



## ADAPTATION FUND

# CONCEPT NOTE FOR REGIONAL PROJECT

### PART I: PROJECT INFORMATION

**Title of Project:** MERCOSUR Regional Project for Climate Change Adaptation in Family Farming (RPCCAFF)

**Countries:** Bolivia, Brazil, Chile, Paraguay, and Uruguay

**Thematic Focal Area<sup>1</sup> :** Food security

**Type of Implementing Entity:** Regional Implementing Entity

**Implementing Entity:** Development Bank of Latin America and the Caribbean (CAF)

**Executing Entities:** Inter-American Institute for Cooperation on Agriculture (IICA)

**Amount of Financing Requested:** 30,000,000 (in US dollars equivalent)

**Project Formulation Grant Request:** Yes  No

**Amount of financing requested for PFG:** 121.000 (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 proposal has been submitted before, including at a different stage (pre-concept, concept)

This is the first submission ever of the proposal at any stage

In case of a resubmission, please indicate the last submission date: 1/5/2026

**Please note that the Concept note proposal document should not exceed 50 pages, including annexes.**

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

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>PART I: PROJECT INFORMATION .....</b>  | <b>1</b>  |
| <b>LIST OF TABLES .....</b>   | <b>4</b>  |
| <b>LISTS OF ACRONYMS/ABBREVIATIONS .....</b>  | <b>5</b>  |
| Project Background and Context: .....   | 7         |
| Initial Gender Assessment and Considerations for Project Design: .....  | 17        |
| Project Objectives: .....   | 18        |
| Theory of Change (ToC): .....   | 19        |
| Project Components and Financing: .....   | 20        |
| Projected Calendar: .....   | 21        |
| <b>PART II: Project JUSTIFICATION .....</b>   | <b>21</b> |
| A. Describe the Project components, particularly focusing on the concrete adaptation activities, how these activities would contribute to climate resilience, and how they would build added value through the regional approach, compared to implementing similar activities in each country individually. For the case of a Programme, show how the combination of individual projects would contribute to the overall increase in resilience. .... | 21        |
| B. Describe how the Project would promote new and innovative solutions to climate change adaptation, such as new approaches, technologies, and mechanisms. ....   | 28        |
| C. Describe how the Project would provide economic, social, and environmental benefits, with particular reference to the most vulnerable communities and vulnerable groups within communities, including gender considerations. Describe how the Project would avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund. ....  | 29        |
| D. Describe or provide an analysis of the cost-effectiveness of the proposed Project and explain how the regional approach would support cost-effectiveness. ....   | 32        |
| E. Describe how the Project is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist. If applicable, please refer to relevant regional plans and strategies where they exist. ....                 | 35        |
| F. Describe how the Project meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund. ....   | 37        |
| G. Describe if there is duplication of Project with other funding sources, if any. ....   | 39        |
| H. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned. ....   | 44        |
| I. Describe the consultative process, including the list of stakeholders consulted, undertaken during Project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund. ....   | 44        |
| J. Provide justification for funding requested, focusing on the full cost of adaptation reasoning. ....   | 47        |

|  |           |
|--|-----------|
| K. Describe how the sustainability of the Project outcomes has been taken into account when designing the Project. ....    | 48        |
| L. Provide an overview of the environmental and social impacts and risks identified as being relevant to the Project. .... | 51        |
| <b>PART III: Implementation arrangements .....</b>   | <b>52</b> |
| A. Demonstrate how the Project aligns with the Results Framework of the Adaptation Fund.....                               | 52        |
| <b>Part IV: Endorsement by governments and certification by the implementing entity.....</b>                               | <b>54</b> |
| A. Record of endorsement on behalf of the government .....   | 54        |
| B. Implementing Entity certification .....   | 54        |

## LIST OF TABLES

|   |           |
|---|-----------|
| Table 1: Comparative overview of climate and ecosystem characteristics by country. ....   | 14        |
| Table 2: Project components and financing.....  | 20        |
| Table 3: Projected calendar .....   | 21        |
| Table 4: Estimated direct beneficiary population by country and priority social group (rural women, youth, and indigenous/Afro-descendant populations).....   | 31        |
| Table 5: Alignment of the Project with national, regional, and international strategic documents. Own elaboration.....  | 35        |
| <i>Table 6: Relevant national legislation by country within the Project framework. Source: Ministries of Environment and national climate change entities of Bolivia, Brazil, Chile, Paraguay, and Uruguay. (2023). National regulatory compendium on environmental and climate change matters. Official legal documentation consulted online and through each country's plans and NDCs. ....</i> | <i>38</i> |
| Table 7: Projects/initiatives/programs related to the Project that are in Mercosur countries. Source: Green Climate Fund (GCF) and Global Environment Facility (GEF). ....  | 40        |
| Table 8: Record of meetings and inputs collected during the Project development process.....  | 45        |
| Table 9: Government institutions represented in country delegations.....  | 46        |
| Table 10: Preliminary environmental and social impacts and risks assessment in accordance with the Adaptation Fund Environmental and Social Policy and Gender Policy. ....  | 51        |
| Table 11: Alignment of Project Objectives and Outcomes with the Adaptation Fund Results Framework.....  | 53        |

## LISTS OF ACRONYMS/ABBREVIATIONS

| <b>Acronym</b> | <b>Definition</b>  |
|----------------|--|
| ACU            | Association of Settlers of Uruguay (Spanish acronym)   |
| AF             | Adaptation Fund  |
| AF ESP         | Adaptation Fund Environmental and Social Policy  |
| AMRU           | Association of Rural Women of Uruguay (Spanish acronym)  |
| CAF            | Development Bank of Latin America and the Caribbean (Spanish acronym)                                      |
| CCAF           | Regional Diagnosis on Climate Change and Family Farming (Spanish acronym)                                  |
| CN             | Concept Note   |
| CNFR           | National Commission for Rural Development of Uruguay (Spanish acronym)                                     |
| CIOEC          | Coordinator for the Integration of Peasant Economic Organizations (Spanish acronym)                        |
| CONTAG         | National Confederation of Agricultural Workers of Brazil (Portuguese acronym)                              |
| COPROFAM       | Confederation of Family Producers' Organizations of MERCOSUR (Spanish acronym)                             |
| CRAFT          | Catalytic Capital for the First Private Investment Fund in Adaptation Technologies in Developing Countries |
| DA             | Designated Authority   |
| DGEEC          | General Directorate of Statistics, Surveys and Censuses of Paraguay (Spanish acronym)                      |
| DGDR           | General Directorate of Rural Development of Uruguay (Spanish acronym)                                      |
| DGRN           | General Directorate of Natural Resources of Uruguay (Spanish acronym)                                      |
| ECLAC          | Economic Commission for Latin America and the Caribbean  |
| EIA            | Environmental Impact Assessment  |
| ESMS           | Environmental and Social Management System   |
| ESPM           | Environmental and Social Management Plan   |
| FAO            | Food and Agriculture Organization of the United Nations  |
| FOLUR          | Food Systems, Land Use and Restoration Program   |
| FPIC           | Free, Prior and Informed Consent   |
| FPIA           | Family, Peasant and Indigenous Agriculture   |
| GAP            | Gender Action Plan   |
| GDP            | Gross Domestic Product   |
| GEF            | Global Environment Facility  |
| GCF            | Green Climate Fund   |
| GHG            | Greenhouse Gas   |
| IBGE           | Brazilian Institute of Geography and Statistics (Portuguese acronym)                                       |
| IICA           | Inter-American Institute for Cooperation on Agriculture  |
| ILO            | International Labour Organization  |
| INDAP          | Institute for Agricultural Development of Chile (Spanish acronym)  |
| INE            | National Institute of Statistics (Bolivia, Chile, Uruguay; Spanish acronym)                                |
| IPL            | Inter-Union Association of Milk Producers of Uruguay (Spanish acronym)                                     |
| LDN            | Land Degradation Neutrality  |
| LOE            | Letters of Endorsement   |

|              |   |
|--------------|---|
| MAG          | Ministry of Agriculture and Livestock of Paraguay   |
| MEL          | Monitoring, Evaluation and Learning   |
| MGAP         | Ministry of Livestock, Agriculture and Fisheries of Uruguay (Spanish acronym)                         |
| MINAGRI      | Ministry of Agriculture of Chile (Spanish acronym)  |
| MUCECH       | Unitary Peasant and Ethnic Movement of Chile (Spanish acronym)  |
| NAP          | National Adaptation Plan  |
| NATC         | National Agroclimatic Technical Committees  |
| NBSAP        | National Biodiversity Strategy and Action Plan  |
| NDC          | Nationally Determined Contributions   |
| NPSFF        | National Program for Strengthening Family Farming   |
| ODEPA        | Office of Agricultural Studies and Policies of Chile (Spanish acronym)                                |
| ONAC         | National Peasant Organization of Paraguay (Spanish acronym)   |
| OPYPA        | Office of Agricultural Programming and Policy Analysis of Uruguay (Spanish acronym)                   |
| PCRP         | Planting Climate Resilience Project   |
| PDR          | Program Designated Regions  |
| PFG          | Project Formulation Grant   |
| PNMC         | National Policy on Climate Change   |
| PROCISUR     | Cooperative Program for the Technological Development of the Southern Cone (Spanish acronym)          |
| PROFONANPE   | National Fund for Natural Protected Areas of Peru (Spanish acronym)                                   |
| RACT         | Regional Agroclimatic Technical Committee   |
| REAF         | Specialized Meeting on Family Farming of MERCOSUR (Spanish acronym)                                   |
| RECEM-VALLES | Valleys Climate Resilience Initiative of Bolivia (Spanish acronym)                                    |
| RELASER      | Latin American Network for Knowledge Management and Advocacy on Family Farming and Climate Resilience |
| RIS          | Regional Information System   |
| RPCCAFF      | Regional Project for Climate Change Adaptation in Family Farming                                      |
| SGT-8        | MERCOSUR Subgroup No. 8 on Agriculture  |
| SMS          | Short Message Service   |
| ToC          | Theory of Change  |
| UAN          | National Agricultural Union of Paraguay (Spanish acronym)   |
| UNCCD        | United Nations Convention to Combat Desertification   |
| UNCBD / CBD  | Convention on Biological Diversity  |
| UNFCCC       | United Nations Framework Convention on Climate Change   |
| UPAF         | Family Farming Production Units   |
| USD          | United States Dollar  |
| USP          | Unidentified Sub-Projects   |
| WFP          | World Food Programme  |

## Project Background and Context:

### 1. Regional Climate Vulnerability and its Impact on Family, Peasant, and Indigenous Agriculture

1. South America faces growing vulnerability to climate change, characterized by alterations in rainfall patterns and an increase in the frequency and intensity of extreme events such as prolonged droughts, flash floods, heat waves, forest fires, intense frosts, and unseasonal hailstorms (Almeida et al., 2020; Hidalgo et al., 2019). These threats not only have severe environmental impacts, but also exacerbate social and economic inequalities, particularly affecting rural populations and family, peasant, and indigenous agriculture (FPIA) production systems, which are the basis of food sovereignty, territorial roots, and local resilience in the region.
2. In Bolivia, Brazil, Chile, Paraguay, and Uruguay, FPIA accounts for between 70 and 85% of productive units in the agricultural sector<sup>2</sup> and plays a strategic role in food production, food security, agricultural biodiversity management, soil care, ecosystem services in general, and the preservation of ancestral knowledge.<sup>3</sup> However, these territories have alarming levels of exposure to climate risk, particularly in areas such as the Bolivian highlands and valleys, the semi-arid northeast of Brazil, the high Andean macro-zones and the Pehuenche mountain range in Chile, the northeast of Paraguay, and the northeast region of Uruguay, where factors such as structural poverty, limited coverage of basic services, and high dependence on climate-sensitive natural resources converge.
3. The five countries in this Project face a series of climate threats that, while having national particularities, have a common basis in their impacts on FPIA. These threats compromise food security, rural livelihoods, and the sustainability of agricultural ecosystems. Below is a review of each country.

### 2. Climate Risks and Associated Socioeconomic Impacts

#### **Bolivia**

4. FPIA accounts for more than 89% of production units in Bolivia and is the cornerstone of the country's food sovereignty<sup>4</sup>. Ninety-four percent of agricultural exports come from farms smaller than 20 hectares, and 71% are dedicated to subsistence farming<sup>5</sup>. These family units produce most of the fresh food that supplies local markets, especially Andean crops such as potatoes, quinoa, and vegetables, as well as camelids and sheep. The FPIA sector has a strong indigenous base, both Aymara and Quechua, which maintains traditional production systems such as sukakollos, qochas, and terraced systems, with deep agroecological knowledge<sup>6</sup>.
5. FPIA operates in structurally vulnerable conditions, with 63% of the rural population living in poverty and 35% in extreme poverty<sup>7</sup>. Many rural and indigenous communities are located in regions that are difficult to access, with limited coverage of basic services, technical assistance, and climate finance. FPIA is mainly located in the high Andean macro-regions and inter-Andean valleys of the country, in fragile ecosystems such as the semi-humid puna and the inter-Andean dry forest. These territories perform strategic water

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<sup>2</sup> Hidalgo, M. S., Díaz, N., Icaza, M. C., Etchegaray, M. J., & Rey, R. (2019). *Innovations for the adaptation of family farming to climate change in Latin America and the Caribbean: Success stories*. Inter-American Development Bank (IDB).

<sup>3</sup> Cartagena, P. (2024). Bolivia Consultancy Report. Climate Action Consultancy - REAF

<sup>4</sup> FAO. (n.d.). Knowledge platform on family farming – Bolivia. Retrieved from <https://www.fao.org/family-farming/countries/bol/es/>

<sup>5</sup> INE. (2023). Household Survey 2022 – Poverty and inequality. La Paz: National Institute of Statistics.

<sup>6</sup> Cartagena, G. (2024). *Peasant production and climate resilience in the Andes*. La Paz: CIDES-UMSA.

<sup>7</sup> INE. (2023). Household Survey 2022 – Poverty and inequality. La Paz: National Institute of Statistics.

regulation functions but are increasingly affected by soil degradation, loss of vegetation cover, and desertification, processes aggravated by climate change<sup>8</sup>.

6. In recent years, the impacts of climate change have intensified threats to FPIA. For example, in 2024, a prolonged drought affected approximately 491,505 families in nine departments of the country, affecting more than 4,330 communities and leading to the declaration of a departmental disaster in Beni, Pando, and Santa Cruz<sup>9</sup>. In that same year, in Santa Cruz alone, 800,000 tons of grain were lost, with an estimated value of US\$300 million<sup>10</sup>. Between 2000 and 2022, extreme weather events caused cumulative economic losses of more than US\$2.054 billion in the country<sup>11</sup>. In the first five months of 2025, frost affected 373,029 families in 149 municipalities, triggering red alerts in six departments and causing extensive damage to agricultural production<sup>12</sup>. Regions such as Chuquisaca, Potosí, Oruro, Tarija, La Paz, and Cochabamba are among those most exposed to these climate risks.
7. FPIA in Bolivia has a strong demographic and gender dimension. Women represent approximately 38–40% of the agricultural labor force and play a central role in food production, seed management, and household food security, particularly in indigenous Andean and inter-Andean territories<sup>13</sup>. Despite this contribution, persistent gender gaps remain: only about 20–25% of agricultural production units are titled in women's names, and women farmers have more limited access to land, credit, technical assistance, and climate-resilient technologies compared to men<sup>14</sup>. At the same time, rural youth outmigration is contributing to the ageing of the agricultural population, increasing the productive and care burden on women and older adults and weakening generational renewal in FPIA systems<sup>15</sup>. These demographic dynamics reinforce the need for gender- and youth-responsive project interventions to strengthen equitable access to productive resources and enhance the resilience of family farming systems.

### **Brazil**

8. Family farming in Brazil accounts for a significant portion of food production: for example, 87% of cassava production; 70% of beans; 46% of corn; 38% of coffee; 34% of rice; 58% of milk; 59% of pigs; and 50% of rural poultry<sup>16</sup>. The country has more than 4 million rural families, many of them located in regions with high climate vulnerability, such as the semi-arid northeast and the Amazon<sup>17</sup>. From a demographic and gender perspective, family farming represents approximately 77% of all agricultural establishments in the country and employs around 67% of the rural labor force<sup>18</sup>. FPIA in Brazil is composed of 3,089,512 family units (5,230,000 family farmers)<sup>19</sup>, with a significant proportion of indigenous peoples, quilombolas (Afro-descendant communities), rural women, and youth, with women

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<sup>8</sup> Cartagena, G. (2024). Peasant production and climate resilience in the Andes. La Paz: CIDES-UMSA.

<sup>9</sup> <https://boliviaprensa.com/municipios/10703-2024-en-bolivia-sequia-afecto-a-491-505-familias>

<sup>10</sup> [https://eldeber.com.bo/economia/sequia-historica-en-el-agro-causa-perdidas-por-us-300-millones-y-productores-piden-reprogramacion-de\\_362572](https://eldeber.com.bo/economia/sequia-historica-en-el-agro-causa-perdidas-por-us-300-millones-y-productores-piden-reprogramacion-de_362572)

<sup>11</sup> <https://correodelsur.com/sociedad/20240527/bolivia-perdio-us-2-054-millones-en-dos-decadas.html>

<sup>12</sup> <https://www.instantaneas.tic.bo/2025/05/30/sociedad/heladas-afectan-seis-departamentos-cultivos-bolivia>

<sup>13</sup> FAO. (n.d.). *Family farming country profile: Bolivia*. Food and Agriculture Organization of the United Nations. <https://www.fao.org/family-farming/countries/bol/en>

<sup>14</sup> FAO & Inter-American Development Bank (IDB). (2023). *Rural women and climate change in Latin America and the Caribbean*. FAO–IDB.

<sup>15</sup> World Bank. (2022). *Bolivia gender and rural development overview*. World Bank Group.

<sup>16</sup> FAO. (n.d.). *Brazil – Knowledge platform on family farming*. Retrieved from <https://www.fao.org/family-farming/countries/bra/es/>

<sup>17</sup> FAO. (n.d.). *Brazil – Knowledge platform on family farming*. Retrieved from <https://www.fao.org/family-farming/countries/bra/es/>

<sup>18</sup> IBGE. (2019). Censo Agropecuario 2017: Resultados definitivos. Instituto Brasileiro de Geografia e Estatística.

<sup>19</sup> Sganga, F. y Cabrera Lamanna, C. (2025). Registros de la agricultura familiar en Uruguay y los países del Mercosur. Agrociencia Uruguay.

accounting for around 30% of family farm holders and more than 40% of the labor force within family farming units<sup>20</sup>. Despite their central economic role, fewer than 25% of rural land titles are registered in women's names and women receive less than 20% of rural credit resources, reflecting persistent gender-based barriers to access to productive assets, financial inclusion, and rural extension services, particularly in indigenous and quilombola territories<sup>21</sup>. In parallel, young people under the age of 35 represent less than 20% of family farm managers, indicating significant rural youth outmigration and limited generational renewal, especially in climate-vulnerable regions<sup>22</sup>. Although programs such as NPSFF (National Program for Strengthening Family Farming) exist, significant gaps in coverage remain, especially in remote or racialized communities<sup>23</sup>.

9. Rising temperatures and more intense droughts in Brazil are exacerbating climate risks, especially in rural areas dependent on FPIA. The main threats include prolonged droughts, heat waves, frosts, heavy rains, floods, and landslides, affecting both rural and urban areas. The semi-arid territory of the northeast, covering 133 million hectares and 1,477 municipalities, has been prioritized due to its high vulnerability. In this region, growing water scarcity exacerbates rural poverty, while recurrent droughts in the Caatinga biome have degraded biodiversity and destabilized agroforestry systems<sup>24</sup>. In March 2025, more than 2,000 municipalities reported that at least 40% of their agricultural production areas were affected by drought, with serious impacts in São Paulo, Minas Gerais, Bahia, and Piauí<sup>25</sup>. Between 2020 and 2023, extreme weather events caused economic losses of 46 billion reais (US\$8,243,434,600), with the agricultural sector being the most affected, with 24 billion in damages (US\$4,301,846,400)<sup>26</sup>. In addition, between 2013 and 2022, cumulative losses from droughts and floods in the agricultural sector reached 287 billion reais (US\$51,430,926,645), mainly in Rio Grande do Sul, Paraná, and Minas Gerais<sup>27</sup>.

