share a transboundary ecosystem, market, or institutional framework, they are proposed together because they face a common structural adaptation challenge in rapidly expanding peri-urban areas, where increasing climate exposure interacts with infrastructure and planning constraints, vulnerable livelihoods, rural-urban economic linkages, and limited access to locally appropriate adaptation solutions. Zomba and Bafoussam reflect different peri-urban typologies, climatic settings, institutional environments, linguistic contexts, and livelihood systems, offering two deliberately contrasting contexts in which to test the same peri-urban adaptation delivery model. The regional approach is therefore not justified merely by thematic similarity, but by the added value, cost-effectiveness, and economies of scale generated through the joint testing, validation, and refinement of one transferable model. Addressing these challenges through a single regional operation will allow the project to develop, apply, and assess shared standards for GIS/EO-based risk assessment, participatory adaptation planning, provider qualification and matchmaking, safeguards, adaptation impact monitoring, and replication through one common framework, generating evidence on the model's robustness, transferability, and scalability beyond the two participating countries.

Project/Programme Objectives:

7. The **overall objective** of the project is to increase the climate resilience and adaptive capacity of vulnerable communities in selected peri-urban areas of Malawi and Cameroon by promoting the deployment of community-driven adaptation solutions and fostering diversified climate-resilient livelihoods that generate long-term resilience benefits.

8. The **specific objectives** of the project are to: **(1)** establish locally led adaptation planning for selected peri-urban areas; **(2)** strengthen the adaptive capacity of peri-urban communities by fostering the demand and supply of priority climate-resilient solutions; **(3)** enhance the financial resilience of peri-urban communities through livelihood diversification; and **(4)** generate GIS/EO-based evidence, policy recommendations, and regional learning to support monitoring, adaptive management, and scaling of peri-urban adaptation solutions in comparable contexts.

9. Across four selected peri-urban areas, two in Malawi and two in Cameroon, the project is expected to **directly benefit approximately 30,000 community members and 140 MSMEs** through community-driven adaptation solutions and diversified climate-resilient livelihoods. Zomba in Malawi and Bafoussam in Cameroon have been identified as initial target areas, while one additional peri-urban area in each country will be selected during CN development. The additional peri-urban areas will be selected jointly by the national Executing Entities, relevant local government structures, and UNIDO, based on agreed criteria including: exposure to climate hazards; vulnerability of peri-urban communities; relevance to national and local adaptation priorities; presence of rural-urban livelihood, market, infrastructure, and service linkages; potential for MSME-enabled supply of climate-resilient solutions; complementarity with ongoing and planned initiatives; and value for comparative learning across the two countries. Around **120,000 indirect beneficiaries** are expected to be reached through GIS/EO-informed climate-risk information, local adaptation action planning, participatory dissemination of local adaptation action plans, strengthened local supply of climate-resilient solutions, and reduced disruption to peri-urban market, infrastructure, and service linkages. Particular emphasis will be placed on ensuring the meaningful inclusion of women, youth, and other vulnerable groups, with preliminary participation thresholds established at **a minimum of 50% women and 40% youth** across project activities. These figures are preliminary estimates and will be validated and further refined through stakeholder consultations and desk research during CN development.

Project/Programme Components and Financing:

Project/Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)
1. Locally led peri-urban adaptation planning established	1.1 Community-driven local adaptation action plans integrate NAP priorities and GIS/EO data	1.1.1 Climate-risk assessments, peri-urban risk hotspot maps, and accessible climate-risk and early warning information products developed using GIS/EO data and existing hydrometeorological and disaster risk information	Malawi	1,100,000
			Cameroon	1,100,000
		1.1.2 Local adaptation action plans co-created with peri-urban communities and local government structures to validate priority risks, identify specific adaptation needs, and select context-specific climate-resilient solutions	Malawi	1,300,000
			Cameroon	1,300,000
		1.1.3 Local adaptation action plans, community preparedness messages, and last-mile early warning dissemination protocols disseminated through community awareness-raising participatory sessions	Malawi	310,200
			Cameroon	310,200
			Malawi	750,000

¹⁶ <https://documents1.worldbank.org/curated/en/099121123151012043/pdf/P17753704298250df0b05d02489cfd76b51.pdf>

¹⁷ https://docs.dcafs-tipdep-donors-mw.org/dt_docs/MSME_Brief_TIPDeP_October_2024_TIPDeP.pdf

