



ADAPTATION FUND

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

PROPOSAL FOR NEPAL, PAKISTAN



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT
TECHNICAL REVIEW OF PROJECT PROPOSAL FOR
"ECOSYSTEM-BASED ADAPTATION IN RIVERINE ECOSYSTEMS FOR COMMUNITY
RESILIENCE IN NEPAL AND PAKISTAN "

Project Title Ecosystem-based adaptation in riverine ecosystems for community resilience in Nepal and Pakistan

Project ID AF00000587

Category Regular size project (over \$1 million)

Type Regional project

Stage Pre-concept

Country Regional (Nepal, Pakistan)

Implementing Entity UNIDO

Financing Requested USD 30,000,000.00

Reviewer Ahmad Ghosn

Co-reviewer(s)

IE Contact Person

Fatou Haidara, Ganna Onysko, Mark Grigoryan, Meryem Sghir, Natale Guarnaccia, Olga Gordiievska

Secretariat's Overall Comment

The project “Ecosystem-based adaptation in riverine ecosystems for community resilience in Nepal and Pakistan” aims to enhance the climate resilience of rural communities and riverine ecosystems in Nepal’s Terai and Pakistan’s Indus River Plains through ecosystem-based adaptation (EbA).

The proposal includes a request for a project formulation grant of USD 30,000.

The first technical review some issues, such as specifying the national entities (to be confirmed); reducing the document length; revising “Objectives”, to reflect overall objective as a standalone statement; revising components and areas of interventions discussions for brevity/ more focused; clarifying the added value, promotion of new/ innovative solutions, cost-effectiveness, consistency with applicable strategies and plans, consultative process, and sustainability aspects of the project; clarifying the execution costs of UNIDO; among others as indicated in Clarification Requests (CRs) and Corrective Action Request (CARs) raised in the review.

Country Eligibility

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

Response: Yes

Secretariat: Yes. Both Nepal and Pakistan 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: Yes. Nepal and Pakistan are both vulnerable to climate change effects, including melting glaciers, extreme monsoons and floods, and dangerous heatwaves etc. These effects imply adverse impacts on agriculture and food security among others.

Project Eligibility

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

Response: Yes

Secretariat: Yes. As per the Endorsement letters dated below:

Nepal: 04 May 2026

Pakistan: 28 July 2026

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: Yes. See Part I, p. 2. However, please address the issues noted below.

CR1: Spell out abbreviations when first used across the document.

CAR1: On p.1, specify the national executing entities. If not confirmed, indicate in brackets (to be confirmed).

CAR2: Please reduce the document length to 5 pages “excluding Part IV” and ensure that the document length stays within the limit after addressing the review comments.

Response: Not Cleared

IE: CR1:

Abbreviations have been spelled out at first use throughout the document.

CAR1:

The Executing Entities field on the cover page now lists UNIDO, IUCN, and the national executing entities in Nepal and Pakistan, the latter marked as to be confirmed. The national executing entities will be designated at the Concept Note stage in consultation with the Designated Authorities.

CAR2:

The document has been reduced to 5 pages excluding Part IV. Text was shortened across Part I, Part II, and Part III, and the paragraphs on the Concept Note stage and on alignment were absorbed into the new subheadings introduced under CAR3.

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

Response: Not Cleared

Secretariat: Yes. See Part I pp. 2-3 and Part II pp. 3-6. However, please revise component discussions to be briefer and to focus on how the components would support the realization of project outcomes/ objective, among other issues noted below.

CR2: Revise the first paragraph under “Objectives”, p. 2, to reflect the overall objective “The project’s overall objective is to enhance the climate resilience of rural communities and riverine ecosystems in Nepal’s Terai and Pakistan’s Indus River Plains through ecosystem-based adaptation (EbA)” as "standalone" overall objective statement, followed by the text explaining how to achieve it, and the specific objectives.

CR3: Please address the following to help reduce and maintain document length with AF limits (see CAR2 above).

1. Revise components discussion to be briefer and more concise on how the components outputs would support realizing the project outcomes/ objective.
2. Revise the areas of interventions discussions to be briefer and more focused.

Response: Not Cleared

IE: CR2:

The paragraph has been restructured so that the overall objective is stated on its own, followed by a separate paragraph explaining how it will be achieved, followed by the three specific objectives.