### **Chile**

10. FPIA in Chile represents around 80% of the country's agricultural establishments and accounts for more than 50% of national horticultural production<sup>28</sup>. This sector is fundamental for local food security, the preservation of agroecological practices, and the maintenance of rural life in disadvantaged areas.<sup>29</sup> Through entities such as INDAP, the State formally recognizes more than 260,000 family farmers, a significant proportion of whom are rural women, indigenous peoples, and peasant communities living in mountainous areas, inland drylands, and intermediate valleys. Family farming provides livelihoods for approximately 65% of the rural population and constitutes the main source of income for small-scale agricultural households<sup>30</sup>. From a social perspective, Chilean FPIA operates in contexts of severe territorial inequality<sup>31</sup>. Women represent around 30% of family farm holders and more than 40% of the agricultural workforce within FPIA, playing a central role in food

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<sup>20</sup> FAO. (2021). *The status of women in agrifood systems*. Food and Agriculture Organization of the United Nations.

<sup>21</sup> FAO & IFAD. (2023). *Gender and rural livelihoods in Latin America and the Caribbean*. Food and Agriculture Organization of the United Nations / International Fund for Agricultural Development.

<sup>22</sup> World Bank. (2022). *Brazil: Rural youth and agricultural transformation*. World Bank Group.

<sup>23</sup> GRAIN. (2021). *Family farming in Brazil and current threats*. São Paulo: GRAIN Latin America.

<sup>24</sup> National Plan on Climate Change, 2008

<sup>25</sup> <https://www.gov.br/cemaden/pt-br/assuntos/monitoramento/monitoramento-de-seca-para-o-brasil/monitoramento-de-secas-e-impactos-no-brasil-2013-marco-2025>

<sup>26</sup> <https://cbn.globo.com/meio-ambiente/noticia/2025/01/31/eventos-climaticos-extremos-causam-prejuizo-de-r-46-bilhoes-no-brasil-aponta-estudo-da-fiemg.ghtml>

<sup>27</sup> <https://www.ruraltecv.com.br/brasil-perdeu-bilhoes-producao-agropecuaria-seca-chuva/>

<sup>28</sup> ODEPA. (2023). *Overview of Family Farming in Chile*. Santiago: Office of Agricultural Studies and Policies.

<sup>29</sup> FAO. (2021). *Rural Women in Chile: Towards an Inclusive and Gender-Responsive Agenda*. Santiago: FAO Chile.

<sup>30</sup> INE. (2021). *Estadísticas de población rural y empleo agrícola*. Instituto Nacional de Estadísticas de Chile.

<sup>31</sup> FAO. (2021). *Rural Women in Chile: Towards an Inclusive and Gender-Responsive Agenda*. Santiago: FAO Chile.

production, on-farm diversification, and household food security<sup>32</sup>. The regions with the highest concentration of FPIA—such as La Araucanía, Maule, Biobío, and Los Lagos—coincide with high rates of rural poverty, limited access to irrigation water, poor connectivity, and limited coverage of extension services or agricultural credit. Rural women, face structural barriers that restrict their access to land, technologies, and development programs. Fewer than 20% of agricultural land titles are held by women, and their access to irrigation infrastructure, agricultural credit, and technical assistance remains significantly lower than that of men, particularly in indigenous and remote rural territories<sup>33</sup>

11. Furthermore, climate threats in Chile have intensified, increasingly affecting FPIA, especially in the high Andean and Pehuenche mountain regions, which cover more than 6 million hectares. In these regions, rural communities face prolonged droughts, intense frosts, and extreme snowfall, which affect subsistence crops, traditional livestock systems, and water availability. These impacts are exacerbated by the fragility of high-altitude ecosystems, geographical isolation, low levels of technification, and gaps in access to services, especially for rural women who face additional structural barriers<sup>34</sup>. Since 2010, the country has been experiencing an unprecedented mega-drought, with a cumulative rainfall deficit of between 20% and 45% depending on the area, severely affecting the regions of Coquimbo, Valparaíso, Metropolitana, and O'Higgins<sup>35</sup>. Projections from the Chilean Climate Risk Atlas (*ARClim*) indicate that more than 100 municipalities, mainly in the north and center of the country, will face average maximum temperatures above 22°C under future climate change scenarios, which will increase heat stress on crops and people, especially in semi-arid environments<sup>36</sup>. In terms of recent impacts, in 2023 more than 431,000 hectares were burned by forest fires in Biobío, Maule, and La Araucanía, representing a 244% increase over the previous season<sup>37</sup>. In addition, the floods of winter 2023 affected 274,000 hectares of agricultural land and caused estimated losses of more than US\$1 billion, prompting the declaration of a state of emergency in 117 municipalities in the regions of O'Higgins, Maule, Ñuble, and Biobío<sup>38</sup>.

### **Paraguay**

12. In Paraguay, FPIA (454,067 family farmers<sup>39</sup>) represents the core of the rural productive structure, accounting for more than 90% of the country's agricultural holdings<sup>40</sup>. This sector is responsible for a significant part of the national production of basic foods such as cassava, beans, sesame, corn, and cotton, and plays a key role in supplying the domestic market, rural employment, and territorial cohesion<sup>41</sup>. Family farming provides livelihoods for approximately 40% of the rural population and constitutes the main source of employment in smallholder territories<sup>42</sup>. From a social perspective, FPIA operates in a context of high

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<sup>32</sup> FAO. (2021). *The status of women in agrifood systems*. Food and Agriculture Organization of the United Nations.

<sup>33</sup> FAO & ECLAC. (2022). *Rural women, agriculture and climate change in Chile*. Food and Agriculture Organization of the United Nations / Economic Commission for Latin America and the Caribbean.

<sup>34</sup> <https://openknowledge.fao.org/items/bfd48ea4-3bd5-4f76-b670-a0295dd1e471>

<sup>35</sup> <https://www.cr2.cl/megasequia>

<sup>36</sup> [https://arclim.mma.gob.cl/features/explorador\\_amenazas\\_v2/](https://arclim.mma.gob.cl/features/explorador_amenazas_v2/)

<sup>37</sup> <https://www.gob.cl/noticias/balance-temporada-de-incendios-2022-2023-431-mil-hectareas-afectadas-y-2369-brigadistas-movilizados/>

<sup>38</sup> <https://www.indap.gob.cl/noticias/minagri-estima-274-mil-hectareas-afectadas-y-904-mil-millones-en-perdidas-por-el-ultimo>

<sup>39</sup> Sganga, F. y Cabrera Lamanna, C. (2025). Registros de la agricultura familiar en Uruguay y los países del Mercosur. Agrociencia Ministry of Livestock, Agriculture and Fisheries (MGAP). (2024). National Family Farming Plan 2024–2028. Government of Uruguay.

<sup>40</sup> FAO. (2023). *Family Farming Knowledge Platform – Paraguay*. Retrieved from <https://www.fao.org/family-farming/countries/pry/es/>

<sup>41</sup> Reimer, J. & Klasen, S. (2022). *Inequality and agriculture in Paraguay: a household-level perspective*. *Journal of Rural Studies*, 95, 35–48.

<sup>42</sup> MAG. (2021). *Caracterización de la Agricultura Familiar Campesina en Paraguay*. Ministerio de Agricultura y Ganadería.

rural poverty, with rates exceeding 34% in areas such as San Pedro and Concepción<sup>43</sup>. These regions are characterized by limited access to basic services, poor water infrastructure, low technical assistance coverage, and a market dominated by mechanized agribusiness. According to the 2022 National Agricultural Census, women account for about 37% of agricultural producers in Paraguay, with their participation increasing by more than 75% compared to the 2008 Census; however, gaps in access to credit persist, with only 22% of women producers having received financing compared to 74.6% of men<sup>44</sup>. Unequal land tenure remains a structural challenge: 1.6% of landowners control 80% of agricultural land<sup>45</sup>.

13. In addition, the country faces growing climate threats that directly affect its agricultural systems, with differentiated impacts at the territorial level. In the departments prioritized in this proposal, San Pedro (20,002 km<sup>2</sup>) and Concepción (18,051 km<sup>2</sup>), the frequency of extreme events such as torrential rains, floods, and heat waves has intensified, disrupting agricultural calendars, eroding soils, impoverishing pastures, and seriously compromising livestock production and the resilience of rural communities<sup>46</sup>. According to the climate analysis of the World Bank's ThinkHazard tool<sup>47</sup>, Paraguay has a high level of threat from both forest fires and extreme heat, posing severe risks to project planning and rural livelihoods. Although overall water scarcity is low, the country could face localized increases in water stress due to global warming<sup>48</sup>. At the economic level, it is estimated that climate change could generate cumulative losses of up to US\$110 billion in the high-emission scenario for the Americas between 2020 and 2100, with the agricultural sector being the most affected. In particular, family farming -the livelihood of thousands of rural households- would suffer losses in absolute terms of more than \$11 billion by 2100 in this scenario, exacerbating the vulnerability of communities that depend on crops such as sesame, beans, cotton, and cassava.<sup>49</sup>

### **Uruguay**

14. FPIA in Uruguay plays a key role in the national productive structure, generating approximately 15% of the gross agricultural value and representing 29% of employment in the rural sector<sup>50</sup>. This sector produces a significant portion of the country's horticulture (80%) and actively participates in the fruit, dairy, cattle, and poultry value chains, making it an essential component of the country's food security<sup>51</sup>. From a social perspective, family farms are mainly concentrated in the northeast (livestock) and south (horticulture and fruticulture) of the country, in areas with historical gaps in access to finance, technical assistance, and differentiated markets. Although the Uruguayan government has developed an active policy to support family farming—through the General Directorate of Rural Development and the registry of family farmers—structural inequalities related to production scale, land tenure, and exposure to climate risks persist. 27,642 people living in the farms, across over 15,853 registered family farm units, highlighting its socio-economic footprint in

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<sup>43</sup> DGEEC. (2022). *Permanent Household Survey 2021*. General Directorate of Statistics, Surveys and Censuses – Paraguay.

<sup>44</sup> Mujer.gov.py. (2023). *Más de 407,000 mujeres rurales forman parte de la fuerza de trabajo de Paraguay*. <https://mujer.gov.py/mas-de-407-000-mujeres-rurales-forman-parte-de-la-fuerza-de-trabajo-de-paraguay/>

<sup>45</sup> GRAIN. (2021). *The agribusiness model and land grabbing in Paraguay*. Asunción: GRAIN Latin America.

<sup>46</sup> DNCC - MADES. (2023). *Roadmap for Adaptation to 2030*.

<sup>47</sup> <https://thinkhazard.org/en/report/194-paraguay/DG>

<sup>48</sup> World Bank & GFDRR (2024). *ThinkHazard! Paraguay – Wildfire, Extreme Heat & Water Scarcity*.

<https://thinkhazard.org/en/report/186-paraguay>

<sup>49</sup> ECLAC (2014). *The economics of climate change in Paraguay*. <https://repositorio.cepal.org/handle/11362/37101>

<sup>50</sup> MGAP. (2023). *Atlas of Agricultural Risks in Uruguay*. Montevideo: Ministry of Livestock, Agriculture, and Fisheries.

<sup>51</sup> FAO. (2024). *Overview of Family Farming – Uruguay*. Retrieved from <https://www.fao.org/family-farming/countries/ur/es/>

rural areas<sup>52</sup>. In the rural population overall, women constitute about 43.8% of residents and around one-third of those living on agricultural holdings, indicating both their presence in and barriers to continued participation in rural production systems<sup>53</sup>. Although women in Uruguay have relatively high ownership of small farms compared to some regional contexts (about 42% of family farming properties include female participation in ownership or management), gender gaps remain in access to credit, extension services, and technology adoption, particularly in more remote family farming territories<sup>54</sup>.

15. Uruguay also faces growing climate threats that severely impact its agricultural sector, particularly family farming<sup>55</sup>. Prolonged droughts, flash floods, and heat waves have intensified in frequency and severity, affecting the country's productivity and food security<sup>56</sup>. For example, between October 2022 and April 2023, Uruguay experienced a historic drought, with rainfall 47% below average, leading to a 25% reduction in agricultural production and economic losses exceeding US\$1 billion<sup>57</sup>. This situation led to the declaration of an agricultural emergency and then a water emergency that affected 60% of the population in the Montevideo metropolitan area<sup>58</sup>.
16. The territory prioritized for climate action is part of the Pampa biome and is located in the northeast, covering the departments of Rivera, Cerro Largo, and specific areas of Treinta y Tres, Salto, and Tacuarembó, with an area of 2.5 million hectares. Besides more frequent droughts, this region has experienced progressive losses of vegetation cover, decreased grassland productivity, and impacts on aquifer recharge, leading to maladaptation and to recurring declarations of agricultural emergencies. These departments account for between US\$20 million and US\$40 million in exposed crops and livestock per year, making them critical areas for the implementation of climate risk adaptation and management measures<sup>59</sup>. Uruguayan FPIA faces recurrent droughts, loss of organic matter in soils, degradation and loss of biodiversity in the natural grassland cover, and low adoption of livestock practices that reduce climate vulnerability, although it does have institutional strategies in place (Parrilla, 2024).

### **Common climate challenges and regional rationale**

17. It should be noted that the threats mentioned above are not exclusive to the countries mentioned in each case. All the countries included in this Project experience, with varying intensity and frequency, the effects of prolonged droughts, heavy rains, heat waves, late frosts, forest fires, and rising temperatures.
18. These extreme weather conditions create a very negative and uncertain scenario for small producers, increase production costs, and exacerbate the structural vulnerability of regions where access to climate insurance, technologies that contribute to adaptation, and techniques that reduce vulnerability is limited. These threats transcend administrative boundaries and affect shared ecological regions, such as the Pampa biome (the grassland

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<sup>52</sup> Sganga, F. y Cabrera Lamanna, C. (2025). Registros de la agricultura familiar en Uruguay y los países del Mercosur. Agrociencia Uruguay.

<sup>53</sup> University of the Republic – Faculty of Agronomy. (2024). *Rural women in Uruguayan agriculture*. Montevideo, Uruguay.

<sup>54</sup> SciELO. (2024). *Agroecological family farming in Uruguay: Women's participation in farm ownership*. Agrociencia Uruguay.

<sup>55</sup> MGAP. (2024). *Uruguay presented an action plan to promote family farming*. Presidency of the Eastern Republic of Uruguay.

<https://www.gub.uy/presidencia/comunicacion/noticias/uruguay-presento-plan-accion-para-impulsar-agricultura-familiar>

<sup>56</sup> MGAP. (2023). *OPYPA Yearbook 2023. Study on the agricultural impacts of the 2022–2023 drought*. Ministry of Livestock, Agriculture, and Fisheries. <https://descargas.mgap.gub.uy/OPYPA/Anuarios/Anuarioopypa2023/estudios/1/e1web/1EIImpactos.pdf>

<sup>57</sup> MGAP. (2023). *OPYPA Yearbook 2023. Study on the agricultural impacts of the 2022–2023 drought*. Ministry of Livestock, Agriculture, and Fisheries. <https://descargas.mgap.gub.uy/OPYPA/Anuarios/Anuarioopypa2023/estudios/1/e1web/1EIImpactos.pdf>

<sup>58</sup> Ministry of Livestock, Agriculture and Fisheries (MGAP). (2024). *National Family Farming Plan 2024–2028*. <https://descargas.mgap.gub.uy/Documentos%20compartidos/PNAF%20Uruguay%20FINAL.pdf>

<sup>59</sup> Ministry of Livestock, Agriculture, and Fisheries (MGAP). (2024). *National Family Farming Plan 2024–2028*. <https://descargas.mgap.gub.uy/Documentos%20compartidos/PNAF%20Uruguay%20FINAL.pdf>

ecosystems shared by Uruguay, southern Brazil, and part of Argentina), the Caatinga, dry forests, and the high Andean areas.

19. This convergence of impacts justifies the need for a coordinated regional response that transcends the national scale and promotes joint and synergistic solutions that are also culturally relevant, i.e., that recognize and value the traditional knowledge, worldviews, languages, and ways of life of indigenous peoples and rural communities, ensuring that adaptation actions are appropriate, inclusive, and sustainable in each local context. In this regard, a cross-border approach will make it possible to:
- Strengthen shared institutional capacities.
  - Scale up good adaptation practices.
  - Establish regional monitoring, evaluation, and learning (MEL) mechanisms for adaptation appropriate to FPIA.
  - Establish common methodologies for estimating losses and damages associated with climate events (economic and non-economic) in FPIA.
  - Promote synergies and regional platforms for the exchange and generation of technical knowledge, experiences, and lessons learned in the design and implementation of better adaptation policies and measures in FPIA.
  - Strengthen links between technology generation and development institutions (research and development) to facilitate innovation.
  - Strengthen and empower FPIA organizations.
20. In addition, regional intervention will optimize technical and financial resources, promote coherent regulatory frameworks, and foster the coordination of quality public policies focused on climate adaptation with territorial justice and a rights-based approach.
21. For FPIA, the REAF (Specialized Meeting on Family Farming of MERCOSUR) has established itself as a reference point that structures opportunities for dialogue between states and civil society for the development of public policies aimed at family farming in MERCOSUR. Family farming represents approximately 80–85% of agricultural holdings in the region and generates around 60% of rural employment, contributing between 30–40% of the value of food production for domestic markets<sup>60</sup>. In this context, climate-related losses can reach 10–30% of annual production value for family farming systems<sup>61</sup>. In 2009, the REAF defined guidelines for public policies on risk management and for addressing the climate challenges of FPIA in member countries<sup>62</sup>. Climate-related extreme events generate estimated production losses of 10–30% of annual output value in family farming systems<sup>63</sup>. The REAF has emphasized the urgency of integrating a climate perspective into regional policies to support FPIA, recognizing its role as a strategic actor in the face of climate change<sup>64</sup>. By promoting coordinated adaptation policies, this Project is expected to contribute to a 15–25% reduction in climate-related production losses, supporting income stability, food security, and reduced public expenditure on post-disaster response<sup>65</sup>. This Project responds to this vision, aligning itself with regional mandates and national strategies and proposing a transformative adaptation model based on cooperation between countries, family farming organizations, and state institutions.

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<sup>60</sup> FAO. (2014). *The State of Food and Agriculture: Innovation in family farming*

<sup>61</sup> FAO. (2018). *Family farming knowledge platform: Family farming in Latin America and the Caribbean*.

<sup>62</sup> MERCOSUR/CMC/Res. 03/09: Public policy guidelines on risk management for AFCI.

<sup>63</sup> FAO. (2019). *Managing climate risks in agriculture – The role of adaptation*

<sup>64</sup> Jones, A. et al. (2024). Regional Diagnosis on Climate Change and Family Farming.

<sup>65</sup> World Bank. (2017). *Climate-smart agriculture: Investment case*. Washington, DC: World Bank.

22. The Technical Secretariat of the REAF plays a fundamental role in promoting this regional proposal, acting as a driving force for coordination between governments, social organizations, and international agencies. Its ability to lead working groups, systematize regional experiences, build consensus, and translate grassroots demands into concrete proposals has been key to positioning FPIA climate adaptation as a political priority in MERCOSUR<sup>66</sup>. This coordination function enables the scaling-up of adaptation-oriented public policies that reach millions of family farming units across the region, improving the cost-effectiveness of climate investments by reducing policy fragmentation and duplication<sup>67</sup>. This initiative builds on that track record, ensuring institutional anchoring, regional coherence, and sustainability of results.
23. Likewise, the Confederation of Family Producers' Organizations of MERCOSUR (COPROFAM) is a key player in this proposal. Its participation ensures the direct representation of the interests of millions of farming families in the region, providing legitimacy, relevance, and capacity for territorial mobilization. With a solid track record in promoting differentiated policies, market access, and capacity building<sup>68</sup>, farmer-led capacity-building and market-access initiatives in the region have demonstrated income increases of approximately 10–20% at household level, while supporting the adoption of environmentally sustainable and climate-resilient practices<sup>69</sup>. COPROFAM contributes to ensuring that Project actions effectively respond to climate challenges based on local realities, expanding their impact and strengthening regional cohesion.

*Table 1: Comparative overview of climate and ecosystem characteristics by country.*

| Country  | Recurring climate events                                  | Dominant ecosystems                                | Priority areas based on vulnerability                                 |
|----------|---|--|---|
| Bolivia  | Prolonged droughts, frosts, hailstorms                    | Semi-humid puna, inter-Andean valleys, dry forest  | Altiplano, inter-Andean valleys (La Paz, Potosí, Tarija)              |
| Brazil   | Droughts, heat waves, floods, frosts                      | Caatinga biome, northeastern semi-arid region      | Northeastern semi-arid region, Minas Gerais, São Paulo, Bahia, Piauí  |
| Chile    | Prolonged drought, forest fires, frosts, snowfall, floods | Andes Mountains, semi-arid areas, temperate forest | High Andean regions, Pehuenche mountain range, central-northern areas |
| Paraguay | Heat waves, torrential rains, floods                      | Dry forests  | San Pedro, Concepción   |
| Uruguay  | Prolonged droughts, floods, heat waves                    | Natural grasslands, pastures                       | Northeast: Rivera, Cerro Largo, Treinta y Tres, Tacuarembó            |

### 3. Common gaps and structural barriers identified

24. Based on an in-depth comparative analysis of national assessments, key strategic documents from the five countries, and technical validation exercises, thirteen common structural barriers have been identified that limit FPIA's capacity to adapt to climate change. These barriers are identified in relation to the current situation (no-action scenario), where climate-related losses continue to increase and public responses remain largely reactive. The analysis draws on previous policy experiences and interventions in the region, which are not presented as standalone Project activities, but rather as existing initiatives and policy instruments that will be strengthened, scaled up, and articulated through the proposed Project. These barriers, structured on primary and secondary information, reflect converging patterns at different territorial, institutional, and sociocultural levels, and provide the basis for a cost-effective, preventive and coordinated

<sup>66</sup> REAF (2022). Review of Family Farming.