¹⁸ https://dmsur.org/wp-content/uploads/2023/04/MAL_Zomba-RFA.pdf

¹⁹ <https://www.minpmeesa.cm/site/inhoud/uploads/2025/05/ENGAnnuaire-2024ok.pdf>

²⁰ <https://www.minpmeesa.cm/site/inhoud/uploads/2025/05/ENGAnnuaire-2024ok.pdf>

²¹ <https://www.minpmeesa.cm/site/inhoud/uploads/2025/05/ENGAnnuaire-2024ok.pdf>

²² <https://www.minpmeesa.cm/site/inhoud/uploads/2025/05/ENGAnnuaire-2024ok.pdf>

2. Community adaptive capacity strengthened through the deployment of climate-resilient solutions	2.1 Peri-urban communities adopt climate-resilient solutions that enhance adaptive capacity and reduce vulnerability	2.1.1 Adaptation solution providers, including MSMEs, identified and matched with priority climate-resilient solutions selected by peri-urban communities	Cameroon	750,000
		2.1.2 Selected priority climate-resilient solutions, including but not limited to Nature-based Solutions (NbS), innovative technologies, and enabling tools for Disaster Risk Reduction (DRR) and Early Warning Systems (EWS) supplied by the matched adaptation solution providers, following tailored technical and financial assistance, including catalytic grants linked to clear milestones	Malawi	4,250,000
			Cameroon	4,250,000
3. Financial empowerment for long-term resilience	3.1 Peri-urban communities achieve greater financial resilience through diversified climate-resilient livelihoods	3.1.1 Tailored technical assistance and resilient livelihood-diversification grants delivered to peri-urban communities	Malawi	1,500,000
			Cameroon	1,500,000
		3.1.2 Diversified climate-resilient livelihoods adopted by peri-urban communities, particularly small-scale producers, processors, and traders	Malawi	1,500,000
			Cameroon	1,500,000
4. Evidence, policy recommendations, and regional learning generated	4.1 Evidence, policy recommendations, and regional learning support monitoring, adaptive management, and scaling of peri-urban adaptation	4.1.1 Monitoring system established to track adaptation impacts and report contributions to local adaptation action plans, using GIS/EO data	Malawi	950,000
			Cameroon	950,000
		4.1.2 Country-specific policy recommendations, regional knowledge products, and practical replication tools developed for scaling in comparable peri-urban contexts	Malawi	760,100
			Cameroon	760,100
5. Project/Programme Execution cost				2,432,128
6. Total Project/Programme Cost				27,272,728
7. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)				2,727,272
Amount of Financing Requested				30,000,000

Project Duration: (In years and months)

7 years (84 months)

PART II: PROJECT/PROGRAMME JUSTIFICATION

10. Component 1: Locally led peri-urban adaptation planning established. This component responds to the shared need in Malawi and Cameroon to translate NAP priorities into locally implementable adaptation action plans in vulnerable peri-urban areas, while establishing a common approach for comparative learning across Zomba (Malawi), Bafoussam (Cameroon), and relevant additional peri-urban areas. GIS/EO-based climate-risk assessments will apply a hazard, exposure, and vulnerability framework, using open-access and national datasets where available. Tools such as Google Earth Engine and QGIS will be used to overlay and analyse satellite imagery, digital elevation models, climate hazard datasets, land-cover products, vegetation indices, and settlement and infrastructure data. These assessments will also strengthen the local use of early warning information by identifying exposed settlements, infrastructure, livelihood assets, evacuation routes, and priority locations for preparedness actions. The project will use GIS/EO-based risk evidence together with existing hydrometeorological and disaster risk information to develop locally actionable climate-risk and early warning information products for peri-urban communities. The resulting climate-risk assessments, peri-urban risk hotspot maps, and accessible climate-risk and early-warning information products will inform participatory co-creation processes with peri-urban communities and local government structures, who will validate priority risks, identify specific adaptation needs, and select context-specific climate-resilient solutions, including but not limited to NbS, innovative technologies, and enabling tools for DRR and EWS, in line with LLA principles. The local adaptation action plans will then be disseminated through participatory community awareness-raising sessions to promote understanding of the agreed priorities and selected solutions, share community preparedness messages, support the dissemination of early warning information, and facilitate continued stakeholders' engagement.

11. Component 2: Community adaptive capacity strengthened through climate-resilient solutions. This component will support the supply of community-selected, priority climate-resilient solutions, including but not limited to NbS, innovative technologies, and enabling tools for DRR and EWS, by adaptation solution providers, including MSMEs selected locally, nationally and, where relevant, regionally across Malawi and Cameroon. Through a demand-driven process, adaptation solution providers will be selected and matched with the solutions identified under Component 1 based on their technical relevance, operational capacity, and local service potential. The selected providers will then receive tailored technical and financial assistance, including catalytic grants linked to clear milestones, to support the effective supply of these solutions. An indicative envelope of USD 6,000,000 within Output 2.1.2 will be allocated to catalytic grants for selected adaptation solution providers. Individual grants are expected to range indicatively between USD 20,000 and USD 100,000, depending on the type, scale, location, and technical requirements of the climate-resilient solution to be supplied. Grants will be disbursed in tranches linked to clear milestones, such as completion of technical design, safeguards clearance, procurement or installation of equipment or materials, verified supply or installation of the selected solution, training of users, and establishment of operation and maintenance arrangements. The precise grant size, eligible costs, selection criteria, disbursement milestones, fiduciary controls, and safeguards requirements will be defined during CN development. The use of grant resources for adaptation solution providers will be justified strictly in adaptation terms, as grants will finance the additional costs and upfront investments required to supply community-selected climate-resilient solutions that generate public adaptation benefits for vulnerable peri-urban communities. A common matchmaking and support approach across both countries will help reduce duplication, improve the cost-effectiveness of technical and financial assistance, and generate comparative evidence on delivering adaptation benefits through locally responsive supply systems. Indicative innovative solutions may include NbS approaches, such as vegetative slope stabilization, riparian or wetland buffers, agroforestry systems, and afforestation/reforestation activities; innovative technologies, such as locally appropriate tools for monitoring slope stability, drainage conditions, runoff, water stress, heat stress, or other relevant risk factors, modular water harvesting, storage, and efficient small-scale irrigation technologies, climate-resilient storage, cooling, aggregation, and market-access solutions, and improved materials, maintenance models, or service delivery arrangements for climate-resilient construction, rehabilitation, ecosystem restoration, and operation and maintenance; and enabling tools for DRR and EWS, including local alert dissemination services, community preparedness tools, risk signage, evacuation-route and safe-area mapping, community alert boards, mobile, radio, or community-based dissemination channels, and related maintenance or operation services. These solutions will remain subject to participatory selection and prioritization by communities, technical and financial feasibility, and safeguards screening.