CR3:

- (1) The components discussion has been shortened, and each component now closes by stating how its outputs contribute to the corresponding outcome and to the overall objective.
- (2) The areas of intervention for Pakistan and Nepal have been shortened and focused on the climate hazards and vulnerabilities that justify the selection of the target districts and municipalities.

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: Not fully. See Part II, pp. 3-6. More details are needed as indicated below.

CAR3: In Part II, after the components and areas of interventions in both countries, please address under dedicated subheadings the following issues:

1. The added value of the regional approach.
2. The promotion of new and innovative solutions to climate change adaptation.
3. Cost-effectiveness
4. Consistency with applicable ational/ regional strategies and plans.
5. The consultative process with due consideration to vulnerable groups/ gender aspects, in compliance with AF ESP.
6. The sustainability aspects of project planned outcomes.

Response: Not Cleared

IE: CAR3:

Six subheadings - one for each area raised in the review comment - have been added in Part II, covering the

added value of the regional approach, new and innovative solutions, cost-effectiveness, consistency with national and regional strategies and plans, the consultative process with vulnerable groups, and gender aspects in line with the AF Environmental and Social Policy and sustainability.

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: To a large extent. See Part III, p. 6.

CR4: Please specify tasks to be executed by UNIDO and the national entities involved in the execution of the project. See CAR1 above.

Response: Not Cleared

IE: CR4:

Both the financing table and Part III now specify the specific outputs each EE will be in charge of. This may be subject to change during the Concept Note preparation phase.

Resource Availability

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

Response: Cleared

Secretariat: Yes.

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: Yes. Implementing fee (USD 2,727,273) is 10% of the project/programme. Same applies to the PFG. The execution costs (USD 1,272,727) are at 4.7%. However, some clarification on the calculation of the execution costs of the implementing entity (IE) is needed.

CAR4: Please clarify if the execution costs of the IE (UNIDO) are calculated as per AF requirements. Note: The IE execution cost should be limited to 1.5% of the part of the project/programme executed by the implementing entity.

Response: Not Cleared

IE: CAR4:

It is confirmed that the execution costs of UNIDO as the implementing entity acting also as an executing entity are limited to 1.5 percent of the portion of the project executed by UNIDO, as per AF requirements. The calculations have been reviewed for consistency and are corroborated by the use of the AF EE/IE Fee calculator sheet.

Eligibility of IE

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

Response: Cleared

Secretariat: Yes. UNIDO is accredited by the AFB.

Accreditation Expiration Date: 30 October 2027



ADAPTATION FUND

PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Ecosystem-based adaptation in riverine ecosystems for community resilience in Nepal and Pakistan

Countries: Nepal, Pakistan

Thematic Focal Area¹: Ecosystem-based Adaptation

Type of Implementing Entity: Multilateral Implementing Entity

Implementing Entity: United Nations Industrial Development Organization (UNIDO)

Executing Entities: National Executing Entities in Nepal and Pakistan (to be confirmed), International Union for Conservation of Nature (IUCN), 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: 7/30/2026

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

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

Project Background and Context:

The proposed project directly responds to the Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) of Nepal and Pakistan and proposes to target the Terai region in Nepal and the Indus River Plains in Pakistan. These ecosystems are low-lying alluvial landscapes sustained by river systems originating in the Himalayas. The Terai (Nepal) lies between 60 and 300 meters above sea level and is nourished by Koshi, Gandaki, and Karnali rivers, which carry Himalayan sediments downstream to create fertile floodplains and wetlands. The Indus Plains (Pakistan) slope from around 300 meters in the north to near sea level in the south, shaped by the Indus River and its tributaries (Jhelum, Chenab, Ravi, Beas, and Sutlej) that deposit rich alluvial soils. These low-elevation hill regions with temperate climates fed by the Himalayan glaciers created ecosystems of wetlands, grasslands, and riverine forests and provide habitats for migratory birds, freshwater species, and large mammals, many of which are endangered. The fertile soils in these ecosystems resulted in the expansion of farmland that sustains rural populations. Both regions are the agricultural heartlands of the countries - producing staple and cash crops such as rice, wheat, maize, sugarcane, pulses, oilseeds, and vegetables – that support national food security and local livelihoods. Traditional canals in Nepal's Terai region and the Indus Basin Irrigation Network in Pakistan further enhance productivity. Local communities with traditional knowledge of water and land management have coexisted alongside important ecological habitats in a mosaic of natural, semi-natural, and cultivated ecosystems. While there are Protected Areas, much of the land has been cultivated.