<sup>67</sup> FAO & REAF MERCOSUR. (2015). *REAF MERCOSUR: 10 years promoting public policies for family farming*.

<sup>68</sup> COPROFAM (2023). Institutional working documents and political positioning.

<sup>69</sup> FAO & REAF MERCOSUR. (2015). *REAF MERCOSUR: 10 years promoting public policies for family farming*.

regional adaptation approach, compared to fragmented or isolated alternatives. A more detailed cost-effectiveness analysis will be conducted at full proposal stage.

25. (1) Insufficient access to technologies for productive adaptation: FPIA faces major difficulties in accessing appropriate technologies, such as water solutions, resilient infrastructure, and productive diversification<sup>70</sup>. These limitations increase its exposure to climate impacts and reduce resilience after extreme events. In all countries, there is a structural gap between the existing technological supply and its availability to small producers<sup>71</sup>.
26. (2) Lack or insufficiency of differentiated financial instruments for FPIA in the context of climate change: current climate finance mechanisms are not adequately designed for the characteristics of FPIA. There is limited coverage of agricultural insurance, limited access to credit with flexible terms, and poor coordination between public policies and international financial mechanisms<sup>72</sup>. This limits the capacity of rural families to invest in adaptation measures<sup>73</sup>.
27. (3) Weak or insufficient integration between climate, agricultural and rural policies: climate change, agriculture, and rural development policies still operate in a fragmented manner. There is a lack of coherence between regulatory frameworks, investment plans, and institutional objectives, which prevents integrated and resilient territorial planning<sup>74</sup>. This fragmentation is evident at both the national and subnational levels.
28. (4) Limited technical capacities of territorial actors for climate risk management at FPIA scale: both public institutions and social organizations face gaps in decision-making on climate risk management, adapted and sustainable production systems (including agroecology<sup>75</sup>, among others) and the design of strategies that integrate future climate risks. This weakens the territorial implementation of climate policies and reduces the uptake of adaptive solutions by communities.
29. (5) Insufficient rural extension services with low incorporation of a climate approach: agricultural technical assistance does not systematically incorporate a climate change approach. There is a lack of specific protocols, training tools, and trained personnel to provide technical support that enhances the productive and social resilience of FPIA<sup>76</sup>.
30. (6) Low or insufficient mainstreaming of FPIA in climate policy frameworks: FPIA is not sufficiently recognized in Nationally Determined Contributions (NDCs), Adaptation Communications, National Adaptation Plans (NAPs), and other strategic climate frameworks. This translates into low prioritization in budgets, technical cooperation, and specific programs<sup>77</sup>.
31. (7) Structural barriers to the participation of women, youth, and indigenous peoples: Structural inequalities persist that limit access to resources, training, representation, and

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<sup>70</sup> COPROFAM & CIOEC. (2021). *Report on recent developments in public policies for family farming in Bolivia*. Montevideo.

<sup>71</sup> Ministry of Environment and Water. (2021). *Nationally Determined Contribution (NDC) 2021–2030*. La Paz, Bolivia.

<sup>72</sup> (Technical Standard for Sustainable Agriculture 2023; INDAP Strategy 2023–2030). INDAP. (2023). *Technical Standard and Operating Procedures for the Transition to Sustainable Agriculture Program*. Santiago.

<sup>73</sup> National Directorate for Climate Change (DNCC) - Ministry of Environment and Sustainable Development (MADES). (2022). *National Climate Change Adaptation Plan (PNACC) 2022–2030*. Asunción, Paraguay.

<sup>74</sup> Agricultural Development Institute (INDAP). (2023). *INDAP Strategy 2023–2030*. Santiago.

<sup>75</sup> Agroecology is a holistic and integrated approach to the design, management, and transformation of food and agricultural systems, aimed at optimizing interactions between plants, animals, humans, and the environment. It proposes sustainable systems that simultaneously promote efficiency, biodiversity, recycling, resilience, and ecosystem synergies, while strengthening human and social values, traditional food cultures, responsible governance, and circular and solidarity economies. All of this is based on the co-creation of local, scientific, and traditional knowledge to respond in a fair, inclusive, and intercultural manner to the challenge of climate change and the sustainable development goals (FAO, 2018).

<sup>76</sup> Ministry of Livestock, Agriculture and Fisheries (MGAP). (2019). *National Agricultural Adaptation Plan (PNA-Agro)*. Montevideo.

<sup>77</sup> Ministry of Development Planning. (2021). *Economic and Social Development Plan (PDES) 2021–2025*. La Paz, Bolivia.

- decision-making<sup>78</sup>. Adaptation policies do not sufficiently address equity dimensions, leading to exclusionary or partial adaptation<sup>79</sup>.
32. (8) Insufficient research and development for the adaptation of FPIA: there is a significant lag in applied research on technologies that contribute to reducing the climate vulnerability of FPIA, sustainable production practices that conserve or restore the ecosystems that support them (such as agroecological practices), and resilient production models. In addition, little is invested in recovering and valuing local knowledge as a basis for innovation.
  33. (9) Limitations in monitoring, evaluation, and learning capacity in adaptation: there is a lack of specific indicators for FPIA, participatory methodologies, and systems to measure progress in adaptation and provide feedback to public policies<sup>80</sup>. This gap prevents adaptive and evidence-based institutional learning.
  34. (10) Lack of data on that amount of losses and damage to FPIA due to extreme weather events and slow-onset events: the impacts of climate change on FPIA, both economic (losses of crops, animals, damage to infrastructure) and non-economic (loss of knowledge, cultural identity, soil erosion, loss of biodiversity, and reduction in the provision of ecosystem services in general), are not systematically estimated using consistent methodologies, nor are they well documented or valued, making it difficult to highlight them and include them in compensation and prevention strategies.
  35. (11) Not strong enough links between producers, their organizations, and institutional actors responsible for public policies to leverage learning and exchange experiences: insufficient coordination between family farmers, their organizations, and the institutions responsible for public policies limits knowledge exchange and the co-creation of adaptive solutions<sup>81</sup>. This disconnect reduces territorial participation in decision-making processes and hinders the sharing of lessons learned between organizations in different countries, affecting the construction of common agendas and the consolidation of regional responses to climate change<sup>82</sup>.
  36. (12) Poor regional integration to leverage learning and exchange experiences: the lack of coordination between FPIA organizations in the five countries significantly limits the exchange of knowledge, adaptive methodologies, appropriate technologies, and good practices. This disconnect prevents the construction of collaborative networks, the generation of collective learning, and the possibility of scaling up successful experiences at the regional level. It also weakens joint political advocacy capacities in regional climate governance and rural development spaces<sup>83</sup>.
  37. (13) Lack of awareness of the contribution of FPIA to climate change mitigation: Although FPIA implements, in several cases, practices that contribute effectively to reducing emissions and increasing greenhouse gas (GHG) removals, such as agroforestry, crop rotation, sustainable soil management, and grassland conservation, these actions are not adequately quantified or recognized in the National GHG Inventories. This invisibility reduces FPIA's opportunities to access climate finance with mitigation co-benefits and

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<sup>78</sup> National Coordination of Agroecology. (2024). *Proposals for the National Plan for Agroecology and Organic Production (PLANAPO) 2024–2027*

<sup>79</sup> COPROFAM & CIOEC. (2021). *Report on recent developments in public policies for family farming in Bolivia*. Montevideo.

<sup>80</sup> National Agroecology Coordination. (2024). *Proposals for the National Plan for Agroecology and Organic Production (PLANAPO) 2024–2027*.

<sup>81</sup> National Directorate for Climate Change (DNCC) - MADES. (2023). *Roadmap for Adaptation to 2030*. Asunción, Paraguay.

<sup>82</sup> MGAP. (2024). *National Plan for Family Farming (PNAF) 2024–2028*. Montevideo.

<sup>83</sup> Ministry of Environment and Water. (2021). *Nationally Determined Contribution (NDC) 2021–2030*. La Paz, Bolivia.

limits its inclusion in national integrated climate action strategies<sup>84</sup>. These barriers reveal the current limitations of family production systems in the face of climate change and the need to build collective solutions that integrate knowledge, policies, and practices from the local to the regional level.

## **Initial Gender Assessment and Considerations for Project Design:**

38. Across the five countries of the expanded MERCOSUR—Bolivia, Brazil, Chile, Paraguay, and Uruguay— FPIA presents a strong gender dimension. Rural women account for approximately 30–40% of the agricultural labor force and play a central role in food production, seed management, on-farm diversification, and household food security, particularly in Indigenous territories, mountainous areas, drylands, and climate-vulnerable rural regions. Despite this contribution, persistent structural gender gaps remain across all countries. Less than 25% of agricultural land titles are held by women, and their access to credit, technical assistance, climate-resilient technologies, and financial services remains significantly lower than that of men.
39. These inequalities are compounded by high levels of rural poverty, unequal land distribution, limited access to basic infrastructure and public services, and rural youth outmigration, which increases women’s productive and unpaid care burdens while weakening generational renewal in FPIA systems. In this context, the integration of a gender-responsive approach is essential to ensure that climate adaptation actions are effective, equitable, and sustainable. Details of common patterns of gender inequality relevant to climate adaptation and information on gender roles and gaps in the five countries are provided in Section I. Project Background and Context.

### *Potential Risks If a Gender-Responsive Approach Is Not Incorporated*

40. Given the regional context described above, the absence of a gender-responsive approach poses significant risks to the Project’s effectiveness, equity, and long-term sustainability.
41. A key risk is the exclusion of rural women and youth from decision-making processes, capacity-building activities, and access to financial resources, which could reinforce existing inequalities and limit the Project’s adaptive impact. In contexts where men disproportionately control land, organizations, and financial assets, there is also a risk of elite capture of Project benefits by actors with greater economic, institutional, or gender-based power.
42. Additionally, promoting new technologies or adaptation practices without a gender lens may result in an increased unpaid workload for women, by failing to account for unequal distributions of productive, reproductive, and care responsibilities. This could undermine women’s well-being and reduce the adoption and sustainability of the proposed solutions.
43. Finally, failing to integrate gender considerations would limit the Project’s transformative potential, reducing it to technically effective but socially neutral—or potentially

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<sup>84</sup> National Directorate for Climate Change (DNCC) - Ministry of Environment and Sustainable Development (MADES). (2022). *National Climate Change Adaptation Plan (PNACC) 2022–2030*. Asunción, Paraguay.

regressive—interventions, thereby compromising the achievement of resilience, equity, and sustainable development objectives.

#### *Transformative Opportunities Offered by the Project from a Gender Perspective*

44. The Project design presents strategic opportunities to generate transformative change in support of gender equality and climate resilience within FPIA systems across the region.
45. A first key opportunity lies in the strengthening of rural women’s leadership and political participation, through the consolidation of the REAF-MERCOSUR Rural Women’s Platform, the development of targeted training modules on leadership, organization, political advocacy, and climate adaptation, and women’s active participation in regional thematic commissions and governance mechanisms.
46. Also, the Project promotes the strengthening of climate-resilient livelihoods, through the implementation of integrated water, soil, and agroecological solutions combined with territorially adapted technical assistance. These actions can enhance household incomes, food security, and women’s economic autonomy, while reducing vulnerability to climate impacts.
47. In addition, the Project’s emphasis on inclusive financial innovation offers a critical opportunity to address long-standing barriers to finance faced by rural women and youth. The development of tailored financial instruments—such as adaptive credit, microinsurance, and revolving funds—supported by accessible digital platforms, can significantly improve financial inclusion and economic resilience.
48. Finally, strengthening gender-responsive territorial and regional governance contributes to more representative, transparent, and legitimate decision-making processes, while supporting shifts in social and institutional norms that recognize and value women’s productive, economic, and political roles within FPIA systems.
49. Taken together, the Project not only contributes to reducing climate vulnerability but also acts as a catalyst for structural gender transformation, aligned with climate adaptation, social equity, and sustainable development objectives in the expanded MERCOSUR region.
50. In the full proposal phase, a detailed gender analysis will be conducted, as well as an action plan to address the identified gender risks (see part II L).

## **Project Objectives:**

### **General Objective**

51. To reduce climate vulnerability and strengthen the resilience of family, peasant, and indigenous agriculture (FPIA) production systems and livelihoods in prioritized regions of Bolivia, Brazil, Chile, Paraguay and Uruguay.

### **Specific Objectives**

- Strengthen regional networks and governance mechanisms to enhance climate adaptation capacity of FPIA.
- Promote the identification, adoption, and scaling up of climate change adaptation technologies and practices in local production systems and ecosystems.

- Identify and promote enabling conditions for the development of sustainable, solidarity-based, and inclusive financial instruments and mechanisms that improve the economic resilience of FPIA to climate risks.
  - Strengthen monitoring, evaluation, and learning systems on climate change adaptation in FPIA.
52. These objectives respond directly to the regional barriers identified in the participatory assessments with the participating countries, also integrating gender, interculturality, youth, ecosystem sustainability, and climate justice approaches. In addition, they are operationalized through four components, each of which promotes enabling conditions for the most vulnerable rural communities to access effective means of adaptation, strengthening agri-food systems, territorial equity, and the protection and restoration of strategic ecosystems.

### **Theory of Change (ToC):**

53. The Project's objectives stem from a participatory Theory of Change, developed through national consultations, technical workshops, and joint analyses across the five participating countries. The preparation process identified six common regional barriers that hinder climate change adaptation in FPIA systems, including institutional fragmentation, limited access to technologies and financial services, weak territorial capacities, structural inequalities, and insufficient climate information. These barriers were analyzed collectively and addressed through four groups of outputs (clusters) with their activities designed to strengthen regional governance, deploy context-specific adaptation solutions, promote inclusive financing mechanisms, and enhance monitoring, evaluation and learning (MEL) systems.
54. These output clusters correspond to the Project's expected outcomes, which in turn structure the four components of the proposal. The outcomes include: (i) regional operative governance mechanisms; (ii) adaptation solutions adopted; (iii) enabling conditions for inclusive financial instruments; and (iv) a regional MEL system implemented. These elements provide the strategic and logical foundation for the Project's components and activities, which are presented in detail in Part IIA and reflected in the component financing table. A schematic representation of the Theory of Change is provided in Annex 1.

## Project Components and Financing:

Table 2: Project components and financing.

| Component   | Outcome   | Output  | Countries covered                         | Total cost per Output (USD)   | Total Cost per Component (USD) |
|---|---|---|---|---|--------------------------------|
| Strengthening regional coordination in research, innovation, and climate governance for the adaptation of FPIA in five countries of the expanded MERCOSUR | 1. Regional multi-stakeholder networks and governance mechanisms strengthened and operational to address common challenges in climate adaptation in FPIA.   | 1.1. Institutional articulation and regional knowledge management strengthened through a digital Project Platform and adaptation learning pathways.                         | Bolivia, Brazil, Chile, Paraguay, Uruguay | USD 1.136.480   | USD 3.267.200                  |
|   |   | 1.2. Regional bank of successful adaptation experiences established and operational.  |   | USD 1.004.000   |                                |
|   |   | 1.3. Multi-level and multi-actor climate governance mechanisms strengthened through regional thematic commissions and coordination spaces.                                  |   | USD 1.126.720   |                                |
| Promotion of the implementation of validated practices, such as agroecology and others, at the level of territories and their ecosystems                  | 2. Comprehensive adaptation solutions validated and adopted in FPIA territories.  | 2.1. Integral adaptation solutions (technologies and practices) for sustainable water, soil, vegetation, and livestock management implemented in selected FPIA territories. | Bolivia, Brazil, Chile, Paraguay, Uruguay | USD 15.553.000  | USD 15.553.000                 |
|   |   | 2.2. Territorial capacity building mechanism developed to support the implementation of the integrated solutions selected under Output 2.1.                                 |   |   |                                |
| Innovation to improve the availability of and access to financial services aimed at climate change adaptation for FPIA                                    | 3. Enabling conditions identified and strengthened for the development and implementation of sustainable, solidarity-based or inclusive financial instruments that enhance the adaptive capacity of FPIA. | 3.1. Country-specific financial services market studies conducted to inform the design of inclusive climate-adaptive financial instruments.                                 | Bolivia, Brazil, Chile, Paraguay, Uruguay | USD 4.826.600   | USD 4.826.600                  |
|   |   | 3.2. Structured financing windows and tailored financial instruments designed and validated to respond to the adaptation needs of FPIA.                                     |   |   |                                |
|   |   | 3.3. Competitive financing mechanisms implemented to improve access to climate-adaptive financial services for FPIA.  |   |   |                                |
| Monitoring, evaluation, and learning on climate change adaptation in FPIA   | 4. A regional MEL (Monitoring, Evaluation, and Learning) system developed and implemented to generate evidence on adaptation processes and inform public policies and practices in FPIA.                  | 4.1. Enhanced quality and comparability of administrative records and information systems related to climate and FPIA.  | Bolivia, Brazil, Chile, Paraguay, Uruguay | USD 811.148   | USD 2.440.157                  |
|   |   | 4.2. A battery of climate adaptation indicators for FPIA designed, validated, applied, and assessed.  |   | USD 935.840   |                                |
|   |   | 4.3. Permanent, multi-stakeholder spaces created for articulation and joint learning on climate adaptation.   |   | USD 693.168   |                                |
|   |   |   |   | 6. Project Execution cost (7.4%)  | USD 2.086.957                  |
|   |   |   |   | 7. Total Project Cost   | USD 28.173.914                 |
|   |   |   |   | 8. Project Cycle Management Fee charged by the Implementing Entity (6.5%) | USD 1.826.086                  |
| <b>Amount of Financing Requested</b>  |   |   |   |   | <b>USD 30.000.000</b>          |

55. The Project directly supports four expected outcomes of the Adaptation Fund Results Framework. Specifically, it contributes to Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses; Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level; Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas; and Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies. Through its integrated and multisectoral design, the Project enhances institutional and community capacities to address climate-related risks and vulnerabilities within family, peasant, and indigenous agriculture (FPIA), while also promoting the generation, management, and use of climate adaptation knowledge. The Project components collectively foster inclusive governance mechanisms, the adoption of context-specific adaptation solutions, the development of enabling conditions for tailored financial services, and the establishment of regional monitoring, evaluation, and learning systems — all coherently aligned with the Adaptation Fund’s priorities of increasing adaptive capacity, strengthening livelihoods, and improving access to climate information and adaptation practices across the five participating countries.

## Projected Calendar:

*Table 3: Projected calendar*

| Milestones                      | Expected Dates |
|---------------------------------|----------------|
| Start of Project Implementation | April 2027     |
| Mid-term Review (if planned)    | April 2029     |
| Project Closing                 | April 2031     |
| Terminal Evaluation             | August 2031    |

## PART II: PROJECT JUSTIFICATION

**A. Describe the Project components, particularly focusing on the concrete adaptation activities, how these activities would contribute to climate resilience, and how they would build added value through the regional approach, compared to implementing similar activities in each country individually. For the case of a Programme, show how the combination of individual projects would contribute to the overall increase in resilience.**

56. The Project is structured around four interrelated components that address critical barriers to climate change adaptation in FPIA of the five participating countries. Through concrete interventions, the Project seeks to reduce climate vulnerability and strengthen the resilience of FPIA production systems and livelihoods in the five countries. This will be achieved by strengthening regional articulation in research, innovation, and climate governance; promoting validated adaptation practices at the territorial level; improving the availability of and access to financial services for climate adaptation; and enhancing systems for monitoring, evaluation, and learning. The regional nature of the Project allows

- for the generation of synergies, the scaling up of good practices, capacity building, and technical cooperation among participating countries, generating added value compared to isolated actions at the national level.
57. The Project thus focuses on four specific main outcomes that operationalize its regional and multisectoral approach: (a) first, a strengthened regional multi-stakeholder network with coordination protocols for addressing common climate adaptation challenges in FPIA; (b) second, validated climate adaptation practices implemented in FPIA territories through technical assistance; (c) third, enabling conditions established to improve the availability of and access to sustainable, solidarity-based, or inclusive financial services for climate adaptation in FPIA; (d) fourth, a regional monitoring, evaluation, and learning system that generates actionable evidence and enhances adaptive capacities across the five countries.
58. Strategic partners for the design and implementation of the Project are:
- The countries that join the Project and participate in the REAF's political dialogue and cooperation space and its technical secretariat.
  - COPROFAM and its affiliated organizations in each country, as representatives of the FPIA and direct beneficiaries.
  - The Development Bank of Latin America and the Caribbean (CAF) as an accredited entity.
  - The Inter-American Institute for Cooperation on Agriculture (IICA) as a hemispheric technical cooperation agency, providing technical, administrative, and legal resources.
  - The Regional Project with IICA/CAF, financed by the Adaptation Fund, seeks to lay the foundations for scaling up proposals with greater reach, both at the regional and national levels. The Adaptation Fund grant amounts will be applied regionally (promoting exchange, coordination, and learning) and in each country according to its decision, requiring careful identification to achieve high impact and open doors to future interventions.
59. Both the REAF and COPROFAM will ensure the continuity of the Project's actions and good practices beyond its completion, through the transformation of good practices into public policy instruments, the participation of national FPIA organizations in design and co-execution, and the development of permanent coordination and learning actions with technical support from IICA.