12. Component 3: Financial empowerment for long-term resilience. This component will support communities, particularly small-scale producers, processors, and traders, in leveraging the climate-resilient solutions delivered under Component 2 to develop new climate-resilient livelihood opportunities, diversify their income sources, and enhance their financial empowerment in order to strengthen adaptive capacity and yield long-term resilience benefits. Tailored support under this component will include technical assistance, mentoring, business planning, financial literacy support, and resilient livelihood-diversification grants for eligible peri-urban communities and livelihood groups. By strengthening communities' entrepreneurial capacities, financial literacy, and sustained engagement in climate-resilient livelihood practices, this component will link adaptation solution deployment with livelihood diversification, enabling communities to translate the delivered adaptation solutions into long-term resilience. The precise modality, indicative grant size, eligibility criteria, safeguards requirements, and delivery arrangements will be defined during CN development.

13. Component 4: Evidence, policy recommendations, and regional learning generated. This component will capture the added value of the project's regional approach by applying and comparing a common but flexible peri-urban adaptation model across Malawi and Cameroon. The comparative application of the model will generate evidence on how the approach can be replicated and scaled in other comparable peri-urban contexts, while specific risks, priorities, and solutions will remain locally determined. This joint application will generate added value and economies of scale that two separate single-country projects of the same total value would not achieve, by developing, testing, validating, and refining one transferable peri-

urban adaptation delivery model across both countries. Its methodological standards, provider qualification and matchmaking approaches, safeguards procedures, adaptation impact monitoring framework, and replication tools will be developed, applied, and assessed jointly, allowing the project to compare performance across different climatic, institutional, linguistic, and socio-economic settings and generate evidence on the model's robustness, transferability, and scalability. The regional function will be carried by a Regional Learning and Replication Platform, established under Component 4 and involving the national Executing Entities, peri-urban local government structures, relevant technical institutions, MSME support organizations or associations, and selected adaptation solution providers, with UNIDO providing technical coordination, quality assurance, and knowledge management support. The national Executing Entities will ensure that lessons are linked to national adaptation planning, policy recommendations, and institutional uptake in each country. Peri-urban local government structures will support municipal-level peer exchange, contribute practical experience from implementation in peri-urban areas, and help translate lessons into local planning and service-delivery processes. Relevant technical institutions, including those involved in climate-risk information, GIS/EO analysis, standards, disaster risk management, and sectoral adaptation, will support technical review, validation of methodological guidance, and integration of climate-risk evidence into planning and monitoring. MSME support organizations or associations and selected adaptation solution providers will facilitate exchange on locally appropriate solution supply, operation and maintenance models, catalytic grant implementation, and business models for sustaining adaptation services. Together, these institutions and actors will help carry the regional learning function beyond UNIDO by supporting continued exchange, dissemination, and replication of the model in comparable peri-urban contexts. The platform will facilitate concrete mechanisms of regional exchange, including joint methodological guidance, cross-country peer exchange, technical clinics, a shared roster of adaptation solution providers and technical expertise, comparative monitoring reviews, joint knowledge products, and practical replication tools for comparable peri-urban contexts. A GIS/EO-enabled monitoring system will track adaptation impacts and contributions to local adaptation action plans, including intervention locations, beneficiary reach, solution adoption, livelihood benefits, and changes around targeted infrastructure or productive assets. EO data will support the periodic observation of land-cover change, vegetation recovery, slope or catchment restoration, water-stress indicators, settlement expansion, surface water or wetness patterns, and changes around assets supporting market access, storage, logistics, aggregation, processing, and distribution functions. The component will generate country-specific policy recommendations, regional knowledge products, and practical replication tools to compare implementation experiences across peri-urban areas and identify lessons for adaptive management, replication, and scale-up. These products will consolidate evidence on what works, where, for whom, and under which enabling conditions, including how GIS/EO-informed risk analysis, locally led planning, MSME-enabled climate-resilient solutions' supply, and livelihood diversification can support the scaling of peri-urban adaptation in comparable contexts.