Both regions experience similar climate change problems. Climate hazards include frequent and increasingly severe floods during the monsoon season, which cause river overflow and inundation of farmland and settlements. The rivers show increasing variability due to glacial retreat and changing precipitation patterns. Rising temperatures and erratic rainfall create water stress for crops, livestock, and human populations. Glacial lake outburst floods (GLOFs) threaten both ecosystems and livelihoods. This combination of climate-dependent concentrated human settlements and natural capital assets makes both regions particularly exposed and sensitive to climate hazards. Local communities experience crop and livestock losses and are displaced during floods. They have low adaptive capacity with limited access to finance, technologies, and climate information. Ecosystem resilience is also reduced due to land-use change, declining wetland and forest cover, and habitat fragmentation. Against a backdrop of high exposure and sensitivity coinciding with low adaptive capacity, these regions are among the most vulnerable to the effects of climate change. According to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) (AR6), addressing climate risks in mountain areas requires targeting the root causes of vulnerability, which are often socioeconomic in origin and can include poverty, marginalization, and inequitable gender dynamics. Compared with alternative response pathways such as structural flood protection or post-disaster relief, which do not address these root causes and, in the case of hard infrastructure, involve high capital and maintenance costs while leaving ecosystem degradation unaddressed, an ecosystem-based adaptation (EbA) approach offers protective and livelihood benefits at lower lifecycle cost. This reasoning will be tested through an initial cost-effectiveness analysis at the Concept Note (CN) stage and fully developed at the full proposal stage.

Project Objectives:

The project's overall objective is to enhance the climate resilience of rural communities and riverine ecosystems in Nepal's Terai and Pakistan's Indus River Plains through ecosystem-based adaptation (EbA)

This will be achieved by promoting agricultural systems that value and conserve nature, including climate-smart land and water management, and by restoring and conserving wetlands and riverine forests while safeguarding human wellbeing and societal benefits. The project will target three **specific objectives**:

1. Strengthen resilience and adaptive capacity of climate-vulnerable households by improving livelihood security while maintaining or improving sustainable ecosystem management.
2. Restore and sustainably manage ecosystems to enhance natural capital for climate resilience and maintain ecosystem services that underpin local livelihoods.
3. Strengthen institutional, technical, and community capacities to implement, monitor, and scale ecosystem-based adaptation across the two countries and enable regional replication of successful models.

Project targets for each output will be quantified at CN stage using the Fund's core indicators (Adaptation Fund Board document AFB/B.44/11): number of beneficiaries, disaggregated by direct and indirect, gender, vulnerable group, and sector; number of households, including female-headed households; hectares of ecosystems and natural resources under protection, restoration, or improved management; and policies and strategies introduced or adjusted to address climate change.

Project/Programme Components and Financing:

Project/Programme Components and Financing				
Project/Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)
Component 1. Enhancing livelihood opportunities and adaptive capacities of vulnerable communities	1.1. Strengthened resilience and adaptive capacity of climate-vulnerable households by improving both livelihood security while maintaining or improving sustainable ecosystem management	1.1.1. Climate-resilient field schools (EE: UNIDO)	Nepal, Pakistan	3,000,000
		1.1.2. Climate-resilient technologies and value addition in agri-food value chains (EE: UNIDO)	Nepal, Pakistan	4,000,000
		1.1.3. Microfinance and climate risk insurance (EE: UNIDO)	Nepal, Pakistan	2,000,000
		1.1.4. Aggregation and market linkage centers (EE: UNIDO)	Nepal, Pakistan	1,600,000
Component 2. Ecosystem restoration and management	2.1. Restored and sustainably managed ecosystems to enhance natural capital for climate resilience to maintain ecosystem services that underpin local livelihoods	2.1.1. Restoration and rehabilitation of degraded wetlands and floodplain grasslands, riverine forests and riparian zones, and piloting of climate-resilient practices (EE: IUCN)	Nepal, Pakistan	5,000,000
		2.1.2 District-level ecosystem management plans (EE: IUCN)	Nepal, Pakistan	3,000,000
		2.1.3. Community-based ecosystem stewardship and capacity building (EE :IUCN)	Nepal, Pakistan	2,000,000
Component 3. Knowledge, capacity building, and cooperation	3.1. Strengthened institutional, technical, and community capacities to implement, monitor, and scale ecosystem-based adaptation across the two countries and enable regional replication of successful models	3.1.1. Integrated climate risk information services for floods, droughts, and heatwaves across the target districts (EE: UNIDO)	Nepal, Pakistan	3,000,000
		3.1.2. Biophysical similarity analysis and replication of EbA models (EE: National EEs (TBC))	Nepal, Pakistan	800,000
		3.1.3. South–South and binational knowledge exchange (EE: UNIDO)	Nepal, Pakistan	800,000
		3.1.4. Participatory monitoring, evaluation, and learning systems (EE: UNIDO)	Nepal, Pakistan	800,000
Project/Programme Execution cost				1,272,728
Total Project/Programme Cost				27,272,728
Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)				2,727,272
Amount of Financing Requested				30,000,000