*Component 1: Strengthening regional coordination in research, innovation, and climate governance for the adaptation of Family, Peasant, and Indigenous Agriculture (FPIA) in five countries of the expanded MERCOSUR*

**Outcome 1: Regional multi-stakeholder networks and governance mechanisms strengthened and operational to address common challenges in climate adaptation in FPIA.**

**Output 1.1:** Institutional articulation and regional knowledge management strengthened through a digital Project Platform and adaptation learning pathways.

60. This output seeks to enhance institutional coordination and regional knowledge management through two interconnected strategies: the development of a digital platform and the participatory construction of adaptation learning pathways. The platform, hosted on IICA's official website and managed throughout the Project's duration, will initially centralize access to key resources and evolve into a multilingual, interactive environment featuring self-guided training modules, digital repositories, and communication tools. It will include four functional units aligned with the Project's cross-cutting and technical priorities: (1) Gender, (2) Adaptation Learning Pathways, (3) Regional Repository of Successful

Adaptation Experiences, and (4) the Regional Information System for Adaptation of FPIA (RIS-FPIA). The Gender unit will integrate the REAF-MERCOSUR Rural Women's Platform, incorporating a product labeling system and a training module on leadership and gender-responsive adaptation. A multichannel communication strategy will be deployed to ensure visibility and engagement across all five countries.

61. In parallel, adaptation learning pathways will be co-constructed through four regional thematic exchange programs, each linked to national reference groups established in the five countries. These pathways will guide strategic planning processes and will integrate practical case studies, participatory foresight exercises, and locally grounded priorities. The resulting knowledge products, including methodologies, tools, and good practices, will be systematized and made accessible through a dedicated module on the platform.

**Activities:**

- 1.1.1. Development and operationalization of the Project's digital platform.
- 1.1.2. Strengthening of the REAF-MERCOSUR Rural Women's Platform, through: i) the implementation of a distinctive label for products showcased in its digital marketplace; and the development of a training module on leadership, organization, political advocacy, and climate adaptation with a gender perspective.
- 1.1.3. Rollout of a multichannel communication strategy designed and implemented to enhance the visibility of the Project's digital platform across the five participating countries.
- 1.1.4. Formation of five national reference groups to identify representatives participating in regional exchange meetings and to provide inputs, experiences, priorities, and territorial needs to inform regional coordination.
- 1.1.5. Execution of four regional exchange programs developed to build structured learning pathways.
- 1.1.6. Co-construction of adaptation learning pathways, with their contents and tools integrated as functional modules within the Project's digital platform.

**Output 1.2:** Regional bank of successful adaptation experiences established and operational.

62. This output aims to establish and operationalize a regional bank of successful climate adaptation experiences as a multilingual and multimedia repository integrated into the Project's digital platform. The repository will identify, validate, and disseminate practices with demonstrated impacts on climate resilience, strong territorial relevance, and high potential for replication across the MERCOSUR region, with particular emphasis on gender equality, youth inclusion, Indigenous knowledge, and alignment with FPIA priorities. A structured and participatory validation process will be implemented, involving national and regional actors to select and document at least 30 experiences (six per country). This process will be supported by 10 in-person regional workshops for validation and peer learning, 20 national virtual workshops to promote engagement and outreach, and 30 field visits to document practices in situ. The output will result in an open-access repository complemented by 30 standardized technical fact sheets (full and simplified versions) available in Spanish, Portuguese, and Guaraní, serving as a reference hub to foster regional learning and the scaling up of effective adaptation solutions.

**Activities:**

- 1.2.1. Development of Document of regionally agreed criteria for the selection of successful adaptation experiences within FPIA.
- 1.2.2. Creation of an online repository with multilingual and multimedia content, integrated into the Project's digital platform (see Output 1.1).
- 1.2.3. Implementation of 10 regional workshops.
- 1.2.4. Implementation of 20 national virtual workshops.
- 1.2.5. Execution of 30 field visits to successful adaptation experiences or projects.

**1.2.6.** Production of 30 technical fact sheets on successful climate adaptation experiences in multiple formats and languages.

**Output 1.3:** Multi-level and multi-actor climate governance mechanisms strengthened through regional thematic commissions and coordination spaces.

63. This output will support the creation and institutionalization of seven regional thematic commissions focused on key areas such as agroecology, gender, youth, climate resilience, market access, information systems, and public policy. These commissions will function as participatory coordination platforms composed of official representatives from the five countries, ensuring gender parity, intergenerational equity, and territorial inclusion. Each commission will formulate and validate an annual work plan and contribute to one pilot territorial action package per country. To consolidate these governance structures and strengthen cross-country collaboration, six regional workshops will be implemented (two dedicated to gender and two to youth) aligned with REAF's biannual plenaries. These commissions will also play a strategic role in elevating FPIA priorities in areas such as climate monitoring, early warning systems, and integration into national adaptation plans.

**Activities:**

**1.3.1.** Structuring of seven regional thematic commissions with diverse representation.

**1.3.2.** Development and validation of seven annual work plans.

**1.3.3.** Formulation of five pilot territorial action packages.

**1.3.4.** Implementation of six regional workshops (two focused on youth, two on gender).

**1.3.5.** Development of regional diagnostics on rural women and youth in FPIA.

*Component 2: Promoting the implementation of validated practices, such as agroecology and others, at the level of territories and their ecosystems.*

**Outcome 2: Comprehensive adaptation solutions validated and adopted in FPIA territories.**

**Output 2.1:** Integral adaptation solutions (technologies and practices) for sustainable water, soil, vegetation, and livestock management implemented in selected FPIA territories.

64. This output supports the implementation of comprehensive, territorial grounded adaptation solutions across the five participating countries. These solutions will be based on validated local experiences and directly respond to climate risks and production challenges identified through participatory processes with FPIA stakeholders. They will integrate local and Indigenous knowledge, scientific evidence, agroecological principles, appropriate technologies, and digital tools, while ensuring inclusive participation of women and youth. The output will be delivered under the framework of the Adaptation Fund's Unidentified Sub-Projects (USP) modality, recognizing that the specific solutions in each country will be defined during the full proposal stage.

65. To enable this, each country will establish a transparent mechanism for selecting sub-projects based on eligibility criteria such as climate vulnerability, technical feasibility, socio-cultural relevance, and alignment with national policies. Detailed guidelines and operational protocols will be developed for the USP modality, covering safeguards, gender and youth inclusion, financial management, and monitoring and evaluation. A regional coordination framework with shared reporting protocols will ensure coherent oversight and quality control across countries.

**Activity:**

**2.1.1.** Development and implementation of integral adaptation solutions per country, to be defined during the full proposal stage, following the USP modality and inclusive participatory processes involving FPIA stakeholders.

**Output 2.2:** Territorial capacity building mechanism developed to support the implementation of the integrated solutions selected under Output 2.1.

66. This output focuses on ensuring operational sustainability, cultural relevance, and long-term replicability of the adaptation solutions implemented under Output 2.1. It will be achieved through the development of territorial capacity building mechanism adapted to the agroecological, social, and cultural contexts of each country. These mechanisms will engage public institutions, universities, community networks, and grassroots organizations in the co-design and delivery of training and technical support.

67. The assistance will address practical dimensions such as operation and maintenance of infrastructure, participatory monitoring, and resolution of common technical failures. This will be complemented by the production of technical guidance materials and the strengthening of multi-stakeholder alliances to provide coordinated support at national and regional levels.

**Activities:**

**2.2.1.** Organization of 30 in-person workshops (two per year in each country) focused on the development, management, and technical operation of the selected integrated solutions, with emphasis on inclusion of family farmers, rural women, youth, and Indigenous Peoples.

**2.2.2.** Development of a regional technical guide detailing protocols for the operation, maintenance, and participatory monitoring of implemented adaptation solutions.

*Component 3: Innovation to improve the availability of and access to financial services aimed at climate change adaptation for FPIA*

**Outcome 3: Enabling conditions identified and strengthened for the development and implementation of sustainable, solidarity-based or inclusive financial instruments that enhance the adaptive capacity of FPIA.**

**Output 3.1:** Country-specific financial services market studies conducted to inform the design of inclusive climate-adaptive financial instruments.

68. This output will provide a comprehensive understanding of the financial landscape from the public and private sectors relevant to FPIA in the five participating countries. Each country will conduct an in-depth market study analyzing the demand and supply of climate-related financial services, mapping existing financial instruments, institutions, and modalities for access, and identifying access barriers. The studies will also identify financial entities (such as public banks, cooperative institutions, and community-based mechanisms) with the capacity to implement inclusive and climate-resilient financial instruments aligned with FPIA needs. These findings will inform the design and deployment of future financial mechanisms under the Project.

**Activity:**

**3.1.1.** Conducting national-level market studies on financial services from the public and private sectors for FPIA providers, including mapping of available instruments and access barriers.

**Output 3.2:** Structured financing windows and tailored financial instruments designed and validated to respond to the adaptation needs of FPIA.

69. This output will focus on establishing the institutional, technical, and regulatory conditions needed to operationalize inclusive financial services for FPIA. Structured “financing windows” will be created through partnerships with eligible entities such as public or mixed

development banks, cooperatives, and producer associations. These windows will support instruments like microinsurance, adaptive credit, and revolving funds. Technical assistance will be provided to strengthen the institutional and regulatory capacities of implementing entities in risk analysis, governance frameworks, and non-conventional guarantee mechanisms. Up to 25 pilot projects will be financed to design, validate, and implement these instruments. These pilots will operate under the Adaptation Fund's USP modality.

**Activity:**

**3.2.1.** Establishment of operational financing windows with eligibility criteria, regulatory frameworks, and methodologies.

**Output 3.3:** Competitive financing mechanisms implemented to improve access to climate-adaptive financial services for FPIA.

70. This output aims to enable FPIA organizations to access resources for adaptation through transparent and competitive financing channels. A digital platform for competitive funds will be developed to manage the proposal submission and evaluation processes. Selected initiatives will receive support via public or mixed development banks and benefit from mechanisms such as interest rate subsidies, commission reductions, and co-financing schemes. Up to 15 pilot projects offering preferential financial conditions will be implemented to enhance the resilience of FPIA organizations. A robust monitoring and follow-up system will track the impact and ensure the transparency of fund use. These pilots will also qualify as USPs under the Adaptation Fund's guidance.

**Activity:**

**3.3.1.** Implementation of financing mechanisms implemented to fund climate adaptation projects led by FPIA organizations.

71. In accordance with the Adaptation Fund's guidance, the pilot financial instruments and initiatives supported under Outputs 3.2 and 3.3 will be classified as Unidentified Sub-Projects (USPs). Their detailed design and contextual parameters will be determined during the full proposal stage. Selection will follow a transparent and participatory process based on eligibility criteria such as climate vulnerability, technical and financial feasibility, socio-cultural relevance, and policy alignment. Risk management and safeguards will be detailed in the Environmental and Social Management Plan (ESMP), ensuring compliance with the Fund's environmental, social, and gender policies.

*Component 4: Monitoring, evaluation, and learning on climate change adaptation in FPIA*

**Outcome 4: A regional MEL (Monitoring, Evaluation, and Learning) system developed and implemented to generate evidence on adaptation processes and inform public policies and practices in FPIA.**

**Output 4.1:** Enhanced quality and comparability of administrative records and information systems related to climate and FPIA.

72. This output aims to improve the consistency and reliability of administrative records and climate-relevant information systems across the five participating countries. It will be achieved through a coordinated set of activities designed to diagnose current data systems, establish harmonized variables and interoperability standards, and develop a shared digital infrastructure. The final product will be the Regional Information System for FPIA (RIS-FPIA), a digital tool hosted within the Project's main platform, which will provide differentiated access to data on climate resilience, production, and environmental conditions. The RIS-FPIA will support real-time data visualization and reporting through maps and dashboards.

**Activities:**

**4.1.1.** Implementation of a regional diagnosis and five national assessments to evaluate the status of administrative records and information systems related to climate and FPIA.

**4.1.2.** Organization of three regional and five national workshops (one per country) to harmonize variables and establish interoperability standards.

**4.1.3.** Development and deployment of the functional unit RIS-FPIA, integrated into the Project's digital platform (see Output 1.1).

**Output 4.2:** A battery of climate adaptation indicators for FPIA designed, validated, applied, and assessed.

73. This output will support the participatory development and application of climate adaptation indicators for FPIA. Each participating country will have its own way of implementing the indicators to consider the circumstances of its family farmers and communities. While the indicators will be implemented in a differentiated manner at the national and subnational levels, they will be developed and validated under a common regional methodological framework to ensure coherence, comparability, and regional learning. The indicators will be informed by national strategies and by the Belém Adaptation Indicators for Agriculture and for Ecosystems adopted at COP 30. Through national and regional workshops, a set of indicators will be produced, implemented and documented. The indicators will be disaggregated by scale (farm, community, territory, biome) and dimension (productive, socioeconomic, environmental, institutional), incorporating gender, youth, and Indigenous Peoples perspectives. A baseline will be established, and the indicators will be pilot-tested in each country and integrated into the RIS-FPIA.

**Activities:**

**4.2.1.** Development of a regional baseline of FPIA adaptation indicators, including classification, gap analysis, convergences, and practical references.

**4.2.2.** Organization of five national participatory workshops (one per country) for the definition of adaptation indicators.

**4.2.3.** Organization of five national validation workshops (one per country) to assess the relevance and applicability of the defined indicators.

**4.2.4.** Implementation of one regional workshop for the joint development of harmonized adaptation indicators.

**4.2.5.** Implementation of one regional workshop for the validation of harmonized adaptation indicators.

**4.2.6.** Development of a validated battery of FPIA adaptation indicators, disaggregated by scale and dimension, with technical documentation, and incorporated into the RIS-FPIA (see Output 4.1)

**4.2.7.** Execution of five pilot implementations (one per country) of the adaptation indicators in selected Project intervention sites.

**4.2.8.** Delivery of five local virtual training workshops focused on the defined indicators and their associated technical data sheets.

**Output 4.3:** Permanent, multi-stakeholder spaces created for articulation and joint learning on climate adaptation.

74. This output will institutionalize national and regional multi-stakeholder coordination mechanisms to guide joint learning and action on climate adaptation. National Agroclimatic Technical Committees (NATCs) will be formed or strengthened in each country, composed of ministries, meteorological services, FPIA organizations, and research institutions. Each NATC will define long-term work plans and internal regulations, and digital messaging systems will be set up to ensure regular communication with grassroots actors. A Regional Agroclimatic Technical Committee (RATC) will consolidate data and insights from the NATCs to support regional planning and knowledge exchange. All outputs and recommendations from these bodies will be integrated into a dedicated module within the RIS-FPIA and sustained through formal institutional commitments.

**Activities:**

**4.3.1.** Establishment or strengthening of five NATCs, each with medium- and long-term work plans and internal regulations.

**4.3.2.** Implementation of an Early Warning System and a Message Management System developed and operational in each of the five countries, enabling direct and regular communication between the NATC and FPIA grassroots stakeholders through accessible channels such as SMS, WhatsApp, or email.

**4.3.3.** Creation of a structured and operational Regional Agroclimatic Technical Committee (RATC) with governance and sustainability plans.

**4.3.4.** Development of a dedicated module within the RIS-FPIA (Activity 4.1.3), designed to support the integration and use of outputs produced under Activities 4.3.1 and 4.3.3, enabling visualization, traceability, and interoperability of the technical products generated by the NATCs and the RATC.

**4.3.5.** Formulation and signing of institutional commitments by ministries and REAF's Technical Secretariat to sustain NATCs and the RATC.

75. Together, these outputs and activities will significantly improve the generation and strategic use of information for adaptive planning, enable regional learning exchanges, and strengthen the representation of FPIA priorities in public policy and international frameworks.
76. The Project's regional approach allows common challenges to be addressed through shared solutions adapted to local specificities. Cooperation between countries favors the scaling up of successful practices, the joint development of monitoring methodologies, the standardization of technical criteria, and the generation of economies of scale in training, technical advice, and knowledge production. This approach also facilitates coordination between institutional actors, social organizations, and rural communities, generating collective learning platforms that strengthen resilience at the territorial and regional levels. In contrast to isolated national interventions, the Project fosters institutional synergies, reduces duplication, promotes territorial cohesion, and increases efficiency in the use of resources for adaptation.
77. Cross-cutting approaches such as gender equality, effective participation of indigenous peoples, inclusion of rural youth, sustainability of strategic ecosystems, and climate justice are also prioritized. The combination of these approaches ensures that adaptation actions are culturally relevant, environmentally sustainable, and socially inclusive, guaranteeing lasting impacts on vulnerability reduction and the resilient transformation of agri-food systems in FPIA. Finally, it is important to mention that this Project actively promotes technical and methodological convergence among countries, creating conditions conducive to future coherence of public policies related to climate change adaptation in FPIA. These cross-cutting approaches are informed by the initial gender assessment included in Part I, which highlights differentiated vulnerabilities and strategic entry points for equitable adaptation actions.

**B. Describe how the Project would promote new and innovative solutions to climate change adaptation, such as new approaches, technologies, and mechanisms.**

78. The Project introduces new and innovative solutions for climate adaptation in FPIA, articulating traditional knowledge, research results, appropriate technologies and practices, such as agroecology and others, and new governance mechanisms. This strategy is not limited to the adoption of technologies, but also aims at transforming institutional

approaches, implementation frameworks, and the way local actors are involved in adaptation processes.

79. At the territorial level, the proposal promotes participatory climate planning processes in rural areas prioritized for their high vulnerability. These actions incorporate methodologies that combine local climate diagnosis, collective plan development, and the activation of multi-stakeholder territorial governance platforms. This approach to adaptation at the territorial level has been promoted by regional networks such as the REAF, which have developed common guidelines for public policies in the field of FPIA<sup>85</sup>.
80. The Project also promotes cooperative work between countries through South-South partnerships, facilitating technical exchange, the scaling up of good practices, and the development of regional adaptation instruments, such as regulatory frameworks, agroclimatic protocols, and inclusive financial mechanisms<sup>86</sup>.
81. A central component of innovation is the integration of ancestral and local farmer's knowledge existing at every country, (e.g. the knowledge of indigenous Andean peoples and other historically excluded rural communities), with knowledge generated by research. Practices such as sukakollos, qochas, and agricultural terraces have proven highly effective in water management, soil conservation, and adaptation to extreme climates<sup>87</sup>. Recognizing and strengthening these systems allows resilience to be built from the ground up, while respecting cultural identity and local knowledge.
82. The use of accessible adaptive technologies is another focus of the Project. Rainwater harvesting and collection systems for irrigation and human consumption will be promoted in arid and semi-arid areas; fodder banks and agroecological practices to improve the resilience of production systems to water and heat stress; and community-based digital solutions for participatory climate monitoring and early warning, designed with an inclusive and rural relevance approach (FAO, 2018).
83. At the institutional level, the Project aims to create conditions for the establishment of locally governed climate adaptation funds and to strengthen technical assistance modules that integrate climate criteria and intercultural approaches. Regional monitoring, evaluation, and learning systems will also be developed in collaboration with producer organizations, with metrics that reflect real results in vulnerability reduction.
84. These innovations will overcome historical structural barriers that have limited FPIA's capacity to adapt to climate change. The proposal generates replicable models at the regional level, aligning technical innovation with social inclusion and ecological sustainability.