Table 1. Illustrative application of the project's Theory of Change: peri-urban hillside settlement exposed to landslide and erosion risk

PC1: Locally led peri-urban adaptation planning established	PC2: Community adaptive capacity strengthened through climate-resilient solutions	PC3: Financial empowerment for long-term resilience	PC4: Evidence, policy recommendations, and regional learning generated
IF GIS/EO-based analysis identifies a peri-urban hillside settlement where steep slopes, vegetation loss, intense rainfall, and informal expansion create high landslide and erosion risk, and supports the identification of exposed settlements, livelihood assets, evacuation routes, and priority locations for preparedness actions; IF peri-urban communities and local government structures validate the maps and confirm that slope instability is affecting homes, access roads, drainage, and market access; ASSUMING that the planning process is inclusive, accessible, and representative of vulnerable groups, and that community knowledge is meaningfully combined with spatial evidence and existing hydrometeorological and disaster risk information; THEN the co-created local adaptation action plan will identify slope instability as a priority risk and select context-specific climate-resilient solutions, including but not limited to NbS, innovative technologies, and enabling tools for DRR and EWS, and the plan will be disseminated through participatory community awareness-raising sessions together with community preparedness messages and locally actionable early warning information; BECAUSE locally led planning ensures that climate-resilient solutions and preparedness actions are grounded in both GIS/EO-based risk evidence and the lived experience of communities most affected by climate impacts.	IF local, national, and, where relevant, regional adaptation solution providers, including MSMEs, are identified and matched with the community-selected, priority climate-resilient solutions compatible with slope protection; IF these providers receive tailored technical and financial assistance, including catalytic grants linked to clear milestones, to supply climate-resilient solutions, including but not limited to NbS, innovative technologies, and enabling tools for DRR and EWS; ASSUMING that the selected solutions are technically feasible, socially acceptable, locally appropriate, and aligned with the adaptation priority needs identified under PC1; THEN peri-urban communities will have improved access to locally relevant climate-resilient solutions and preparedness information that reduce exposure to landslide and erosion risks and strengthen their adaptive capacity; BECAUSE community-selected and locally supplied solutions are more likely to be adopted, maintained, and sustained than externally defined measures that do not reflect local risk perceptions, needs, and capacities.	IF peri-urban communities, particularly small-scale producers, processors, and traders, are supported to generate long-term livelihood benefits from the climate-resilient solutions, including but not limited to NbS, innovative technologies, and enabling tools for DRR and EWS delivered under PC2; IF they receive tailored technical and financial support to adopt diversified, climate-resilient livelihoods; ASSUMING that livelihood options are locally appropriate, technically feasible, market-relevant, and connected to the climate-resilient solutions selected by communities; THEN peri-urban communities will strengthen income stability, enhance their financial empowerment, and convert the adopted climate-resilient solutions into longer-term resilience and economic benefits; BECAUSE long-term adaptation depends not only on reducing physical exposure to climate risks, but also on strengthening the livelihoods, skills, and local economic opportunities that enable communities to sustain resilience beyond project completion.	IF GIS/EO data and field-based monitoring are used to track the location of the intervention, adaptation impacts, reduced erosion signs, livelihood benefits, and contributions to local adaptation action plans; IF lessons from the site are documented through country-specific policy recommendations, regional knowledge products, and practical replication tools, and compared with similar peri-urban hotspots in Malawi and Cameroon; ASSUMING that monitoring data, community feedback, implementation lessons, and local government inputs are systematically captured and used for adaptive management and learning; THEN the project will generate practical evidence on how locally led, MSME-enabled, and livelihood diversification-linked peri-urban adaptation can be monitored, improved, reflected in relevant planning processes, and scaled in comparable contexts; BECAUSE scaling peri-urban adaptation requires not only evidence on what works, where, for whom, and under which enabling conditions, but also policy-relevant recommendations and practical tools that can guide replication, planning, and investment beyond the project sites.

14. Promoting new and innovative solutions: The project will promote innovation by leveraging the ingenuity, proximity to communities, understanding of local market needs, and operational flexibility of MSMEs as adaptation solution providers. These strengths enable MSMEs to tailor products and services to evolving demand and changing climate scenarios, and uniquely position them to supply community-selected, priority climate-resilient solutions in peri-urban areas in innovative and agile ways. MSMEs will act as drivers of adaptation innovation by developing, adapting, and combining products, services, and delivery models that respond to priority climate risks and adaptation needs identified by peri-urban communities and local government structures. This may include, but is not limited to, NbS, innovative technologies, and enabling tools for DRR and EWS tailored to local operating conditions, maintenance requirements, affordability considerations, and market demand, and subject to participatory selection, technical and financial feasibility, safeguards screening, and alignment with community priorities, as described under Component 2. The MSME support process will be managed at country level by the national Executing Entities, in coordination with relevant local government structures and technical institutions, with UNIDO providing technical oversight, quality assurance, and support for the regional methodology. Adaptation solution providers will be selected through transparent calls or expressions of interest, based on criteria including relevance to community-selected adaptation priorities, presence or service capacity in the target peri-urban areas, technical experience in the relevant sector, ability to meet technical specifications and safeguards requirements, operational and maintenance capacity, financial management capacity, and potential to provide affordable and locally appropriate solutions. Where necessary, selected MSMEs will receive targeted technical assistance to meet quality, performance, certification, and safeguards requirements before receiving catalytic grants and supplying solutions. The project will also foster process and business-model innovation by providing tailored technical and financial assistance, including catalytic grants linked to clear milestones, that enables MSMEs to refine and scale innovative solutions and supply them effectively in peri-urban contexts. By linking community-identified adaptation needs with MSME ingenuity and delivery capacity, the project will transform locally identified priorities into practical, accessible, and locally relevant solutions that strengthen community resilience while safeguarding the productive and service linkages connecting rural and urban areas.