Project Duration: 60 months

PART II: PROJECT/PROGRAMME JUSTIFICATION

The pre-concept design followed a step-wise approach to develop the logframe and ensure that interventions are evidence-based, participatory, and aligned with national and provincial adaptation priorities. Four sequential steps drew on national-level consultations and desk research: screening climate risks using a climate change adaptation problem tree in line with IPCC guidance on hazard, exposure, sensitivity, and vulnerability; ecosystem service mapping; identification of policy and institutional entry points; and co-design of adaptation solutions with governments, drawing on UNIDO and IUCN expertise. Building on steps 1 to 3, the indicative target districts in Pakistan and municipalities in Nepal are outlined below.

Pakistan: The project will indicatively target eleven districts across **Punjab and Khyber Pakhtunkhwa (KP)**. In southern Punjab, **Muzaffargarh**, Dera Ghazi Khan (DG Khan), **Rajanpur**, and **Rahim Yar Khan** lie along the Indus River corridor, where cotton, wheat, sugarcane, and mango systems are exposed to flash floods from hill torrents (Rod-Kohi systems), desertification, and groundwater depletion. **Jhang**, in central Punjab, is exposed to riverine floods and heatwaves affecting crops and livestock. In **KP**, **Dera Ismail Khan and Tank** share the agro-climatic conditions of southern Punjab, with pastoral and

dryland farming under pressure from rising temperatures, drought, and competition for canal water. **Charsadda, Nowshera, and Swabi**, in the **Peshawar Valley**, are prone to seasonal flooding from the Kabul River, where urbanization has degraded wetlands and riparian zones and reduced natural flood buffering. **Swat**, in northern **KP**, faces deforestation, landslides, and glacial retreat affecting mixed farming, horticulture, and ecotourism. Across these districts, smallholders have limited access to extension services and climate-resilient technologies, and women and marginalized groups are disproportionately affected.

Nepal: The project will indicatively target municipalities in the Terai and Inner Terai. **The Terai**, Nepal's agricultural heartland within the Chure-Terai ecological gradient, supports over half of the national population and faces erratic monsoon rainfall, prolonged droughts, flash floods, and rising temperatures. In **Khairahani and Madi**, in the Inner Terai, communities depend on rain-fed agriculture and forest resources and face sedimentation and erosion from upstream deforestation, which reduce water retention and soil fertility. Southern **Bharatpur and Gaidakot**, along the Narayani River, are losing wetlands and riparian zones to urban expansion, reducing flood buffering and groundwater recharge, and both lie within the Chitwan-Annapurna Landscape. **Nawalparasi** combines forested hills, floodplains, and farmland and is affected by riverbank erosion, flash floods, and drought. Women, Dalits, and indigenous Tharu communities are disproportionately affected by limited access to climate-resilient technologies and institutional support.

Component 1. links livelihood interventions to ecosystem health, so that higher productivity and diversified income reduce pressure on ecosystems while sustaining the services that underpin resilience. **Output 1.1.1** trains smallholders through climate field schools in practices that raise productivity under water stress, reduce soil erosion, and improve water retention and soil fertility, including soil moisture management, crop rotation, intercropping, salinity-tolerant varieties, conservation agriculture, and integrated pest management. **Output 1.1.2** introduces solar-powered irrigation, drip irrigation, post-harvest storage, and processing of high-value crops, reducing pressure on water resources and post-harvest loss while raising incomes. **Output 1.1.3** provides microcredit and index-based insurance so that households can invest in these technologies and absorb losses from droughts, floods, and pest outbreaks, with financial literacy outreach targeting women-headed households. **Output 1.1.4** establishes community aggregation hubs, with women holding at least 30 to 40 percent of management committee seats, that support collective marketing and market access and serve as knowledge-sharing nodes for the field schools. Together, these outputs deliver **Outcome 1.1** by strengthening household livelihood security while maintaining sustainable ecosystem management.