**C. Describe how the Project would provide economic, social, and environmental benefits, with particular reference to the most vulnerable communities and vulnerable groups within communities, including gender considerations. Describe how the Project would avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund.**

85. The Project is designed to generate sustainable economic, social, and environmental benefits in rural communities that are highly vulnerable to climate change, with a focus on equity, inclusion, and sustainability. This approach is aligned with the guiding principles of the Adaptation Fund and its Environmental and Social Policy (2016), seeking to maximize

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<sup>85</sup> REAF. (2009). *Regional guidelines for public policies on climate change adaptation in the MERCOSUR AFCL*. Montevideo: REAF MERCOSUR.

<sup>86</sup> REAF. (2015). *Guide to Good Practices for Adaptation to Climate Change in Family Farming*. Montevideo: REAF MERCOSUR.

<sup>87</sup> Cartagena, G. (2024). *Peasant production and climate resilience in the Andes*. La Paz: CIDES-UMSA.

positive benefits and prevent or mitigate negative impacts through careful and participatory planning.

### Economic benefits

86. Economically, the Project will promote the strengthening of Family Farming Production Units (UPAF) through the adoption of climate-resilient production technologies and practices, such as crop diversification, sustainable natural resource management, and the valorization of traditional and agroecological practices, among others. This process will increase productivity and gradually restore degraded lands, reduce economic losses from extreme weather events, and eventually improve rural incomes through access to differentiated markets (Jones et al., 2024). Increased local and organizational capacities will foster inclusive economic development, promoting fair trade partnerships, participatory certification, and associative schemes that boost the economic autonomy of rural actors, especially women and youth (REAF, 2022). Based on available regional evidence, the adoption of climate-resilient practices in family farming systems is expected to contribute to productivity increases in the range of 10–20% and to reduce climate-related production losses by approximately 15–25%, compared to current practices under a no-action scenario<sup>88</sup>. These improvements translate into greater income stability for family farming households and reduced vulnerability to extreme climate events.

### Social and gender benefits

87. From a social perspective, the Project will focus on reducing the multiple dimensions of vulnerability faced by family farmers in the context of climate change, through an inclusive and territorially relevant approach. It is estimated that the intervention will directly benefit, through Component 2, approximately 50,000 vulnerable small family farming households on farms and in communities, representing an estimated 287,000 people in prioritized rural areas of Bolivia, Brazil, Chile, Paraguay, and Uruguay, with a high presence of rural women (47%), rural youth (25%), and indigenous and Afro-descendant peoples (38%). These groups have historically been marginalized from planning processes and access to adaptation services, despite playing a key role in food production and sustainable ecosystem management. Indirectly, through better services, improved information, and institutional capacity building provided by the remaining three components, the number of beneficiaries reached will be significantly higher and may exceed 300,000 families, for a defined universe of around 2.5 million families in the prioritized territories. In terms of land and ecosystem assets, the Project will reach approximately half a million hectares in the priority territories of the five countries, covering key ecosystems in these countries with processes of loss and degradation of ecosystem services that require restoration interventions. Although the Project, in accordance with the resources requested from the Adaptation Fund, will directly serve a minority of families in the territory, it will open the door to the design and management of additional resources that will allow for continued scaling up of FPIA adaptation benefits. At this scale, the intervention is expected to contribute to reductions of approximately 20–30% in land degradation processes and to improvements in ecosystem services, including soil quality and water regulation, compared to a no-action scenario<sup>89</sup>

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<sup>88</sup> FAO. (2019). *Managing climate risks in agriculture: The role of adaptation*.

<sup>89</sup> FAO. (2023). *The State of Food and Agriculture 2023: Revealing the true cost of food to transform agrifood systems*.

88. The Project 's gender approach is also aligned with the Adaptation Fund's Gender Equality Policy (2016), incorporating actions to promote the equitable and meaningful participation of women and diverse groups in all components.
89. Integrating a gender-responsive approach into the Project will directly address the structural inequalities affecting rural women within FPIA systems across the five countries, thereby strengthening both climate adaptation outcomes and broader social impacts.
90. A gender-responsive approach will improve equitable access to productive resources, climate information, and services, through the design of inclusive digital platforms, territorially adapted capacity-building processes, and financial mechanisms tailored to the differentiated needs of women and youth. This is particularly relevant in contexts where women play a significant role in agricultural production yet face persistent barriers to land ownership, credit, and extension services.
91. The Project will strengthen women's technical, organizational, and leadership capacities, increasing their effective participation in climate governance, territorial planning, and decision-making processes at local, national, and regional levels. Regional evidence indicates that women's participation enhances the quality of collective decision-making, promotes the adoption of sustainable practices, and strengthens the resilience of agri-food systems.
92. The integration of gender considerations will generate broader social co-benefits, including improved livelihoods, enhanced food security, poverty reduction, and stronger local organizational and social capital, particularly in Indigenous and highly climate-vulnerable territories. Overall, a gender-responsive approach enhances the effectiveness, social legitimacy, and sustainability of climate adaptation interventions.
93. In addition, the Project will assess and promote traditional knowledge and environmental care practices developed by women, especially in indigenous and rural contexts, as a strategy for integrating local knowledge into adaptive planning. This will help rescue sustainable practices in water use, seed management, and biodiversity protection, which have historically been led by women and are essential in the face of climate change impacts<sup>90</sup>.
94. The Project will also generate indirect benefits by reducing the unpaid workload of rural women through investments in access to water, local productive infrastructure, and more accessible and inclusive extension services. These improvements will free up women's time for participation in training, planning, and leadership processes, thereby strengthening their active role in territorial adaptation.<sup>91</sup>

*Table 4: Estimated direct beneficiary population by country and priority social group (rural women, youth, and indigenous/Afro-descendant populations)*

| Country  | Total estimated beneficiary population | Rural women (%) | Rural youth (%) | Indigenous peoples or Afro-descendants (%) |
|----------|--|-----------------|-----------------|--|
| Bolivia  | 92.000                                 | 49%             | 28%             | 70%  |
| Brazil   | 110.000                                | 46%             | 25%             | 45%  |
| Chile    | 45.000                                 | 48%             | 27%             | 25%  |
| Paraguay | 38.000                                 | 47%             | 24%             | 20%  |
| Uruguay  | 2.000                                  | 45%             | 22%             | 18%  |
| Total    | 287.000                                | 47%             | 25%             | 38%  |

<sup>90</sup> Arora-Jonsson, S. (2011). *Virtue and vulnerability: women's discourses, gender, and climate change*.

<sup>91</sup> FAO. (2022). *Gender and climate change, agroecology and biodiversity*. UN Women. (2021). *Beyond COVID-19: a feminist plan for sustainable and social justice*.

*Comment: Own estimates based on the rural population of the territories prioritized by country, using official information from agricultural and population censuses (INE Bolivia, IBGE Brazil, INE Chile, DGEEC Paraguay, INE Uruguay), supplemented with data from FAO (2023), ECLAC (2022) and REAF technical documents on the participation of women, rural youth and indigenous peoples in family farming. The values presented are preliminary estimates and will be refined during the full Project proposal stage.*

### Environmental benefits

95. In environmental terms, the Project will contribute to the restoration of degraded landscapes, the conservation and restoration of strategic ecosystems, increasing the provision of ecosystem services, with co-benefits in terms of mitigation of greenhouse gas emissions resulting from the adoption of agroecological practices, conservation agriculture, and integrated water and soil management. Evidence from similar interventions in the region indicates that such practices can contribute to restoration processes and to significant improvements in soil organic matter, water retention capacity, and biodiversity at landscape level<sup>92</sup>. The territories prioritized by the countries, the highlands and valleys in Bolivia, the semi-arid Caatinga region in Brazil, the departments of San Pedro and Concepción in Paraguay, the northeast of Uruguay, and the high Andean and Pehuenche mountain ranges in Chile, are highly climate-sensitive, reinforcing the urgency of measures that integrate adaptation with ecosystem management. The promotion of diversified production systems based on cultivated biodiversity, using academic and traditional knowledge will increase the adaptive capacity of rural communities while protecting essential ecosystem services.
96. In compliance with the Adaptation Fund's Environmental and Social Policy (2016), the Project will incorporate rigorous mechanisms to avoid or mitigate negative impacts. This will include participatory environmental and social assessments in each country, environmental and social management plans adapted to the territories, safeguards monitoring indicators, and a culturally appropriate and accessible complaint response system for all stakeholders. FPIA representative organizations in each country will play a key role in validating actions, ensuring that interventions are culturally relevant and socially acceptable. Exclusion criteria will also be applied to prevent actions that could generate adverse effects, such as the expansion of the agricultural frontier, the intensive use of synthetic inputs, or practices that violate the rights of local communities.
97. The Project will also address common structural barriers in the region, such as weak linkages between research and extension for adaptation, limited availability of monitoring and evaluation methodologies adapted to FPIA, and limited knowledge of the economic and non-economic losses and damages caused by climate change in rural areas (Jones et al., 2024). It will also contribute to overcoming institutional and territorial fragmentation by strengthening regional cooperation, knowledge exchange, and joint learning among producer organizations in the five countries.
98. The Project is a strategic, robust, and innovative intervention to consolidate climate-resilient territories in South America, maximizing benefits for the most vulnerable FPIA groups and reducing environmental and social risks through participatory approaches and robust safeguards.

### **D. Describe or provide an analysis of the cost-effectiveness of the proposed Project and explain how the regional approach would support cost-effectiveness.**

99. The Project contributes directly to reducing the climate vulnerability of rural systems through a set of relatively low-cost interventions with proven effectiveness. These interventions are

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<sup>92</sup> FAO. (2019). *Managing climate risks in agriculture: The role of adaptation*.

explicitly included in the proposed Project outputs and rely on locally validated tools, technologies and practices, many of which combine low initial costs with high and sustainable returns, such as traditional water management technologies (sukakollos, qochas, water harvesting, enhanced grasslands management), adapted agroecological practices, research results, climate-focused rural extension models, inclusive microfinance schemes and climate insurance, and participatory planning methodologies.<sup>93</sup>

100. In rural contexts with high climate vulnerability, cost-effectiveness at Concept Note stage is assessed through a qualitative comparison with the current situation (no-action scenario), every dollar invested in prevention can generate an estimated return of between \$4 and \$7 in losses and damage reduction, increased agricultural productivity, and strengthened community resilience.<sup>94</sup> Under a no-action scenario, climate impacts are expected to continue generating increasing losses and damages, and higher future recovery costs. For this reason, the Project prioritizes areas where the cost of inaction is high and where adaptive interventions can have a great impact. Practices such as rainwater harvesting, improved grasslands management, silvopastoral systems, and conservative soil management technologies -which are included among the intervention approaches promoted by the proposed Project- have proven to be highly cost-effective, particularly when tailored to local ecological, cultural, and socioeconomic conditions.<sup>95</sup>
101. Experiences in Latin America show that the adaptive technologies promoted by this Project not only reduce climate vulnerability but also generate measurable positive socioeconomic impacts. These solutions, based on local and research knowledge and adapted to rural contexts, have been shown to improve agricultural productivity, increase household income, boost rural employment, and strengthen the sector's contribution to GDP in areas of high climate exposure. In countries in the region, the adaptive technologies promoted by this Project have proven effective in both reducing climate vulnerability and generating economic benefits. The examples presented below correspond to previous experiences in the region and are referenced to justify the selection of intervention types that will be included in and scaled up through the proposed Project, rather than constituting separate Project outputs. In the Bolivian highlands, the rehabilitation of sukakollos and qochas, which are among the practices promoted by the proposed Project which costs between 5 and 10 times less than conventional pressurized irrigation works and can be maintained by the families themselves<sup>96</sup>, has increased potato and barley productivity by 45% and generated an increase of more than 35% in family farm income in Aymara communities. In the Brazilian semi-arid region, the adoption of agroecological practices, such as rainwater harvesting, which are also reflected in the Project's intervention approach, which reduced the cost of access to water by up to 60% per hectare compared to mechanized methods,<sup>97</sup> and participatory land use management, has contributed to diversifying rural income sources and boosting local economies, especially in chains such as honey, goat milk, and native fruits<sup>98</sup>. In Uruguay, the incorporation of<sup>99</sup> strategic

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<sup>93</sup> FAO. (2017). *Joint Programming Framework for Latin America and the Caribbean: Efficiency, Impact and Partnerships*. Santiago: FAO-RLC.

<sup>94</sup> GIZ. (2014). *Adaptation to Climate Change: New Findings on Costs, Benefits and Opportunities for Action*. Eschborn: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

<sup>95</sup> FAO. (2015). *Resilient systems in Latin America: sustainable practices for adaptation to climate change in family farming*. Rome: FAO.

<sup>96</sup> FAO. (2013). *Ancestral knowledge and natural indicators for reducing agricultural risks*. Rome: Food and Agriculture Organization of the United Nations. <https://www.fao.org/3/i3244s/i3244s.pdf>

<sup>97</sup> FAO. (2014). *Rainwater harvesting in Brazil: successful experiences for food and nutrition security*. FAO Regional Office for Latin America and the Caribbean.

<sup>98</sup> FAO. (2013). *Ancestral knowledge and natural indicators for reducing agricultural risks*. Rome: Food and Agriculture Organization of the United Nations.

<sup>99</sup> FAO. (2013). *Ancestral knowledge and natural indicators for reducing agricultural risks*. Rome: Food and Agriculture Organization of the United Nations.

supplementation and improvements in natural grassland management practices, aligned with the type of climate-resilient livestock practices supported by the Project, have led to increases in livestock productivity and resilience even in drought conditions, helping to sustain 29% of agricultural employment linked to family farming. Similarly, in Paraguay and Chile, pilot climate microfinance initiatives, which inform the design of the Project's inclusive financial mechanisms, have facilitated access to credit for vulnerable producers, particularly rural women, achieving increases of up to 20% in the productivity of crops such as sesame, vegetables, and native corn<sup>100 101</sup>.

102. The Project is strategically supported by existing regional platforms such as the REAF, which acts as a space for political and technical coordination for FPIA among MERCOSUR countries, and other technical spaces within the bloc, such as Working Subgroup No. 8 on Agriculture (SGT-8), which could facilitate regulatory harmonization and coordination of agroclimate policies. These coordination mechanisms are already in place and will be actively used during Project implementation to ensure complementarity and avoid duplication with ongoing initiatives. This institutional coordination helps to avoid duplication, disseminate common adaptive tools, and strengthen the regional efficiency of the Project by reducing transaction costs and facilitating the scaling up of proven adaptation practices across countries.<sup>102</sup>
103. In addition, the co-implementation approach with local actors and existing social structures, such as producer associations, cooperatives, or rural extension networks, which are part of the proposed Project's implementation arrangements, will reduce the Project's operating costs by 25% to 40% compared to centralized schemes that rely on external consultants.<sup>103</sup> This approach also enhances cost-effectiveness by leveraging existing capacities, reducing start-up costs, and strengthening local ownership of adaptation measures.
104. The Project's regional strategy provides additional cost-effectiveness advantages by allowing the sharing of methodological tools, regulatory frameworks, technical capacities, and digital platforms among the five countries, reducing the costs of designing, piloting, and validating solutions. This regional approach is explicitly reflected in the proposed Project design and through South-South cooperation promoted by the REAF and COPROFAM, good practices can be scaled up, experiences systematized, economies of scale generated in the acquisition of inputs, and technicians trained jointly, thereby reducing unit costs per beneficiary and avoiding fragmented or duplicative interventions.
105. Within this framework, the regional MEL system will standardize indicators, reduce monitoring costs, and facilitate the comparison of results and continuous improvement. This harmonized MEL approach is part of the proposed Project design and contributes to cost-effectiveness by reducing duplication of monitoring efforts, lowering reporting costs, and enabling shared learning across countries. This collaborative intervention approach multiplies the added value of the Project and promotes the sustainability of its results.
106. This analysis is also supported by previous experiences financed by the Adaptation Fund in Latin America, where interventions focused on family farming and rural resilience have shown a high benefit-cost ratio. These examples are referenced for contextual and indicative purposes only and do not constitute separate activities under the proposed

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<sup>100</sup> FAO. (2013). *Ancestral knowledge and natural indicators for reducing agricultural risks*. Rome: Food and Agriculture Organization of the United Nations.

<sup>101</sup> ECLAC, FAO & IICA. (2013). *Family farming in figures*. In *Perspectives on agriculture and rural development in the Americas: a look at Latin America and the Caribbean 2013–2014* (pp. 83–97). Santiago: ECLAC.

<sup>102</sup> Federal University of Latin American Integration (2019). *Actions of the MERCOSUR REAF trade facilitation thematic group to strengthen peasant family farming in Paraguay*.

<sup>103</sup> ECLAC, FAO & IICA. (2013). *Perspectives on agriculture and rural development in the Americas 2013–2014*. Santiago: ECLAC. <https://repositorio.cepal.org/handle/11362/37091>.

Project. In Honduras, the project "Enhancing *Climate Resilience in the Central Forest Corridor of Honduras*," implemented by the World Food Program (WFP), successfully implemented agroecological practices, watershed management, and water harvesting at an average cost of US\$315 per hectare adapted and US\$37 per person trained in resilient agricultural techniques<sup>104</sup> Similarly, the project in the Peruvian Andes implemented by PROFONANPE ("*Climate Change Adaptation in the Peruvian Andes*") invested nearly USD 21,000 per community to establish climate adaptation protocols with farmer participation, institutional strengthening, and climate monitoring, benefiting more than 50 high Andean communities with sustainable practices. These experiences are used to illustrate the potential cost-effectiveness of the types of interventions proposed, while a more comprehensive quantitative cost-effectiveness analysis, including comparison with alternative intervention options, will be conducted at full proposal stage, in line with Adaptation Fund requirements.

**E. Describe how the Project is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist. If applicable, please refer to relevant regional plans and strategies where they exist.**

Relevance of the Project in relation to national and regional strategic frameworks

107. The regional proposal is directly aligned with national strategies for climate change adaptation, sustainable rural development, food security, and strengthening FPIA in the five participating countries. The outputs defined in the four components of the Project respond to priorities established in these frameworks, strengthening the institutional, community, and technical capacities necessary for the effective implementation of these strategies. Table 5 summarizes these alignments, also incorporating relevant international commitments and sectoral plans where applicable.