15. Cost-effectiveness: Cost-effectiveness is embedded in the project design through a sequenced decision-making process that minimizes the risk of misallocated resources from the outset. First, GIS/EO evidence will inform the targeting of peri-urban areas where climate risks are highest, while helping to identify context-specific adaptation needs and potential climate-resilient solutions. Second, peri-urban communities and local government structures will validate the evidence and determine which adaptation needs and solutions are most relevant to local priorities and lived experience, as well as most context-appropriate and feasible. This will ensure that the selection of climate-resilient solutions is both evidence-based and locally validated, reducing the risk of poorly targeted, duplicative, or low-uptake interventions. Third, adaptation solution providers, including MSMEs, will be matched with community-selected priority climate-resilient solutions and supported to supply them effectively through tailored technical and financial assistance, including catalytic grants linked to clear milestones. Fourth, support for livelihood diversification will further strengthen cost-effectiveness by enabling local communities to leverage adaptation solutions as opportunities to diversify their livelihoods and generate longer-term resilience benefits beyond project completion. The project's regional approach will further improve cost-effectiveness by applying a common methodology across Malawi and Cameroon, including shared GIS/EO tools, participatory planning approaches, MSME matchmaking processes, livelihood diversification strategies, monitoring systems, and learning products. By developing these tools, standards, and learning products and applying them across both countries, the regional approach will reduce duplication, generate economies of scale, and strengthen the cost-effectiveness of technical assistance, monitoring, learning, and replication compared with two separate national projects.

16. Alignment with adaptation strategies and sustainable development: In Malawi, the project supports the NAP²³'s guiding principles of full participation and ownership by adaptation stakeholders, incorporation of traditional and local knowledge, and gender and youth inclusiveness. It is also aligned with Malawi's NDC 3.0, which prioritizes adaptation actions to strengthen the resilience of vulnerable communities, ecosystems, and key socio-economic sectors, including agriculture, water resources, infrastructure, climate services, urban resilience, and NbS²⁴. The project is further consistent with Malawi's Vision 2063²⁵ pillars, particularly Pillar 2 on industrialization, with its focus on increased transport and storage infrastructure, and Pillar 3 on urbanization, with its focus on regulated and controlled infrastructure development planning. At local level, the project will build on Zomba's Resilience Action Plan, which identifies priority actions related to flood mitigation, drainage improvement, sustainable forest management, and strategies to cope with rainstorms²⁶. In Cameroon, the project is aligned with the country's NAP²⁷, and specifically with its strategic priority area 4, which emphasizes the integration of adaptation measures into local and regional planning, and the preparation of technical evidence-based local adaptation strategies. It is also aligned with Cameroon's NDC 3.0, which identifies adaptation-relevant priorities related to climate-smart agriculture, agrometeorological data, local knowledge and NbS, disaster risk reduction, and water resources management²⁸. The project is further consistent with Cameroon Vision 2035²⁹, including its macroeconomic pillar on infrastructure and envisioned private-sector promotion strategy, as well as with Bafoussam's Urban Master Plan, particularly its focus on strengthening infrastructure and managing climate risks³⁰. In addition, the project will contribute to sustainable development by generating: social benefits, through reduced climate vulnerability and strengthened adaptive capacity for peri-urban communities, including women and youth; economic benefits, through MSME-enabled supply of climate-resilient solutions, diversified livelihoods, and reduced disruption to peri-urban market access, storage, logistics, aggregation, processing, and distribution functions; and environmental benefits, through context-specific adaptation solutions, including but not limited to NbS where appropriate, informed by GIS/EO data, community validation, and safeguards screening.

17. Learning and knowledge management: Learning and knowledge management will be embedded through Component 4. A GIS/EO-enabled monitoring and learning system will track intervention locations, beneficiary reach, solution adoption, livelihood benefits, adaptation impacts, and contributions to local adaptation action plans. The resulting country-specific policy recommendations, regional learning products, and practical replication tools will support adaptive management during implementation and replication in comparable peri-urban contexts. After project completion, the GIS/EO monitoring system and climate-risk information products will be hosted by the relevant national Executing Entities and peri-urban local government structures, with specific institutional hosting and maintenance arrangements to be confirmed during CN development. Learning will be shared beyond Malawi and Cameroon through regional knowledge products, webinars, technical exchanges, policy briefs, replication tools, and dissemination through relevant urban resilience, adaptation, MSME, climate innovation, and locally led adaptation platforms. The primary audiences will include national and local governments, municipal planners, disaster risk management and climate adaptation institutions, MSME support agencies, adaptation practitioners, regional and international knowledge networks, and financing partners working in comparable peri-urban contexts. The project will also include tools to assess the use and effectiveness of learning products, including participant feedback, pre- and post-learning surveys, uptake tracking, downloads or access analytics where relevant, documentation of replication requests, and periodic review of whether knowledge products are informing planning, investment, and implementation decisions, so that learning products can be adjusted to improve their relevance and effectiveness.