Component 2. **Output 2.1.1** restores degraded wetlands and floodplain grasslands through native species planting, hydrological restoration, and invasive species control, and restores riverine forests and riparian zones through native afforestation, soil stabilization, and buffer strips, buffering seasonal floods, recharging groundwater, reducing erosion, and improving habitat. It also pilots climate-resilient practices such as orchard-wheat intercropping, agroforestry, and contour farming that improve soil health and diversify income. **Output 2.1.2** develops district-level ecosystem management plans aligned with provincial strategies and disaster risk reduction frameworks, so that restoration is coordinated across wetlands, forests, floodplains, and farmland. **Output 2.1.3** establishes local ecosystem stewardship committees that lead restoration, monitor ecosystem health, and manage natural resources, working alongside the aggregation hubs under **Output 1.1.4**, with women's groups supported to lead nursery development, community reforestation, and sustainable harvesting under equitable benefit-sharing arrangements. Together, these outputs deliver **Outcome 2.1** by restoring natural capital and sustaining the ecosystem services on which local livelihoods depend.

Component 3. **Output 3.1.1** develops integrated climate risk information services for floods, droughts, and heatwaves, improving district-level early-warning dissemination through text message alerts, community radio, and local focal points, and establishing community early-warning committees that combine hydrological and meteorological data with local observation. **Output 3.1.2** uses geographic information systems (GIS) and socio-economic data to identify ecologically comparable areas and produces a national EbA replication atlas and knowledge briefs to guide provincial and federal planning and investment. **Output 3.1.3** supports South-South and binational exchange among community groups, researchers, and policymakers, including Centers of Excellence for EbA with national academic and research institutions, with women making up at least 40 percent of participants. **Output 3.1.4** establishes participatory monitoring and learning systems that track ecosystem and livelihood indicators, with annual learning forums at provincial and national levels and gender-disaggregated data for all outcome indicators. Together, these outputs deliver **Outcome 3.1** by building the institutional, technical, and community capacities needed to implement, monitor, and scale EbA and to enable regional replication.

Added value of the regional approach: Nepal's Terai and Pakistan's Indus River Plains share agro-ecological conditions and comparable climate risks, so measures tested in one country are relevant to the other. The project develops and validates EbA models jointly, identifies transferable models through biophysical similarity analysis (Output 3.1.2) and supports South-South exchange (Output 3.1.3), which isolated national interventions would not provide. **Promotion of new and innovative solutions:** The project's innovation lies in combining ecosystem restoration, agri-food value chain development, and climate risk finance in a single design, so that restored ecosystems, household income, and the capacity to absorb climate shocks reinforce each other rather than being pursued separately. Applying this combination simultaneously in two countries extends it beyond what a single-country intervention can achieve. **Cost-effectiveness:** EbA delivers flood buffering, groundwater recharge, and erosion control at lower lifecycle cost than the alternatives, namely structural flood protection, which carries high capital and maintenance costs and leaves ecosystem degradation unaddressed, and post-disaster relief, which does not reduce underlying vulnerability. It also generates livelihood benefits that hard infrastructure does not. Delivering both countries through one regional project shares the cost of climate risk assessment, tool development, and knowledge products. An initial cost-effectiveness analysis will be presented at the CN stage and fully developed at the full proposal stage. **Consistency with national and regional strategies and plans:** The project aligns with government policies on disaster risk reduction, agriculture, rural development, and climate change adaptation. **Pakistan:** NDC, NAP, National Climate Change Policy (2021), National Disaster Management Act (2010), Punjab Climate Change Policy (2021), Punjab Growth Strategy, KP Green Growth Strategy, National Financial Inclusion Strategy. **Nepal:** NDC, NAP, National Climate Change Policy (2019). **Consultative process, vulnerable groups, and gender:** The pre-concept was prepared in consultation with the Ministry of Forests and Environment in Nepal, including the national focal point for the United Nations Framework Convention on Climate Change (UNFCCC) and the IPCC, the Ministry of Climate Change and Environmental Coordination in Pakistan, and IUCN country offices in both countries. At the CN stage, field-level and virtual consultations will engage vulnerable groups, including women, Dalit and indigenous communities, and women-headed households, in line with the Fund's Environmental and Social Policy and Gender Policy, informing an initial gender analysis with targets for women's participation. The project adopts a gender-responsive approach across all components, recognizing women's role in agriculture and ecosystem stewardship. **Sustainability:** District ecosystem management plans (Output 2.1.2) embed restoration in existing provincial planning and disaster risk reduction frameworks rather than creating parallel structures, and stewardship committees (Output 2.1.3) retain responsibility for restored areas. Aggregation hubs and access to microcredit and insurance give households a financial reason to maintain practices, and Centers of Excellence (Output 3.1.3) anchor technical capacity in national institutions. Restoration relies on native species and hydrological function rather than on assets requiring recurrent capital expenditure.