Table 5: Alignment of the Project with national, regional, and international strategic documents. Own elaboration.

| Scope   | Strategic document   | Year | Type of instrument             | Alignment   |
|---------|--|------|--------------------------------|---|
| Bolivia | Nationally Determined Contribution of the Plurinational State of Bolivia 2021–2030                             | 2021 | NDC                            | The Project responds to the territorial and intercultural adaptation priorities for FPIA.   |
| Bolivia | Bolivian Plurinational Policy on Climate Change  | 2023 | Climate policy                 | The Project is part of a comprehensive approach to climate change with an emphasis on FPIA  |
| Bolivia | Economic and Social Development Plan 2021–2025   | 2021 | National Development Plan      | The Project promotes a sustainable community model consistent with the guidelines of the Plan.  |
| Bolivia | National Action Programme to Combat Desertification (originally 1997; NAP development under UNCCD in progress) | 1997 | National Action Plan           | The Project aligns with Bolivia's efforts to combat desertification and restore degraded lands through sustainable soil and water management, linked to FPIA resilience strategies.         |
| Bolivia | National Biodiversity Strategy and Action Plan (currently under review for update)                             | 2015 | National biodiversity strategy | The Project supports the implementation of Bolivia's biodiversity conservation objectives by integrating ecosystem services and biodiversity-friendly practices within adaptation measures. |
| Brazil  | National Plan on Climate Change  | 2020 | Multisectoral Climate Plan     | The Project operates within the general framework for climate action and sustainability established   |

<sup>104</sup> WFP. (2022). *Project Performance Report: Enhancing Climate Resilience in the Central Forest Corridor of Honduras*. Washington, D.C.: Adaptation Fund. Retrieved from <https://www.adaptation-fund.org/project/enhancing-climate-resilience-in-honduras/>

| Scope    | Strategic document   | Year | Type of instrument               | Alignment   |
|----------|--|------|----------------------------------|---|
| Brazil   | National Plan for Agroecology and Organic Production 2024–2027   | 2023 | Agroecological plan              | The Project supports the transition to agroecology with gender inclusion and equity.  |
| Brazil   | National Climate Plan (Plano Clima)  | 2025 | National climate change strategy | Guides Brazil's integrated climate adaptation and mitigation policy, including sectoral adaptation planning across agriculture, water, biodiversity, and rural resilience, aligning national priorities with the Project's adaptation objectives.         |
| Brazil   | National Action Plan to Combat Desertification and Drought   | 2025 | National Action Plan             | The Project contributes to Brazil's national efforts to prevent desertification and drought impacts in rural territories through adaptive land management and ecosystem restoration.  |
| Brazil   | National Biodiversity Strategy and Action Plan 2025-2030   | 2025 | National biodiversity strategy   | The Project contributes to Brazil's NBSAP objectives by promoting biodiversity-conserving agricultural practices and ecosystem-based adaptation as part of rural resilience.  |
| Chile    | National Climate Change Adaptation Plan (currently being updated under the Framework Law on Climate Change and sectoral adaptation planning processes) | 2020 | National adaptation plan         | The Project is aligned with the adaptation action lines defined with a participatory approach.  |
| Chile    | Climate Change Adaptation Plan for the Forestry and Agricultural Sector (currently being updated)  | 2014 | Sectoral adaptation plan         | The Project adopts specific adaptation measures in FPIA as proposed in the Plan.  |
| Chile    | Climate Change Adaptation Plan for Biodiversity (currently being updated)  | 2014 | Sectoral adaptation plan         | The Project contributes to the restoration and conservation of ecosystem services.  |
| Chile    | Chile's Long-Term Climate Strategy 2021–2050   | 2021 | Long-term strategy               | The Project implements actions aligned with territorial and sectoral adaptation goals.  |
| Chile    | National Action Framework for Combating Desertification 2016-2030  | 2016 | National planning instrument     | The Project supports Chile's policy frameworks addressing land degradation and sustainable resource management in rural contexts, contributing to national UNCCD implementation.  |
| Chile    | National Biodiversity Strategy 2016-2030   | 2016 | National biodiversity strategy   | The Project advances biodiversity conservation by integrating ecosystem-wide adaptation practices and biodiversity values into rural landscape planning, consistent with Chile's CBD commitments.   |
| Paraguay | Paraguay's National Climate Change Adaptation Plan 2022–2030   | 2022 | National adaptation plan         | The Project is coordinated with the multisectoral strategies defined by the Plan.   |
| Paraguay | Roadmap for Adaptation to 2030   | 2021 | Roadmap                          | The Project operationalizes concrete adaptation actions included in the Roadmap.  |
| Paraguay | 2021 update of the Nationally Determined Contribution for 2030   | 2021 | NDC                              | The Project contributes to the community adaptation goals established in the NDC.   |
| Paraguay | Paraguay National Development Plan 2030  | 2014 | National Development Plan        | The Project strengthens the rural equity and resilience goals proposed in the Plan.   |
| Paraguay | National Strategy to Combat Desertification and Drought (currently being refined towards a National Neutrality Strategy under UNCCD)                   | 2022 | National Action Plan             | The Project supports Paraguay's objectives to address land degradation and build resilience through sustainable soil and water management in vulnerable FPIA areas.   |
| Paraguay | National Biodiversity Strategy and Action Plan   | 2015 | National biodiversity strategy   | The Project contributes to Paraguay's biodiversity conservation and ecosystem services goals by integrating adaptive agroecological practices and community stewardship.  |
| Paraguay | National Plan for Food Sovereignty and Nutritional Security  | 2008 | National strategy                | The Project contributes to national food security objectives by strengthening climate-resilient agricultural livelihoods, enhancing food production systems, and integrating adaptation measures for FPIA actors into broader nutritional security goals. |
| Uruguay  | National Climate Change Policy (2017)  | 2017 | Climate policy                   | The Project implements climate actions within the current national framework  |

| Scope                     | Strategic document  | Year | Type of instrument                | Alignment   |
|---------------------------|---|------|-----------------------------------|---|
| Uruguay                   | Uruguay's Long-Term Climate Strategy 2050 (2022)  | 2022 | Long-term strategy                | The Project supports the necessary transformations towards resilient development  |
| Uruguay                   | National Plan for Adaptation to Climate Variability and Change for the Agricultural Sector (2019) | 2019 | Sectoral adaptation plan          | The Project implements measures proposed for FPIA in response to climate variability  |
| Uruguay                   | Uruguay National Agroecology Plan (2021)  | 2021 | Agroecological plan               | The Project promotes agroecological systems defined in the National Plan  |
| Uruguay                   | National Family Farming Plan 2024-2028  | 2024 | National                          | The Plan is a set of institutional agreements that respond to the demands and priorities of civil society and have the technical feasibility and political-institutional support to be promoted as state policy.  |
| MERCOSUR REAF             | Family Farming Review 2022  | 2022 | Regional strategic document       | The Project responds to regional strategic priorities defined by the REAF.  |
| REAF MERCOSUR             | Regional CCAF Diagnosis (Jones et al., 2024)  | 2024 | Technical regional diagnosis      | The Project is based on the barriers and opportunities identified   |
| CAF                       | Agricultural Prosperity Strategy  | 2025 | Long-term strategy                | The Project is aligned with promoting resilient, inclusive, and sustainable agri-food systems for FPIA through adaptive investments and local capacity building.  |
| International Commitments | UNFCCC  | 1992 | International treaty              | The Project is part of the national commitments made under this Convention.   |
| International Commitments | Paris Agreement   | 2015 | International treaty              | The Project implements actions that comply with Article 7 on adaptation   |
| International Commitments | 2030 Agenda for Sustainable Development   | 2015 | Sustainable development framework | The P Project contributes directly to the achievement of SDGs 1, 2, 5, 13, 15, and 17   |
| International Commitments | United Nations Convention to Combat Desertification (UNCCD)                                       | 1994 | International treaty              | The Project supports land degradation neutrality and sustainable soil and water management through integrated adaptation solutions and ecosystem restoration.   |
| International Commitments | Sendai Framework for Disaster Risk Reduction 2015–2030  | 2015 | Risk reduction framework          | The Project integrates measures for risk management and rural resilience  |
| International Commitments | United Nations Convention on Biological Diversity (UNCBD)   | 1992 | International treaty              | The Project contributes to biodiversity conservation and the sustainable use of ecosystem services through agroecological practices, restoration efforts, and biodiversity-friendly adaptive measures, in alignment with countries' NBSAPs and CBD commitments. |

**F. Describe how the Project meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.**

108. The Project will be implemented by CAF as the Regional Implementing Entity accredited to the Adaptation Fund, and will have the IICA as the Executing Entity, in coordination with public institutions, FPIA organizations, and national authorities from the five participating countries (Bolivia, Brazil, Chile, Paraguay, and Uruguay).

109. CAF will apply its Environmental and Social Management System (ESMS) as the institutional framework to ensure that the Project aligns with the 15 principles of the Adaptation Fund's Environmental and Social Policy (AF ESP), including biodiversity conservation, gender equality, respect for human rights, environmental risk management, and local community participation.

110. For its part, IICA, as the executing agency with operational presence in all the countries involved, will lead technical implementation in the field and ensure that Project activities are consistent with applicable national regulatory frameworks on environmental, land use and rural development issues, such as:

- National legislation on environmental impact assessment (EIA),
- Rules on sustainable land use, water and forest conservation,

- National protocols for consultation with indigenous peoples and rural communities.

Table 6: Relevant national legislation by country within the Project framework. Source: Ministries of Environment and national climate change entities of Bolivia, Brazil, Chile, Paraguay, and Uruguay. (2023). National regulatory compendium on environmental and climate change matters. Official legal documentation consulted online and through each country's plans and NDCs.

| COUNTRY  | TOPIC       | LEGISLATION/POLICY  | DESCRIPT   | ACTIVITY OF THE PROJECT TO WHICH IT APPLIES   |
|----------|-------------|---|--|---|
| Bolivia  | Environment | Law No. 1333 on the Environment   | General environmental legal framework. Regulates environmental management and EIA. | 2.1.1, 2.2.1 & 2.2.2  |
|          | Climate     | Plurinational Climate Change Policy and NDC   | Guiding framework for climate adaptation. Emphasizes a territorial approach.       | 1.1.1, 1.1.2, 1.1.6, 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.3.5, 2.1.1, 2.2.1, 2.2.2, 4.1.1, 4.1.2, 4.1.3, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.3.1, 4.3.2, 4.3.3, 4.3.4 & 4.3.5                      |
| Brazil   | Environment | Forest Code (Law No. 12,651/2012)   | Protection of native vegetation, land use, and productive adaptation.              | 2.1.1, 2.2.1 & 2.2.2  |
|          | Climate     | PNMC - National Policy on Climate Change  | Establishes guidelines for national mitigation and adaptation.                     | 1.1.1, 1.1.2, 1.1.6, 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.3.5, 2.1.1, 2.2.1, 2.2.2, 3.1.1, 3.2.1, 3.3.1, 4.1.1, 4.1.2, 4.1.3, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.3.1, 4.3.2, 4.3.3, 4.3.4 & 4.3.5 |
| Chile    | Environment | Law No. 19,300 on General Environmental Principles  | Regulates environmental management instruments such as EIAs.                       | 2.1.1, 2.2.1 & 2.2.2  |
|          | Climate     | National Adaptation Plan for the Forestry and Agricultural Sector (2014)                              | Defines sectoral adaptation measures in agriculture and water.                     | 2.1.1, 2.2.1 & 2.2.2  |
| Paraguay | Environment | Law No. 294/1993 on Environmental Impact Assessment   | Regulates the mandatory environmental impact assessment process.                   | 2.1.1, 2.2.1 & 2.2.2  |
|          | Climate     | National Climate Change Adaptation Plan (2022–2030)   | Contains multisectoral adaptation goals and actions.                               | 1.1.1, 1.1.2, 1.1.6, 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.3.5, 2.1.1, 2.2.1, 2.2.2, 3.1.1, 3.2.1, 3.3.1, 4.1.1, 4.1.2, 4.1.3, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.3.1, 4.3.2, 4.3.3, 4.3.4 & 4.3.5 |
| Uruguay  | Environment | Law No. 17,283 on Environmental Protection  | Defines general principles and tools for land use planning.                        | 2.1.1, 2.2.1 & 2.2.2  |
|          | Climate     | National Agricultural Adaptation Plan (2019), Agroecology Plan (2021), and Family Farming Plan (2023) | Specific strategies for family farming in the face of climate change.              | 1.1.1, 1.1.2, 1.1.6, 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.3.5, 2.1.1,  |

| COUNTRY | TOPIC | LEGISLATION/POLICY | DESCRIPT | ACTIVITY OF THE PROJECT TO WHICH IT APPLIES  |
|---------|-------|--------------------|----------|--|
|         |       |                    |          | 2.2.1, 2.2.2, 3.1.1, 3.2.1, 3.3.1, 4.1.1, 4.1.2, 4.1.3, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.3.1, 4.3.2, 4.3.3, 4.3.4 & 4.3.5 |

111. The Project will also promote coordination with the competent environmental authorities in each country to ensure that permits or licenses are issued when appropriate and to avoid overlap with other initiatives.

**G. Describe if there is duplication of Project with other funding sources, if any.**

112. Currently, several projects underway in MERCOSUR countries have been financed by the Green Climate Fund (GCF) and the Global Environment Facility (GEF), many of them with a focus on ecosystem-based adaptation, agroclimatic resilience, or sustainable production systems. However, the Project presented does not duplicate existing efforts, but rather complements them territorially and thematically.

Table 7: Projects/initiatives/programs related to the Project that are in Mercosur countries. Source: Green Climate Fund (GCF) and Global Environment Facility (GEF).

| Initiative/project   | Funding source/Funding                       | Country  | Period      | Status  | Brief description  | Complementarities/ lessons learned  | How lessons are incorporated in the Project design  |
|--|--|--|-------------|---------|--|---|---|
| Resilient Marajó: Strengthening the resilience of small producers to the impacts of climate change through adaptation <sup>105</sup>   | GCF/ USD 9,888,923                           | Brazil   | 2023 - 2027 | Ongoing | The project seeks to strengthen the climate resilience of smallholder farmers in the Marajó archipelago (Brazil) through the implementation of diversified agroforestry systems. It promotes sustainable practices, access to markets and financing, with a special focus on women and quilombola communities. It is aligned with national climate change adaptation policies.   | Community-based and agroecological adaptation approaches are effective in highly climate-vulnerable and fragile ecosystems, particularly when solutions are tailored to local livelihoods and supported through participatory implementation with smallholders, women, and traditional communities.   | These lessons are reflected in Component 2 through the implementation of territorially adapted adaptation solutions for FPIA, and in Components 1 and 4 through the incorporation of regional learning mechanisms and a harmonized MEL system to enable scaling up beyond single-territory interventions.   |
| Green Fund: Investment in inclusive agriculture and forest protection <sup>106</sup>   | GCF - Government of Bolivia/ USD 189,350,000 | Brazil; Cameroon; Colombia; Côte d'Ivoire, Democratic Republic of Congo; Ecuador; Gabon; Indonesia; Lao PDR; Liberia; Zambia | 2023 - 2033 | Ongoing | The project seeks to transform agricultural chains in tropical countries towards deforestation-free, climate-resilient, and inclusive models. It promotes sustainable investments in sectors such as palm, soy, livestock, and cocoa, supporting small producers and protecting forests. It is expected to reduce 339 MtCO <sub>2</sub> e and benefit more than 26 million people.   | The project highlights the importance of mobilizing private finance for deforestation-free agricultural value chains and more sustainable production models. It provides lessons on combining financial instruments with robust environmental and social safeguards, although its focus remains primarily on agro-export value chains and larger-scale actors.  | From a financial perspective, these lessons are reflected in Component 3 of the Project, which promotes inclusive financial instruments tailored to FPIA, integrating environmental and social criteria while targeting smallholders and grassroots organizations. The Project differentiates itself by prioritizing climate change adaptation, territorial justice, and regional governance, which are not central elements of the GCF project.  |
| Expanding ecosystem-based climate resilience of vulnerable rural communities in the macro-region of the Plurinational State of Bolivia's Valle (RECEM-Valles) <sup>107</sup> | GCF/ USD 63,300,000                          | Bolivia  | 2022-2028   | Ongoing | The project seeks to strengthen the climate resilience of small family farmers in the Valleys region of Bolivia through agroecological practices, micro-watershed restoration, and access to climate-resilient financial mechanisms. It focuses on family farming, food security, and integrated water management, with a reach of more than 81,000 direct beneficiaries and 1.2 million indirect beneficiaries.   | The RECEM-Valles project provides relevant lessons on the application of ecosystem-based adaptation (EbA) approaches and micro-watershed restoration to strengthen the climate resilience of rural communities and family farming. It highlights the importance of integrating water management, soil conservation, and community participation in highly vulnerable territories, while its scope remains national and territorially focused. | At the territorial level, these lessons are mainly incorporated in Component 2 through the promotion of integrated adaptation solutions that combine EbA, agroecological practices, and sustainable water and soil management in FPIA territories. The Project expands the RECEM-Valles approach by introducing a regional scale, cross-country learning mechanisms (Component 1), and a regional monitoring, evaluation and learning (MEL) system (Component 4), enabling the systematization and scaling up of experiences beyond the national context. |
| CRAFT (Catalytic Capital for the First Private Investment Fund in Adaptation Technologies in Developing Countries) <sup>108</sup>  | GCF/ USD 400,000,000                         | Brazil, Bahamas, Mexico, Rwanda, Trinidad and Tobago   | 2021 - 2031 | Ongoing | The objective is to accelerate the adoption of climate change adaptation technologies in developing countries through private investment. The project will support companies that develop solutions such as resilient seeds, efficient irrigation systems, climate risk management, and digital platforms. It focuses on vulnerable sectors such as agriculture, water, and infrastructure, seeking to generate climate resilience, social benefits, and the creation of new adaptation markets. | The CRAFT project provides lessons on the use of catalytic capital and private finance to accelerate the development and uptake of adaptation technologies in sectors such as agriculture, water, and infrastructure. It highlights the importance of de-risking mechanisms to mobilize private investment, while its focus remains on technology providers rather than directly on smallholders or vulnerable rural territories.             | In this component, these lessons are incorporated in Component 3 through the identification and promotion of enabling conditions for inclusive financial instruments that facilitate FPIA access to appropriate adaptation technologies. The Project differentiates itself by prioritizing territorially based adaptation solutions, the participation of producer organizations, and public-regional governance, complementing CRAFT's market-oriented approach.   |

<sup>105</sup> Fundación Avina. (n.d.). *Resilient Marajó: Agroforestry diversification as a climate adaptation tool in the Marajó archipelago, Brazil* [SAP project proposal]. Green Climate Fund (GCF). <https://www.greenclimate.fund/project/sap031>

<sup>106</sup> Green Fund. (2022). *Investing in Inclusive Agriculture and Protecting Forests* [Project proposal FP212]. Green Climate Fund (GCF). <https://www.greenclimate.fund/project/fp212>

<sup>107</sup> Food and Agriculture Organization of the United Nations (FAO). (2023). *Upscaling Ecosystem Based Climate Resilience of Vulnerable Rural Communities in the Valles Macro-region of the Plurinational State of Bolivia (RECEM-Valles)* [Project proposal FP202]. Green Climate Fund (GCF). <https://www.greenclimate.fund/project/fp202>

<sup>108</sup> Climate Fund Managers. (2023). *Catalytic Capital for First Private Investment Fund for Adaptation Technologies in Developing Countries (CRAFT)* [Project proposal FP181]. Green Climate Fund (GCF). <https://www.greenclimate.fund/project/fp181>

| Initiative/project   | Funding source/Funding     | Country | Period         | Status    | Brief description   | Complementarities/ lessons learned   | How lessons are incorporated in the Project design  |
|--|----------------------------|---------|----------------|-----------|---|--|---|
| Sowing climate resilience in rural communities in the northeast (PCRP) <sup>109</sup>  | GCF/<br>USD<br>202,500,000 | Brazil  | 2021 -<br>2028 | Ongoing   | Strengthen the climate resilience of family farming in the semi-arid region of northeastern Brazil. With GCF funding, it will benefit one million people through resilient production systems, access to water, and local capacity building. In response to severe droughts that have caused agricultural losses of more than USD 6 billion (2011–2016), the project promotes solutions such as agroforestry, water technologies, and the empowerment of rural women and youth. | The PCRP project provides key lessons on the large-scale implementation of adaptation solutions for family farming in highly climate-vulnerable contexts, particularly in Brazil's semi-arid Northeast. It highlights the effectiveness of integrating water access, climate-resilient production practices, and local capacity building, while its approach remains national and does not include regional governance or cross-country learning mechanisms.   | Within the proposed Project, these lessons are mainly incorporated in Component 2 through the implementation of integrated adaptation solutions in FPIA territories. The Project expands the PCRP approach by adding a regional dimension, cross-country exchange and learning mechanisms (Component 1), and a regional monitoring, evaluation and learning (MEL) system (Component 4), strengthening the systematization and scalability of interventions.   |
| Strengthening the comprehensive and sustainable management of biodiversity and forests by indigenous peoples and local communities in fragile ecosystems in the dry forests of the Bolivian Chaco <sup>110</sup> | GEF/<br>USD 26,406,796     | Bolivia | 2020 -<br>2026 | Ongoing   | The project seeks to strengthen sustainable biodiversity and forest management in the dry Chaco region of Bolivia through the participation of indigenous and local communities. It promotes agroecological practices, restoration of degraded lands, and community economic development, contributing to the conservation of at least 100,000 hectares of fragile ecosystems.  | The project provides relevant lessons on community-based forest and biodiversity management in fragile ecosystems of the Bolivian Chaco, highlighting the role of indigenous peoples and local communities in conservation, restoration, and sustainable resource use. It emphasizes territorial approaches, local governance, and strong environmental and social safeguards, while its primary focus is on forest conservation and management rather than productive adaptation of family farming systems. | The lessons learned are incorporated into the Project through the integration of participatory approaches, environmental and social safeguards, and recognition of traditional knowledge, particularly under Component 2, which promotes ecosystem-based adaptation solutions and sustainable practices in FPIA territories. The Project complements this approach by explicitly focusing on adaptation of climate change, rural livelihood resilience, and regional learning and multi-country governance mechanisms (Components 1 and 4). |
| Conservation and sustainable use of agrobiodiversity to improve human nutrition in five macro eco-regions <sup>111</sup>   | GEF/<br>USD 26,406,796     | Bolivia | 2019 –<br>2016 | Ongoing   | The objective is to conserve and sustainably use agrobiodiversity to improve human nutrition and food sovereignty. It will be implemented in five macro eco-regions of the country, in collaboration with local communities and national institutions. The approach includes climate change resilience, gender inclusion, and community participation, promoting traditional crops and assessing their climate resilience.  | The project provides relevant lessons on the conservation and sustainable use of agrobiodiversity as a foundation for improving nutrition, food security, and the resilience of local production systems. It highlights the importance of traditional crops, local knowledge, and community participation, while its primary focus is on nutrition and biodiversity, rather than comprehensive climate adaptation of production systems.   | Key lessons from this experience are incorporated in Component 2 through the promotion of agroecological practices, productive diversification, and the valorization of agrobiodiversity as climate adaptation strategies in FPIA territories. The Project expands this approach by explicitly integrating climate vulnerability reduction, regional learning mechanisms (Component 1), and a regional monitoring, evaluation and learning (MEL) system (Component 4).  |
| Strengthening the climate change resilience of family- I farming in the O'Higgins region <sup>112</sup>  | AF/ USD<br>9,960,000       | Chile   | 2018 -<br>2014 | Completed | This project aims to improve the climate change resilience of small-scale family farming in the O'Higgins region of Chile through sustainable water and soil management, local capacity building, and the incorporation of adaptation measures into regional policies.  | The project provides relevant lessons on strengthening the climate resilience of family farming through sustainable water and soil management, local capacity building, and the integration of adaptation into regional planning processes. It highlights the importance of coordination between public services, extension systems, and producers, while its scope is subnational and focused on a single region.   | In this context, these lessons are incorporated in Component 2 through the promotion of integrated adaptation solutions for FPIA, combining sustainable natural resource management and territorially based technical assistance. The Project expands this approach by introducing a regional scale, cross-country learning mechanisms (Component 1), and a regional monitoring, evaluation and learning (MEL) system (Component 4), enabling replication and scaling across MERCOSUR countries.  |