18. Consultative process: This pre-CN was informed by initial consultations with relevant ministries in both countries to better understand adaptation needs and priorities. During CN preparation, a stakeholder analysis and further consultations will be undertaken with relevant national and local government structures, technical institutions, vulnerable peri-urban communities, small-scale producers, processors, and traders, and adaptation solution providers, with particular emphasis on the meaningful participation of women and youth, in line with the AF Environmental and Social Policy and Gender Policy. To this end, the PFG will include sufficient dedicated resources for inclusive stakeholder consultations, including local validation meetings, focus group discussions, and site visits where feasible, will refine the selection of targeted peri-urban areas, assess environmental and social risks, and review gender-differentiated needs, barriers to participation, and impacts on vulnerable groups, while mapping ongoing and planned initiatives to avoid duplication and identify complementarities.

19. Sustainability of outcomes: Long-term sustainability beyond project closure will be supported by embedding project interventions in local adaptation action plans and strengthening ownership by peri-urban communities, local government structures, and local/national/regional adaptation solution providers. Operation and maintenance arrangements will be defined during implementation for each selected solution, including roles and responsibilities of communities, local government structures, and adaptation solution providers, and will be reflected in grant milestones, training activities, and local adaptation action plans. Sustainability will also be supported through the matching of community-selected, priority climate-resilient solutions with adaptation solution providers, tailored technical and financial assistance to strengthen local supply capacity, and livelihood diversification support that enables peri-urban communities to generate long-term resilience benefits from adopted solutions beyond project end. Long-term financing will be supported by linking selected solutions to local planning and budgeting processes, strengthening MSME service and maintenance models, and identifying opportunities for continued financing through public budgets, local revenue mechanisms, private-sector participation, and future climate and development finance. The project will build on, complement, and create synergies with relevant ongoing and pipeline initiatives in the region, such as AF projects covering Malawi³¹ and Cameroon³² on climate resilience, as well as the UNIDO/GEF PARS Malawi³³, which promotes MSME-driven innovation for adaptation and resilience-building solutions. These linkages will help avoid duplication, build on existing experience, strengthen institutional partnerships, and create pathways for the continued uptake and scaling of effective adaptation solutions after project completion. Compliance with

²³ <https://napglobalnetwork.org/wp-content/uploads/2020/03/napgn-en-2020-malawis-national-adaptation-plan-framework.pdf>

²⁴ https://unfccc.int/sites/default/files/2026-07/NDC3.0%20Malawi_17June2026_Final%20Version.pdf

²⁵ <https://malawi.un.org/sites/default/files/2021-01/MV2063-%20Malawi%20Vision%202063%20Document.pdf>

²⁶ https://dmsur.org/wp-content/uploads/2023/04/MAL_Zomba-RFA.pdf

²⁷ <https://unfccc.int/documents/638459>

²⁸ https://unfccc.int/reports?%5B0%5D=corporate_author%3A279

²⁹ https://cdn.climatepolicyradar.org/navigator/CMR/2009/cameroon-vision-2035_ad925d06530e0729c9ef91308a8141aa.pdf

³⁰ <https://minhdu.gov.cm/plannification/study/43>

³¹ <https://www.adaptation-fund.org/project/adapting-to-climate-change-through-integrated-risk-management-strategies-and-enhanced-market-opportunities-for-resilient-food-security-and-livelihoods/>

³² <https://www.adaptation-fund.org/project/building-urban-climate-resilience-south-eastern-africa-madagascar-malawi-mozambique-union-comoros-2/>

³³ <https://www.adaptation-fund.org/project/increasing-local-communities-resilience-to-climate-change-through-youth-entrepreneurship-and-integrated-natural-resources-management-2/>

³⁴ <https://www.unido.org/projects/programme-innovation-climate-adaptation-and-resilience-building-solutions-pars>

relevant national technical standards, together with UNIDO and AF environmental and social requirements, will help mitigate risks such as maladaptation, exclusion of vulnerable groups, poorly targeted interventions, and unintended ecosystem impacts. Post-project monitoring will be supported through the GIS/EO-enabled monitoring system and climate-risk information products, which will be hosted by relevant national and local institutions after project completion, with institutional hosting arrangements confirmed during CN development. Knowledge management will be sustained through regional learning products, replication tools, and the Regional Learning and Replication Platform, which will support continued exchange beyond the two participating countries. The project's exit and scaling strategy will be developed during CN preparation and refined during implementation, including handover arrangements, maintenance plans, institutional responsibilities, safeguards requirements, and pathways for replicating successful approaches in comparable peri-urban contexts.