PART III: IMPLEMENTATION ARRANGEMENTS

The project will be managed by the United Nations Industrial Development Organization (UNIDO) as the Multilateral Implementing Entity (MIE) and partial Executing Entity, in cooperation with the International Union for Conservation of Nature (IUCN) as Executing Entity and with national executing entities to be designated in Nepal and Pakistan. UNIDO will be accountable for overall project management, including project funds, oversight, reporting, and achievement of project objectives. Execution will follow the comparative advantages of the entities. UNIDO will execute Outputs 1.1.1, 1.1.2, 1.1.3, and 1.1.4 on climate-resilient technologies, post-harvest processing, access to finance and insurance, and aggregation and market linkage, and Outputs 3.1.1, 3.1.3 and 3.1.4 on information services, South-South exchange, Centers of Excellence, and participatory monitoring and learning, which feeds the results framework in both countries. The national executing entities will execute Output 3.1.2 on biophysical similarity analysis and the EbA replication atlas, following a common methodology across both countries. IUCN will execute Outputs 2.1.1, 2.1.2, and 2.1.3, covering ecosystem restoration, district ecosystem management plans, and community stewardship. This allocation is indicative and will be confirmed at the CN stage once the national executing entities are designated and their execution capacity is assessed. Coordination will use existing mechanisms at three levels: the Designated Authorities (DAs) at national level, ensuring alignment with the NDCs and NAPs and coordinating relevant national authorities; Climate Change Departments and Disaster Management Authorities at provincial level; and Agriculture, Forestry, and Irrigation Departments with ongoing field-level programmes at local level. The roles of all Executing Entities will be validated at the CN stage with the respective governments, including consultations with Nepal's accredited National Implementing Entity, the National Trust for Nature Conservation (NTNC), and with candidate national executing entities in Pakistan identified through the Ministry of Climate Change and Environmental Coordination.

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

- A. Record of endorsement on behalf of the government²** *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.*

Mr. Mr. Suman Subedi Under Secretary Ministry of Forests and Environment Singhadurbar, Kathmandu Nepal	Date: (Month, day, year)
Mr. Muhammad Ijaz Ghani Senior Joint Secretary Climate Change Ministry of Climate Change and Environmental Coordination, Government of Pakistan, Islamabad, Pakistan	Date: (Month, day, year)

- 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 of the Federal Democratic Republic of Nepal and the Islamic Republic of Pakistan, and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
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	
Date: (Month, Day, Year)	Tel. and email: Tel. and email: +43 1 26026 3647; G.ONYSKO@unido.org
Project Contact Person: Ms. Meryem Sghir	
Tel. And Email: +43 1 26026 3743; M.SGHIR@unido.org	

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.



Government of Nepal
Ministry of Forests and Environment



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

Ref. No. 393

Date: May 04, 2026

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

Subject: Endorsement for regional project pre-concept on "Ecosystem-based adaptation in riverine ecosystems for community resilience in Nepal and Pakistan"

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

Accordingly, I am pleased to endorse the above project pre concept note with support from the Adaptation Fund. If approved, the project will be implemented by United Nations Industrial Development Organization (UNIDO) and executed jointly by Ministry of Forests and Environment along with International Union for Conservation of Nature (IUCN) and UNIDO.