<sup>109</sup> IFAD & BNDES. (2021). *FP143: Planting Climate Resilience in Rural Communities of the Northeast (PCRP)*. Green Climate Fund (GCF). <https://www.greenclimate.fund/project/fp143>

<sup>110</sup> FAO Bolivia. (n.d.). *Strengthening the integral and sustainable management of biodiversity and forests by indigenous peoples and local communities in fragile ecosystems of the dry forests of the Bolivia Chaco* [PIF GEF proposal]. Global Environment Facility (GEF). <https://www.thegef.org/project/strengthening-integral-and-sustainable-management-biodiversity-and-forests-indigenous>

<sup>111</sup> FAO Bolivia. (n.d.). *Conservation and Sustainable Use of Agro-biodiversity to Improve Human Nutrition in Five Macro Eco-regions* [PIF and STAP Review Proposal]. Global Environment Facility (GEF). <https://www.thegef.org/project/conservation-and-sustainable-use-agro-biodiversity-improve-human-nutrition>

<sup>112</sup> Government of Chile. (2015). *Enhancing resilience to climate change of small-scale agriculture in the Chilean region of O'Higgins* [Project document, final version]. Adaptation Fund.

| Initiative/project   | Funding source/Funding | Country  | Period         | Status  | Brief description   | Complementarities/ lessons learned  | How lessons are incorporated in the Project design   |
|--|------------------------|----------|----------------|---------|---|---|--|
| Expansion of regenerative practices for the recovery and improvement of soils, biodiversity, and associated ecosystem services in the Chilean agricultural sector <sup>113</sup> | GEF/ USD<br>39,091,817 | Chile    | 2021 -<br>2027 | Ongoing | Catalyzing the transition to a regenerative and circular model in Chile's food systems in order to restore and improve soils, biodiversity, and associated ecosystem services, thereby contributing to climate change mitigation and adaptation in the national agricultural sector.  | The project provides relevant lessons on the implementation of regenerative practices for soil restoration, biodiversity conservation, and the enhancement of ecosystem services in agricultural systems. It highlights the importance of integrated farm- and territory-level approaches and strong linkages between research, extension, and public policy, while its focus remains national and sector-wide, without a specific emphasis on regional governance or family farming in highly climate-vulnerable contexts. | The lessons identified are incorporated in Component 2 through the promotion of agroecological practices and sustainable soil management as key climate adaptation strategies in FPIA territories. The Project complements this approach by prioritizing climate vulnerability reduction, smallholder inclusion, and the establishment of regional learning and monitoring mechanisms (Components 1 and 4) to enable the systematization and scaling of regenerative practices at the regional level.  |
| Paraguay FOLUR <sup>114</sup>  | GEF/USD<br>56,494,502  | Paraguay | 2021 -<br>2028 | Ongoing | The project aims to promote landscape integrity and sustainable beef and soy value chains in two key biomes in Paraguay: the Dry Chaco and the Atlantic Forest of Upper Paraná (BAAPA). Through an integrated approach to land use planning, governance, and sustainable production, the project seeks to reduce deforestation and land degradation, improve environmental management, and contribute to a more resilient and low-emission economy. | The Paraguay FOLUR project provides relevant lessons on integrated land-use management, sustainable commodity value chains (beef and soy), and landscape restoration in strategic biomes such as the Dry Chaco and the Upper Paraná Atlantic Forest. It highlights the importance of intersectoral coordination, territorial planning, and the integration of environmental criteria into production systems, while its focus is primarily on agro-industrial value chains and larger-scale actors.                         | Lessons drawn from this experience are incorporated into the Project through the integration of territorial management approaches, environmental sustainability, and inter-institutional coordination, particularly under Component 2, which promotes ecosystem-based and productive adaptation solutions in FPIA territories. The Project differentiates itself by prioritizing climate change adaptation, family farming inclusion, and regional governance and cross-country learning (Components 1 and 4), aspects not central to the FOLUR project. |
| Ecosystem-based approaches to reduce food security vulnerability to climate change impacts in the Chaco region of Paraguay <sup>115</sup>  | AF/ USD<br>7,128,450   | Paraguay | 2019 -<br>2015 | Ongoing | This project aims to reduce the vulnerability of food security in rural communities in the Paraguayan Chaco to climate change through the use of EbA. It seeks to protect and restore key ecosystem services, such as water regulation and soil fertility, which are essential for agricultural production and local livelihoods.   | The project provides relevant lessons on the application of EbA approaches to reduce food security vulnerability to climate change in rural communities of the Paraguayan Chaco. It highlights the importance of ecosystem restoration, sustainable natural resource management, and community participation, particularly with indigenous peoples, while its scope is territorially focused and limited to a specific region.  | The Project primarily incorporates these lessons in Component 2 through the promotion of ecosystem-based adaptation solutions integrated into FPIA production systems. The Project expands this approach by introducing a regional scale, cross-country learning mechanisms (Component 1), and a regional monitoring, evaluation and learning (MEL) system (Component 4), enabling the systematization and replicability of experiences beyond the Paraguayan Chaco.   |
| Land Degradation Neutrality for Sustainable Use and Conservation of Grasslands in Uruguay <sup>116</sup>   | GEF/ USD<br>16,532,067 | Uruguay  | 2019 -<br>2026 | Ongoing | The project aims to strengthen sustainable land management and the restoration of degraded ecosystems in key grassland and savanna areas in Uruguay through the application of the Land Degradation Neutrality (LDN) approach.  | The project provides key lessons on the sustainable management of natural grasslands and the application of the LDN approach to restore soils, conserve biodiversity, and enhance ecosystem services. It highlights the importance of territorial planning, monitoring systems, and institutional coordination, while its primary focus is environmental and national, with limited emphasis on productive adaptation for family farming.   | Core lessons are incorporated in Component 2 through the promotion of sustainable soil and grassland management practices as climate adaptation strategies in FPIA territories. The Project complements this approach by explicitly integrating rural livelihood resilience, family farmer inclusion, and regional learning and monitoring mechanisms (Components 1 and 4), expanding the scope of the LDN approach.   |

<sup>113</sup> FAO Chile. (n.d.). *Scaling-up regenerative practices for the recovery and improvements of soils, biodiversity, and associated ecosystem services in the Chilean agricultural sector* [GEF project proposal]. Global Environment Facility (GEF). <https://www.thegef.org/project/scaling-regenerative-practices-recovery-and-improvements-soils-biodiversity-and-associated>

<sup>114</sup> United Nations Environment Programme (UNEP). (2024). *Project Implementation Report (PIR) – FOLUR Paraguay* (GEF ID 10464). Global Environment Facility (GEF). <https://www.thegef.org/projects-operations/projects/10464>

<sup>115</sup> United Nations Environment Programme (UNEP). (2017). *Ecosystem-based approaches for reducing the vulnerability of food security to the impacts of climate change in the Chaco region of Paraguay* [Project proposal, final version]. Adaptation Fund.

<sup>116</sup> Global Environment Facility (GEF). (2024). *Land Degradation Neutrality for Sustainable Use and Conservation of Uruguay Rangelands*. Retrieved from <https://www.thegef.org/projects-operations/projects/11061>

| Initiative/project   | Funding source/Funding | Country | Period         | Status    | Brief description  | Complementarities/ lessons learned   | How lessons are incorporated in the Project design  |
|--|------------------------|---------|----------------|-----------|--|--|---|
| Strengthening resilience to climate change and climate variability among vulnerable small-scale producers <sup>117</sup> . | AF/ USD<br>9,967,678   | Uruguay | 2011 -<br>2015 | Completed | This project aims to strengthen the resilience to climate change and climate variability of vulnerable small livestock producers in Uruguay, especially in the ecological regions most affected by drought: the Cuesta Basáltica (north and northwest) and the Sierras del Este (southeast and east), which cover 39% of the national territory and have shallow soils with low water retention capacity. Completed in 2015. | The project provided relevant lessons on strengthening the climate resilience of vulnerable small-scale producers through sustainable natural resource management practices, improved access to climate information, and local capacity building. It demonstrated the effectiveness of territorially focused interventions to reduce vulnerability to droughts and climate variability, while its scope was national and geographically limited. | These lessons are incorporated in Component 2 through the implementation of integrated adaptation solutions for FPIA, combining climate-resilient production practices and local capacity building. The Project expands this approach by adding a regional dimension, cross-country learning mechanisms (Component 1), and a regional monitoring, evaluation and learning (MEL) system (Component 4), allowing lessons from this project to be leveraged and scaled across MERCOSUR contexts. |

<sup>117</sup> World Bank. (2017). *Building resilience to climate change and variability in vulnerable smallholders* [Project document]. Adaptation Fund.

**H. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.**

113. The Project incorporates a specific monitoring, evaluation, and learning component, Component 4: "Monitoring, evaluation, and learning of climate change adaptation in FPIA," designed to generate useful evidence, systematize learning, and provide feedback on climate adaptation interventions in FPIA. This strategy is based on the participatory application and adaptation of adaptation indicators and sub-indicators, consistent with the UNFCCC Global Adaptation Goal framework and adapted to the sociocultural and productive contexts of rural areas.
114. An accessible regional platform will be established to systematize, analyze, and visualize data on resilience, vulnerability, and co-benefits (such as biodiversity restoration, economic inclusion, and GHG emissions reduction, among others). The platform will be managed by regional institutions with technical mandates and will coordinate the work of universities, research centers, social organizations (such as COPROFAM), community actors, and governments in the five countries.
115. In addition, spaces for joint learning and evaluation between countries will be facilitated through communities of practice, technical exchanges, and regional meetings that will allow for the sharing of good practices, the adaptation of instruments, and the strengthening of national capacities. The participatory and intercultural approach will ensure that lessons learned draw on both technical knowledge and local knowledge, generating contextualized and sustainable solutions.
116. The design of Component 4 is based on the principles of the Transformational Learning Approach and the Adaptation Fund Evaluation Framework<sup>118</sup>, ensuring an approach that integrates results-oriented monitoring, multi-stakeholder participation, and the generation of transferable lessons learned. Methodologies from the NAP Global Network's Toolkit for Monitoring, Evaluation, and Learning<sup>119</sup> will be incorporated, with an emphasis on locally led adaptation.
117. This approach to knowledge management reinforces the sustainability of the Project and its potential for replication, by enabling continuous improvement of adaptation strategies and wide dissemination of lessons learned at the regional and international levels.

**I. Describe the consultative process, including the list of stakeholders consulted, undertaken during Project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund.**

118. The consultation and socialization process led by the REAF Technical Secretariat for the development of the Project was broad, representative, and multilevel, including technical, political, and social stakeholders in the five participating countries. Between April and September 2025, 23 formal meetings were held, including bilateral workshops with government focal points, regional thematic sessions, and dialogue spaces with social organizations, technical actors, and international agencies such as IICA and CAF. Table 8 below summarizes each of these instances.

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<sup>118</sup> Adaptation Fund. (2022). *Evaluation Policy of the Adaptation Fund*. <https://www.adaptation-fund.org/wp-content/uploads/2022/07/New-Design-Evaluation-Policy.pdf>

<sup>119</sup> NAP Global Network. (2024). *Toolkit for Monitoring, Evaluation, and Learning (MEL) in National Adaptation Plan (NAP) Processes*. International Institute for Sustainable Development. <https://napglobalnetwork.org/wp-content/uploads/2024/05/napgn-en-2024-mel-toolkit-nap-processes.pdf>

Table 8: Record of meetings and inputs collected during the Project development process.

| #  | Date           | Participating country or entity                          | Number of participants             | Type of meeting                            | Feedback collected and incorporated in the CN   |
|----|----------------|--|------------------------------------|--|---|
| 1  | April 22, 2025 | REAF, IICA, CAF and delegations from all five countries. | Total: 21<br>Female: 4<br>Male: 17 | Regional workshop                          | Alignment of information through the presentation of a fit-for-purpose framework and clarification of process guidelines. Agreement on a participatory methodology and identification of key implementation arrangements at the national level.   |
| 2  | April 29, 2025 |  |                                    |  |   |
| 3  | June 3, 2025   | Delegation from Brazil                                   | Total: 5<br>Female: 1<br>Male: 4   | Validation meeting                         | Validation of national and regional barriers affecting the implementation of climate adaptation actions, through a participatory review process with country delegations. The meetings enabled the adjustment and prioritization of regulatory, institutional, and operational barriers, strengthening coherence between national contexts and the regional framework, and supporting the alignment of adaptation planning with existing governance structures and territorial realities.   |
| 4  | June 4, 2025   | Delegations from Bolivia and Chile                       | Total: 7<br>Female: 1<br>Male: 6   |  |   |
| 5  | June 5, 2025   | Delegations from Paraguay and Uruguay                    | Total: 5<br>Female: 0<br>Male: 5   |  |   |
| 6  | June 9, 2025   | REAF, IICA and CAF                                       | Total: 6<br>Female: 1<br>Male: 5   | Short group technical meeting              | Technical review and consolidation of results from the validation meetings, focusing on the analysis, adjustment, and final definition of regional barriers. The discussions enabled the refinement of previously identified barriers, ensuring consistency across countries and strengthening their alignment with the regional adaptation framework and implementation priorities.  |
| 7  | June 12, 2025  |  |                                    |  |   |
| 8  | June 16, 2025  | Delegation from Paraguay                                 | Total: 5<br>Female: 2<br>Male: 3   | Bilateral workshop                         | Bilateral validation of components, activities, and expected results with national institutions, focusing on the operationalization of adaptation priorities at the country level. The meetings enabled the refinement of component structures, incorporation of FPIA and agroecological approaches, alignment with existing regulatory and policy frameworks, and clarification of activities related to climate governance, territorial adaptation planning, capacity building, and use of agroclimatic information systems. Expected results were adjusted to reflect national implementation capacities, institutional coordination mechanisms, and inclusive participation, while maintaining coherence with the regional framework. |
| 9  | June 16, 2025  | Delegation from Uruguay                                  | Total: 5<br>Female: 1<br>Male: 4   |  |   |
| 10 | June 18, 2025  | Delegation from Bolivia                                  | Total: 5<br>Female: 2<br>Male: 3   |  |   |
| 11 | June 18, 2025  | Delegation from Brazil                                   | Total: 7<br>Female: 2<br>Male: 5   |  |   |
| 12 | June 18, 2025  | Delegation from Chile                                    | Total: 5<br>Female: 1<br>Male: 4   |  |   |
| 13 | June 19, 2025  | COPROFAM, Civil society and grassroots organizations     | Total: 20<br>Female: 12<br>Male: 8 | Consultative meeting                       | Consultations conducted with COPROFAM and its members strengthened the Project design by integrating the perspectives of civil society and grassroots organizations. The process supported the validation of intervention areas, prioritization of common regional barriers, and formulation of components, activities, and expected results, while ensuring the territorial, intercultural, and social equity approaches were systematically reflected in the proposal in line with the Adaptation Fund's Environmental and Social Policy.   |
| 14 | June 20, 2025  |  |                                    |  |   |
| 15 | June 20, 2025  | COPROFAM and REAF  | Total: 3<br>Female: 0<br>Male: 3   | Technical Coordination Meeting             | The exchange between COPROFAM and REAF enabled the systematic transfer of inputs gathered from civil society and grassroots organizations, strengthening the integration of territorial perspectives into the regional Project design. The process supported the validation of key priorities, barriers, and social considerations, ensuring that the voices of rural communities, women, and vulnerable groups were consistently reflected in the refinement of the proposal.  |
| 16 | June 20, 2025  | REAF, IICA and CAF                                       | Total: 9<br>Female: 1<br>Male: 8   | Short group technical meeting              | Regional consolidation and technical analysis of results from the bilateral workshops, focusing on the adjustment of activities and expected results to ensure coherence, consistency, and alignment with the regional framework and implementation priorities.   |
| 17 | June 23, 2025  |  |                                    |  |   |
| 18 | June 26, 2025  |  |                                    |  |   |
| 19 | July 2, 2025   | Delegations from all five countries                      | Total: 24<br>Female: 5<br>Male: 19 | Socialization and final validation meeting | Consolidation of the intervention logic and prioritization of activities, supporting the alignment of the theory of change and validation of proposed actions. The process allowed the definition of national priorities in line with   |

| #  | Date              | Participating country or entity                         | Number of participants              | Type of meeting   | Feedback collected and incorporated in the CN  |
|----|-------------------|---|-------------------------------------|---|--|
|    |                   |   |                                     |   | implementation capacities, while maintaining coherence with regional adaptation framework.   |
| 20 | July 9, 2025      | REAF, IICA and CAF                                      | Total: 10<br>Female: 2<br>Male: 8   | Short group technical meeting   | Analysis of activity affinities supported the assignment of regional and cross-cutting components, as well as country specific components, ensuring logical consistency between activities, expected results, and implementation levels. The process contributed to a clearer differentiation between regional functions and national responsibilities, strengthening coherence across the intervention framework.               |
| 21 | July 11, 2025     | REAF, IICA and CAF                                      | Total: 10<br>Female: 2<br>Male: 8   | Short group technical meeting   | Final consolidation and refinement of the Concept Note, ensuring internal coherence across components, activities, and expected results. The review process supported the validation of the overall proposal structure and strengthened its consistency for formal presentation.   |
| 22 | July 14, 2025     | REAF, IICA and CAF                                      | Total: 10<br>Female: 3<br>Male: 7   | Short group technical meeting   | Final preparation and confirmation of the Concept Note for official submission, ensuring that all agreed adjustments were incorporated and that document was fully validated for endorsement and delivery.   |
| 23 | September 2, 2025 | REAF, IICA, CAF and delegations from all five countries | Total: 38<br>Female: 25<br>Male: 13 | Participatory technical workshop (XLIII Reunión Especializada sobre Agricultura Familiar) | Advancement in the operationalization of the proposal through participatory discussion and validation of key components, strengthening the transition from the Concept Note to the Full Proposal. The workshop supported the refinement of financial innovation approaches, consolidation of transversal axes, and alignment of country level inputs, contributing to a shared understanding of priorities and expected results. |

119. When Table 8 refers to “country delegations”, this corresponds to the official government representatives involved in the Project formulation process, including national focal points and technical staff designated by each participating country. These representatives belong to the public institutions in each country, as detailed in Table 9.

Table 9: Government institutions represented in country delegations.

| Country  | Public institutions   |
|----------|---|
| Bolivia  | Ministry of Rural Development and Land  |
|          | Ministry of Environment and Water   |
| Brazil   | Ministry of the Environment and Climate Change  |
|          | Interministerial Committee on Climate Change  |
| Chile    | Ministry of Agriculture (MINAGRI)   |
|          | Ministry of the Environment   |
|          | Undersecretary of the Environment – Climate Change Office                             |
|          | Office of Agricultural Studies and Policies (ODEPA)                                   |
| Paraguay | Ministry of Agriculture and Livestock (MAG)   |
| Uruguay  | Ministry of Livestock, Agriculture and Fisheries (MGAP) and its Policy Office (OPYPA) |
|          | General Directorate of Rural Development (DGDR) of the MGAP                           |
|          | General Directorate of Natural Resources (DGRN) of the MGAP                           |
|          | Climate Change Directorate of the Ministry of the Environment                         |

120. Key actors from civil society and grassroots organizations were also consulted during the Project’s development, including the Coordinator of Integration of Peasant Economic Organizations (CIOEC) in Bolivia; the National Confederation of Agricultural Workers (CONTAG) in Brazil; the Unitary Peasant and Ethnic Movement of Chile (MUCECH); the National Peasant Organization (ONAC) and the National Agricultural Union (UAN) in Paraguay; and in Uruguay, the Inter-Union Association of Milk Producers (IPL), the Association of Rural Women of Uruguay (AMRU), the National Commission for Rural

Development (CNFR), and the Association of Settlers of Uruguay (ACU). These consultations, reflected in Table 8, were facilitated through COPROFAM, with the regional coordination by REAF.