PART III: IMPLEMENTATION ARRANGEMENTS

20. The project will be implemented by UNIDO. In Cameroon, the project will be executed by the Ministry of Environment, Protection of Nature and Sustainable Development (MINEPDED). In Malawi, the selection of the national or local Executing Entity is currently underway and will be completed during CN development, in consultation with the relevant national authorities. Fiduciary and operational capacity assessments will be carried out for the national Executing Entities in both countries during full proposal development. A Project Management Unit (PMU) will be established in each country, with primary responsibility for managing and implementing Components 1, 2, and 3 and ensuring that implementation remains aligned with the project objective, results framework, safeguards requirements, and expected outcomes. For Components 2 and 3, the national Executing Entities will coordinate the identification, selection, and support of adaptation solution providers and livelihood groups, working with local government structures, relevant technical departments, standards and quality institutions, meteorological and disaster risk management services, and financial or business development service providers, as appropriate. UNIDO will provide technical oversight, quality assurance, and methodological support to ensure that the selection processes, technical assistance, grant arrangements, safeguards requirements, and monitoring approaches are coherent across both countries and aligned with the project's adaptation objectives. To ensure coordination, consistency, and learning across national and regional levels, UNIDO will also serve as the Executing Entity for Component 4. This arrangement is justified by the regional and comparative nature of the component, which requires cross-country coordination, common methodological standards, consolidation of comparable GIS/EO-based evidence, and the development of regional knowledge products and replication tools. Given its technical expertise in climate adaptation, MSME engagement, innovation, and regional knowledge management, as well as its institutional relationships in both countries, UNIDO is well positioned to facilitate structured learning, regional exchange, and replication across the country-level interventions. At pre-CN stage, no national or regional institution has yet been identified with the combined mandate, fiduciary capacity, technical expertise, and cross-country convening role required to execute these functions across both Malawi and Cameroon. During CN development, relevant national, regional, and technical institutions will be further assessed and integrated into the Regional Learning and Replication Platform to strengthen ownership and sustainability of the learning function. To prevent conflict of interest between UNIDO's role as Implementing Entity and its role as Executing Entity for Component 4, clear functional separation will be established between implementation oversight and execution responsibilities. Coordination between the two countries will be ensured through a Regional Project Steering Committee, two country-level PMUs, and a Regional Learning and Replication Platform. The Regional Project Steering Committee will include representatives of UNIDO, the national Executing Entities of Malawi and Cameroon, the country PMUs, relevant national technical institutions, and peri-urban local government structures from the targeted areas, including Zomba and Bafoussam. The Committee will provide strategic guidance, review annual workplans and progress reports, promote coherence between the two country workstreams, address implementation bottlenecks, and ensure that regional learning and replication activities remain aligned with national priorities and AF requirements. It will meet at least twice per year, with additional meetings convened as needed. Reporting lines will be structured as follows: the Adaptation Fund will provide resources to UNIDO as Implementing Entity, which will exercise overall fiduciary, safeguards, quality assurance, and results-based oversight. Each country PMU will report to its respective national Executing Entity for the day-to-day management and implementation of Components 1, 2, and 3. The national Executing Entities will report to UNIDO in its capacity as Implementing Entity on technical, financial, safeguards, and results-based implementation progress. For Component 4, the UNIDO execution team will report through separate Component 4 execution arrangements, while remaining subject to UNIDO's Implementing Entity oversight and review by the Regional Project Steering Committee. The Regional Learning and Replication Platform will connect the two PMUs, national Executing Entities, local government structures, technical institutions, MSME support organizations or associations, and selected adaptation solution providers for technical coordination, peer exchange, comparative monitoring, knowledge management, and replication support, but will not replace the formal reporting lines between the PMUs, Executing Entities, and UNIDO. An organizational chart illustrating the implementation arrangements is available here: [Implementation Arrangements Chart.docx](#).

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

A. Record of endorsement on behalf of the government³⁴ *Provide the name and position of the government official and indicate date of endorsement for each country participating in the proposed project/programme. Add more lines as necessary. The endorsement letters should be attached as annexes to the project/programme proposal.*

Ms. Tiyamika Kanthambi, Director, Debt and Aid Management Division, Ministry of Finance and Economic Planning and Decentralisation, Malawi	Date: 12 th Dec 2025
Mr. Theophile Herve ABA'A ATEBA, Head, Ministry of Environment, Nature Protection and Sustainable Development, Cameroon	Date: 25 th Nov 2025

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

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (.....list here.....) and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
Name & Signature Implementing Entity Coordinator	
Date: (Month, Day, Year)	Tel. and email:
Project Contact Person:	
Tel. And Email:	

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

REPUBLIQUE DU CAMEROUN

Paix – Travail – Patrie

MINISTRE DE L'ENVIRONNEMENT,
DE LA PROTECTION DE LA NATURE ET
DU DEVELOPPEMENT DURABLE

CABINET



REPUBLIC OF CAMEROON

Peace – Work – Fatherland

MINISTRY OF ENVIRONMENT,
PROTECTION OF NATURE AND
SUSTAINABLE DEVELOPMENT

CABINET

11-004

N° /L/MINEPDED/SG/DPDD/SDECO/PF-FA

25 NOV 2025

Yaounde, ...