Sincerely,

Suman Subedi
Primary Contact Point, Adaptation Fund
Under Secretary, Adaptation Section
Ministry of Forests and Environment
Email: s_subedi2003@yahoo.com
suman.subedi@nepal.gov.np



D.O. No.F.1(35)/EBES/SOCC/2025
Government of Pakistan
Ministry of Climate Change & Environmental Coordination
(LG&RD Complex, 3rd Floor, Sector G-5/2, Islamabad)
(Ph: +92-51-9204796, Fax: +92-51-9204126)

Sr. Joint Secretary (CC&E)

Islamabad, the 28th July, 2026

To:

The Adaptation Fund Board Secretariat,
1818 H Street NW
MNS N7-700
Washington DC, 20433
United States of America
Email: secretariat@adaptation-fund.org

**SUBJECT: ENDORSEMENT FOR THE REGIONAL PROJECT PRECONCEPT NOTE
“ECOSYSTEM-BASED ADAPTATION IN RIVERINE ECOSYSTEMS FOR
COMMUNITY RESILIENCE IN NEPAL AND PAKISTAN”**

In my capacity as a primary focal point (with signing authority) for the Pakistan's Designated Entity to the Adaptation Fund, I confirm that the above regional project pre-concept is in accordance with the Government's national priorities in implementing adaptation activities to reduce and manage adverse impacts of climate change in Pakistan.

2. Accordingly, I am pleased to endorse the above pre-concept note with support from the Adaptation Fund. If approved, the project will be implemented by the United Nations Industrial Development Organization (UNIDO) and executed by the International Union for Conservation of Nature (IUCN), with UNIDO also acting as a partial executing entity.

With regards,


(Muhammad Ijaz Ghani)
Primary Contact Point AF

Copy to:

PS to Secretary, Ministry of Climate Change & Environmental Coordination, Islamabad.



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date: 09 September 2026

Adaptation Fund Project ID: XXX

Country/ies: Nepal and Pakistan

Title of Project/Programme: Ecosystem-based adaptation in riverine ecosystems for community resilience in Nepal and Pakistan

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

Implementing Entity: UNIDO

Executing Entity/ies: UNIDO

A. Project Preparation Timeframe

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

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note²
1. Preparation of a Concept Note: 1.1 To conduct a baseline assessment to verify the proposed interventions, indicators, targets and to identify the target project sites. 1.2. To carry out stakeholders' consultations at local and national level, specifically on selected project sites, with local communities and indigenous populations.	Output 1: Baseline assessment report Stakeholders' consultation report Concept Note Validation workshop report	27,273	Technical expertise: US 10,000 Local travel: US\$ 5,000 Stakeholders' workshops: US\$ 5,000 Validation workshop expenses: US\$ 3,000 Travel expenses: US\$ 4,273

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

² The proposal should include a detailed budget with budget notes indicating the break-down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

1.3. To prepare the Concept Note as per the requirements of the Adaptation Fund. 1.4. To organize validation workshops at the national level, specifically on selected project sites, with local communities and indigenous populations. There will be at least two workshops: one in Nepal and one in Pakistan			
IE fee (support costs)	IE admin and technical support for project development, monitoring and supervision Compliance assurance	2,727	
Total Project Formulation Grant		30,000	

Description of the required activity	Justification for the need and for the amount
To conduct a baseline assessment	The preliminary baseline assessment will be conducted so that the data and information is provided to support the interventions proposed and indicators/targets aimed at. The methodology will be based on a participatory approach, collecting primary data at the local, community level and secondary data.
To carry out initial stakeholders' consultations at local and national level:	Stakeholder consultation serves as a fundamental mechanism for collecting information, perspectives, and feedback from individuals involved in a project. This activity will serve to ensure further alignment of an engagement plan with the needs, expectations, and concerns of all relevant stakeholders. The stakeholders' consultations will target specifically selected project sites, involving local communities and indigenous populations;
To organize a validation workshop	This activity will involve in person pre-validation workshops at the level of the target communities and indigenous populations in order to ensure their buy in of the proposed project interventions. This will be conducted as pre-validation workshops. Also, validation workshops will be conducted virtually separately in Nepal and Pakistan so that each country has an opportunity to focus on the proposed project intervention and provide validation.

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: <u>09 September 2026</u>
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