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

Subject: Endorsement for “Fostering entrepreneurship for climate resilience in peri-urban communities of Cameroon and Malawi”

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

Accordingly, I am pleased to endorse the above project/programme proposal with support from the Adaptation Fund. If approved, the project/programme will be implemented by UNIDO and executed by UNIDO in collaboration with the Ministry of Environment, Protection of Nature and Sustainable Development.

M. Theophile Herve ABA'A ATEBA, B.Sc (Hons)

Industrial Chemistry and Environmental Engineer

Sub Director for Environmental Economy

Ministry of Environment, Protection of Nature and Sustainable Development

P.O Box 320, Yaounde, Cameroon

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MINISTRY OF FINANCE
ECONOMIC PLANNING
AND DECENTRALIZATION
P.O. BOX 30049,
CAPITAL CITY,
LILONGWE 3.

Ref. No. :FIN/DAD/5/2/2/1

12th December, 2025

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

Dear Sir/Madam,

**ENDORSEMENT FOR "FOSTERING ENTREPRENEURSHIP FOR CLIMATE
RESILIENCE IN PERI-URBAN COMMUNITIES OF CAMEROON AND
MALAWI"**

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

Accordingly, I am pleased to endorse the above project/programme proposal with support from the Adaptation Fund. If approved, the project/programme will be implemented by UNIDO and executed by UNIDO and the national or local executing entity identified at the concept note stage.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Tiyamika'.

Tiyamika Kanthambi

Director, Debt and Aid Management Division

Ministry of Finance, Economic Planning and Decentralization
Designated Authority
The Republic of Malawi



Project Formulation Grant (PFG)

Submission Date: 12 August 2026

Adaptation Fund Project ID: N/A

Country/ies: Malawi and Cameroon

Title of Project/Programme: Fostering entrepreneurship for climate resilience in peri-urban communities of Cameroon and Malawi

Type of IE (NIE/MIE): MIE

Implementing Entity: United Nations International Development Organization (UNIDO)

Executing Entity/ies: UNIDO

A. Project Preparation Timeframe

Start date of PFG	December 2026
Completion date of PFG	December 2027

B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Budget note
Activity 1.1 Analytical assessments, gender and social inclusion analysis, project scoping and stakeholder consultations with relevant national and local government structures, technical institutions, vulnerable peri-urban communities, small-scale producers, processors, and vendors, and adaptation solution providers, with particular emphasis on the meaningful participation of women and youth, in line with the AF Environmental and Social Policy and Gender Policy. Deliverables include: Preliminary preparatory activities are carried out to ensure project relevance to local needs, inclusivity and ownership. These include collection and review of baseline and contextual data; preliminary climate risk analysis; gender and social inclusion analysis; private sector and market opportunity scoping; stakeholder engagement to gather input and ensure alignment with local needs and priorities. Deliverables include: Gender analysis	Output 1. Analytical assessments report, including gender analysis, stakeholder mapping and consultation summaries, baseline and contextual analysis and preliminary climate risk assessment note, and private sector and market opportunity scoping note.	19,273	Budget note (USD 6,500) A consultant to conduct research and analytical work on climate risk and vulnerability assessment for Malawi and Cameroon, assessment of private sector and market potential for adaptation solutions, and preparation of analytical reports to inform the development and design of the Concept Note. Budget note (USD 10,000) Stakeholder analysis and consultations, including structured questionnaires, with relevant national and local government structures, technical institutions, vulnerable

- Stakeholder mapping and consultation summaries - Baseline and contextual analysis and preliminary climate risk assessment note - Private sector and market opportunity scoping note			peri-urban communities, small-scale producers, processors, and vendors, and adaptation solution providers, with particular emphasis on the meaningful participation of women and youth, in line with the AF Environmental and Social Policy and Gender Policy. These resources will support the preparation, translation where needed, dissemination, collection, and analysis of questionnaires, as well as facilitation and follow-up consultations required for CN development. Budget note (USD 2,773) A consultant to conduct the gender and social analysis.
Activity 2.1 Project Concept Note development and validation workshops: Develop detailed project note, including objectives, activities, timelines, and budgets to ensure alignment with AF mission and strategic plan and with country priorities, and to ensure that all aspects of the project are thoroughly planned and that all stakeholders are aligned and prepared for successful project execution.	Output 2: Fully developed concept note document and associated annexes in compliance with UNIDO and AF guidelines and policies.	8,000	Budget note (USD 4,000) Consolidation and finalization of the concept note. Budget note (USD 4,000) Two validation workshops (one per country) to validate the draft Concept Note, proposed target areas, project design, safeguards considerations, gender and social inclusion findings, and stakeholder consultation outcomes with relevant national and local stakeholders.
Total Project Formulation Grant		27,273	
Implementing Entity Fee		2,727	
Total Project Formulation Grant		30,000	

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. Eleonora Gatti E.GATTI@unido.org	
Telephone	+43 699 145 94 816	
E-mail	TO: g.onysko@unido.org CC: E.GATTI@unido.org ; C.MARIANELLI@unido.org ; C.LI2@unido.org ; gef@unido.org ; glo@unido.org ; f.haidara@unido.org	