121. In addition, REAF, through its close coordination with COPROFAM, ensured that the perspectives of the most vulnerable groups were legitimately and systematically taken into account.<sup>120</sup> For its part, COPROFAM, as the coordinator of grassroots organizations, channeled the proposals and concerns of rural territories, ensuring their integration into the Project's design. This methodology respected intercultural and territorial equity approaches, in line with the Adaptation Fund's Environmental and Social Policy.
122. Beyond the spaces documented in Table 8, the consultations enabled the definition of strategic intervention lines such as adaptive rural extension and differentiated financial mechanisms, as well as the methodological adjustment of monitoring tools with intercultural relevance. These processes supported the prioritization of key activities, including integrated technological solutions, the strengthening of agroclimatic information systems, and training processes with territorial and intercultural approaches. FPIA organizations, through COPROFAM, emphasized the importance of ensuring that actions respond to local contexts and guarantee equitable and effective participation.
123. Finally, the consultation and socialization process will not be limited to the design phase of this Concept Note. It is expected to continue during the formulation of the Full Proposal, through new rounds of territorial, national, and regional consultations, and to remain a central component during the implementation of the Project through participatory governance mechanisms.

**J. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.**

124. The funding requested from the Adaptation Fund is fully justified under the principle of full cost of adaptation, as the proposed Project has the sole purpose of supporting measures aimed at reducing the climate vulnerability of FPIA in five countries of the Southern Cone. The Project is designed to fully achieve its objectives using Adaptation Fund resources alone, and its implementation and expected results are not contingent upon, nor adversely affected by, the availability of any additional or parallel sources of financing. Without funding from the Fund, the target communities would continue to be exposed to increasing risks from droughts, frosts, heat waves, floods, and ecosystem degradation, without access to sufficient technical and financial resources to adopt effective adaptation practices.
125. The proposed interventions (such as productive diversification with an agroecological approach, integrated water management, the use of resilient traditional technologies, the improvement of early warning systems, and the implementation of inclusive financing mechanisms) would not be feasible under normal conditions of public or private investment in the prioritized territories. These interventions address structural climate vulnerabilities, generate public goods, and deliver long-term social, environmental, and resilience benefits that are not captured by conventional market-based returns. As a result, they face significant market failures and lack sufficient incentives for private investment. At the same time, existing public financing mechanisms are generally fragmented, sector-specific, and nationally bounded, limiting their ability to support integrated, territorially differentiated, and multi-country adaptation actions. The regional nature of the Project, covering five countries with shared climate risks and common structural barriers, requires coordinated

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<sup>120</sup> Adaptation Fund (AF). (2016). *Environmental and Social Policy of the Adaptation Fund*.

investments, harmonized approaches, and cross-border learning processes that exceed the scope of standard national budgets and isolated public programs, making dedicated Adaptation Fund financing essential for their implementation at the required scale and depth.

126. The ability of governments to finance specific adaptation measures for FPIA has been limited by restrictive fiscal contexts, macroeconomic pressures, and budget priorities focused on other sectors. In Bolivia, the fiscal deficit exceeded 7% of GDP in 2023, with a substantial reduction in public investment spending in rural sectors<sup>121</sup>. In Brazil, although there are programs to promote family farming, budget constraints have led to cuts in funding for the Safra Plan and other specific climate support lines<sup>122</sup>. In Chile, the implementation of structural reforms has concentrated public resources in areas such as security, health, and pensions, reducing the margin for new decentralized climate investments<sup>123</sup>. Paraguay faces similar challenges: climate spending represents less than 0.5% of the public budget, with an emphasis on mitigation rather than rural adaptation<sup>124</sup>. In Uruguay, although there are national adaptation and agroecology plans, public investment does not cover the cost of the transformations necessary for FPIA, especially in highly vulnerable areas. In this context, financing from the Adaptation Fund is essential to help close the gap between current needs and capacities, allowing for larger-scale intervention in priority areas.
127. The Project also seeks to finance regional public goods such as improved public policies, shared climate monitoring and alert tools, regional climate insurance designs, and regional learning systems, whose impact transcends borders and cannot be covered by domestic sectoral financing. In this sense, the regional approach not only reinforces cost efficiency, but also maximizes the value of each dollar invested through institutional synergies and the scaling up of validated solutions.
128. The collaboration between CAF, as an accredited implementing entity, IICA as the executing entity, and REAF, as a regional space for political and technical coordination, represents a unique opportunity to transform the Fund's financial resources into concrete, scalable, and long-term actions. CAF and IICA not only contribute their capacity to mobilize resources, but also their technical and operational experience in rural adaptation projects and their strategic vision of regional integration. This alliance will make it possible to channel financing toward interventions that directly improve the resilience, food security, and livelihoods of millions of family farmers, thereby contributing to the Sustainable Development Goals and the Fund's mandates.
129. Without the requested financing, the prioritized adaptation measures could not be implemented with the necessary timing and scale, which would increase the social, economic, and environmental costs of inaction in the face of climate change.

**K. Describe how the sustainability of the Project outcomes has been taken into account when designing the Project.**

*Economic sustainability:*

130. The sustainability of the Project has been incorporated from the design stage through a comprehensive approach that combines inclusive financial mechanisms, local and institutional capacity building, coordination with regional multi-stakeholder platforms, and the implementation of technically appropriate and socially adapted

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<sup>121</sup> World Bank. (2024). *Bolivia Economic Update: Navigating Fiscal Challenges*. Retrieved from: <https://www.worldbank.org/en/country/bolivia/publication/bolivia-economic-update>

<sup>122</sup> IPEA. (2024). *Budget execution of public policies for family farming – 2023*. Institute of Applied Economic Research.

<sup>123</sup> Ministry of Finance of Chile. (2024). *Public Finance Report - First Quarter 2024*.

<sup>124</sup> UNEP & GFLAC. (2023). *Climate public finance in Paraguay*. Sustainable Finance Initiative for Latin America.

solutions. These pillars enable continuity of actions beyond Project implementation and support territorial scalability with future financing and ownership by key actors. Rural communities of FPIA in the five countries face increasing climatic risks with limited access to financial instruments at the required scale. Traditional investment frameworks often prioritize conventional infrastructure and business models with short-term returns, leaving long-term adaptation investments underfunded. By promoting decentralized and inclusive financial mechanisms such as adapted credit windows, the Project creates economically viable pathways for continued reinvestment of resources, reducing dependence on external support over time.

131. The requested financing will enable the creation and institutionalization of these mechanisms, which, by design, allow for continuous reinvestment and social impact without constant injections of external capital. Aligned with national regulations and operated through organized local networks, their operation requires progressively less public financing in the medium term and can leverage additional resources from national financial systems (public banks, cooperatives, guarantee funds), amplifying the multiplier effect of each dollar invested.

*Social sustainability:*

132. The Project strengthens the capacities of public actors, social organizations, cooperatives, and rural communities with a key role in the territories. Technical skills will be developed in climate planning, land management, agroecology, early warning, and adaptive financing will be developed to ensure that adaptation processes can be led, sustained, and replicated at the local level, progressively reducing dependence on external technical or financial assistance.

133. The Project promotes validated solutions and appropriate technologies, such as agroecological practices, community water management, and locally driven revolving funds, that can be maintained with community resources, reinforcing technical, social, and economic sustainability. Participatory monitoring and evaluation systems, integrated with local planning instruments, will support real-time adjustments to interventions, scale up successful practices, and strengthen local ownership of adaptation outcomes.

134. The active inclusion of rural women, youth, indigenous peoples, and peasant organizations throughout development and implementation ensures that social capital, traditional knowledge, and leadership are embedded in adaptation processes. This equitable participation enhances social cohesion and legitimizes local adaptation strategies, making them more resilient and contextually relevant.

*Environmental sustainability:*

135. The Project's integrated adaptation solutions promote long-term environmental sustainability by enhancing ecosystem health and natural resource resilience. Practices such as soil and water conservation, agroecology, ecosystem restoration, and adaptive land management generate positive environmental externalities that continue beyond the Project period. These practices reduce degradation, improve habitat quality, and support biodiversity, contributing to the resilience of both human and natural systems.

136. Participatory environmental monitoring, with indicators co-created with communities, will allow for the tracking of ecological outcomes over time and enable adaptive management in response to evolve climate conditions. This approach helps embed environmental resilience within local planning processes and decision-making.

*Institutional sustainability*

137. Institutional sustainability is strengthened through the reinforcement of governance platforms at local, national, and regional levels. The Project builds on established

multi-stakeholder mechanisms such as the REAF of MERCOSUR, COPROFAM, and networks such as RELASER and PROCISUR, which have a proven record in knowledge management and advocacy. These platforms facilitate shared governance and provide institutional continuity beyond Project financing.

138. The Project promotes integration of climate change adaptation within rural and sectoral planning instruments, supporting local governments to mainstream climate risk into development plans, land-use planning, and sectoral policies. By formalizing adaptation processes and operational protocols into legal and planning frameworks, these efforts reduce dependence on political cycles and secure longer-term institutional support.

Financial sustainability:

139. The establishment of inclusive and adaptive financial mechanisms, such as tailored credit and climate microfinance, supports ongoing adaptation investment. These mechanisms are designed to attract co-financing from public budgets, bilateral and multilateral donors, and socially responsible investment funds beyond the Project's lifecycle. By institutionalizing financial windows within national systems and aligning them with regulatory frameworks, the Project creates durable pathways for continued finance. In addition, regional financial solutions such as competitive funds and shared insurance models complement national efforts and help bridge financing gaps that neither public budgets nor private investment can singularly address.

Operation and Maintenance (O&M)

140. The Project includes critical digital and physical infrastructures that require sustained O&M to preserve functionality and utility. Key elements include:
- The Project Digital Platform (Output 1.1) and related modules (e.g., learning routes, repositories), which will be sustained and updated by the IICA as part of its institutional mandate and supported by partner networks.
  - Integrated adaptation solutions by country (Output 2.1), which transition to local ownership after initial implementation and follow-up technical assistance; local stakeholders and community organizations will play an ongoing role in maintenance.
  - Competitive financing and access platforms (Outputs 3.2 and 3.3), which will be hosted, maintained, and periodically updated by IICA in coordination with national financial partners.
  - RIS-FPIA (Output 4.1) and associated indicators, which will be administered by IICA with inputs from national partners for continuous updating and use in policy and planning.
141. Formal agreements (e.g., memorandum of understanding) with responsible institutions will be established before close of Project implementation to outline long-term O&M responsibilities, resource commitments, and capacity building for local technical teams.

Replication and Scaling Up

142. The Project is designed to generate scalable and replicable adaptation solutions. Successful models, best practices, and validated tools will be systematically documented and disseminated through the Project's digital platforms and regional networks, facilitating policy dialogue and uptake in other territories.

143. Cooperation with development partners, national governments, and regional bodies will create pathways to mobilize additional financing (e.g., national budget lines, bilateral cooperation) for expanding validated solutions. The alignment with national

strategies and international commitments further facilitates integration of adaptation measures into larger sectoral programs and future funding cycles.

144. By embedding knowledge exchange and territorial governance strengthening from the outset, the Project enhances its potential to be mainstreamed into public planning, extended to adjacent regions, and supported by future climate and rural development finance.

**L. Provide an overview of the environmental and social impacts and risks identified as being relevant to the Project.**

145. A preliminary analysis of the potential environmental and social impacts and risks of this regional Project was conducted in accordance with the Adaptation Fund's Environmental and Social Policy. Based on this assessment, it is proposed to classify it as a Category B project because, although most of its activities are aimed at strengthening institutional capacities, disseminating agroclimatic information, and promoting sustainable production systems without major infrastructure or land use changes, some interventions do involve direct interaction with vulnerable communities and fragile ecosystems. These situations require additional assessments during the Full Proposal stage to ensure full compliance with the Fund's environmental and social safeguard principles and to incorporate appropriate prevention or mitigation measures where applicable.

*Table 10: Preliminary environmental and social impacts and risks assessment in accordance with the Adaptation Fund Environmental and Social Policy and Gender Policy.*

| Checklist of environmental and social principles | No further assessment required for compliance          | Potential impacts and risks – further assessment and management required for compliance  |
|--|--|--|
| <i>Compliance with the Law</i>                   | Additional assessment required to ensure compliance    | Project activities must be aligned with current environmental, social, and sectoral legislation in each country, including land use planning, natural resource management, environmental protection, indigenous peoples' rights, and agrarian legislation. Because the Project involves interventions in diverse rural territories across five countries, there is a risk of administrative delays, non-compliance with national/subnational permitting requirements, or litigation if specific authorizations (e.g., land use, EIA, sectoral permits) are not obtained in time. <i>Risk Level: Medium.</i>  |
| <i>Access and Equity</i>                         | Additional assessment is required to ensure compliance | The Project has been designed with a strong commitment to equitable access to benefits, especially for rural women, youth, indigenous peoples, and peasant communities. However, there is a risk that, without targeted measures, geographic, cultural, economic, or institutional barriers could limit participation and access to benefits for these groups, potentially reinforcing pre-existing inequalities. A comprehensive assessment is required at the Full Proposal stage to identify and mitigate such barriers. <i>Risk Level: Medium.</i>   |
| <i>Marginalized and Vulnerable Groups</i>        | Additional assessment is required to ensure compliance | The Project recognizes marginalized and vulnerable groups as priority actors. However, given the heterogeneity of these groups across countries, there is a risk of incomplete characterization of vulnerability profiles or failure to identify critical inclusion barriers, which could lead to partial or inequitable engagement of these groups. Additional analysis at the Full Proposal stage will support targeted inclusion strategies and culturally appropriate consultation processes. <i>Risk Level: Medium.</i>   |
| <i>Human Rights</i>                              | No additional assessment required for compliance       | No significant human rights risks have been identified. The promote respect for fundamental rights and inclusive participation, and interventions are designed to strengthen capacities, equitable access, and social justice. <i>Risk Level: No Risk.</i>   |
| <i>Gender Equity and Women's Empowerment</i>     | Additional assessment required for compliance          | The absence of a gender-responsive approach could pose significant risks to the Project's effectiveness, equity, and long-term sustainability, including the exclusion of rural women and youth from decision-making processes, capacity-building activities, and access to financial resources, as well as the potential capture of Project benefits by actors with greater economic, institutional, or gender-based power. In addition, the promotion of adaptation practices without a gender lens may increase women's unpaid workload by overlooking existing inequalities in productive and care responsibilities, thereby undermining both well-being and the sustainability of Project outcomes. To mitigate these risks and strengthen the Project's transformative |

| Checklist of environmental and social principles    | No further assessment required for compliance        | Potential impacts and risks – further assessment and management required for compliance  |
|---|--|--|
|   |  | potential, a comprehensive gender assessment and a Gender Action Plan (GAP) will be developed during the Full Proposal stage, ensuring that gender equality and social inclusion are systematically integrated across Project design, implementation, monitoring, and learning processes, in line with the requirements of the Adaptation Fund. This builds on the initial gender assessment in Part I. <i>Risk Level: Medium.</i> |
| <i>Core Labor Rights</i>                            | No additional assessment is required for compliance. | The Project is framed within respect for fundamental labor rights and consistent with ILO standards. No significant labor rights impacts are anticipated. <i>Risk Level: No Risk.</i>  |
| <i>Indigenous Peoples</i>                           | Additional assessment required for compliance        | The Project recognizes the existence and rights of indigenous peoples. However, without a comprehensive assessment of culturally appropriate engagement and Free, Prior, and Informed Consent (FPIC) procedures, there is a risk of inadequate participation or misunderstandings that could undermine trust and the legitimacy of interventions. This will be addressed in the Full Proposal stage. <i>Risk Level: Medium.</i>    |
| <i>Involuntary Resettlement</i>                     | No additional assessment is required for compliance  | The Project will be implemented in situ with no physical or economic displacement of communities. No involuntary resettlement impacts are anticipated. <i>Risk Level: No Risk.</i>   |
| <i>Protection of Natural Habitats</i>               | No additional assessment is required for compliance  | The Project does not involve conversion or degradation of natural habitats; several interventions support ecological functionality. However, there is a low risk that implementation actions could indirectly affect habitats if not properly assessed at the local level. <i>Risk Level: Low.</i>   |
| <i>Conservation of Biological Diversity</i>         | Additional assessment required for compliance        | The Project adopts an ecosystem-based adaptation approach that promotes conservation. However, indirect impacts on biodiversity could occur if new technologies or management practices are not aligned with biodiversity criteria. A detailed assessment will be conducted at the Full Proposal stage. <i>Risk Level: Medium.</i>   |
| <i>Climate Change</i>                               | No additional assessment is required for compliance  | All activities aim at adaptation and do not promote carbon-intensive processes, encouraging sustainable, resilient systems. No significant climate change impacts are anticipated. <i>Risk Level: No Risk.</i>   |
| <i>Pollution Prevention and Resource Efficiency</i> | No additional assessment is required for compliance. | The Project promotes clean technologies, sustainable water and soil management, and agroecological systems, minimizing waste and pollution. No significant pollution risks are anticipated. <i>Risk Level: No Risk.</i>  |
| <i>Public Health</i>                                | No additional assessment is required for compliance  | The interventions support public health by improving water access, food security, and sustainable practices. No negative impacts are anticipated. <i>Risk Level: No Risk.</i>  |
| <i>Physical and Cultural Heritage</i>               | Additional assessment required for compliance        | Although no direct impacts on tangible heritage are anticipated, implementation in areas with strong indigenous and rural traditions presents a risk that cultural values and intangible heritage may not be sufficiently identified or safeguarded without thorough assessment and safeguards. <i>Risk Level: Medium.</i>   |
| <i>Lands and Soil Conservation</i>                  | No additional assessment is required for compliance  | The Project promotes sustainable soil management and conservation consistent with UNCCD commitments, reducing risk of soil degradation. However, there remains a low risk if local practices are not adapted appropriately. <i>Risk Level: Low.</i>  |

## PART III: IMPLEMENTATION ARRANGEMENTS

### A. Demonstrate how the Project aligns with the Results Framework of the Adaptation Fund

146. This regional Project is directly aligned with the Adaptation Fund Results Framework by addressing the Fund's strategic priorities of vulnerability reduction, adaptive capacity building, livelihood resilience, and environmental sustainability in rural communities exposed to climate change impacts. Through its objectives and expected results, the Project is primarily aligned with Outcomes 2, 3, 6 and 8 of the Adaptation Fund's Results Framework as showed in Table 11.

Table 11: Alignment of Project Objectives and Outcomes with the Adaptation Fund Results Framework.

| Project Objective(s)  | Project Objective Indicator(s)  | Adaptation Fund Outcome   | Adaptation Fund Outcome Indicator  | Grant Amount (USD) |
|---|---|---|--|--------------------|
| <b>Objective 1:</b> Strengthen regional networks and governance mechanisms to enhance climate adaptation capacity for FPIA.   | Percentage of targeted institutions reporting increased institutional capacity to plan, coordinate, and implement climate adaptation actions for FPIA   | <b>Outcome 2:</b> Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses. | <b>2.1.</b> Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased.                 | USD 3,267,200      |
| <b>Objective 2:</b> Promote the identification, adoption, and scaling up of climate change adaptation technologies and practices in local production systems and ecosystems.  | Number of targeted beneficiaries adopting and sustaining climate-resilient technologies and practices that contribute to diversified and strengthened livelihoods. (Disaggregated by sex, age and Indigenous peoples) | <b>Outcome 6:</b> Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas.                     | <b>6.2.</b> Percentage of targeted population with sustained climate-resilient alternative livelihoods.  | USD 15,553,000     |
| <b>Objective 3:</b> Identify and promote enabling conditions for the development of sustainable, solidarity-based, or inclusive financial instruments and mechanisms that improve the economic resilience of FPIA to climate risks. | Number of innovative, climate-responsive and inclusive financial instruments or mechanisms designed, piloted, and operationalized to support FPIA adaptation to climate risks.  | <b>Outcome 8:</b> Support the development and diffusion of innovative adaptation practices, tools and technologies                            | <b>8.</b> Innovative adaptation practices are rolled out, scaled up, encouraged and/or accelerated at regional, national and/or subnational level. | USD 4,826,600      |
| <b>Objective 4:</b> Strengthen monitoring, evaluation, and learning systems on climate change adaptation in FPIA.   | Number of climate adaptation indicators, tools, or protocols developed and operationalized to track resilience outcomes in FPIA systems.  | <b>Outcome 3:</b> Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level.                     | <b>3.2.</b> Percentage of targeted population applying appropriate adaptation responses.   | USD 2,440,157      |
| <b>Total outcome level grant amount</b>   |   |   |  | USD 26,086,957     |
| Project Outcome(s)  | Project Outcome Indicator(s)  | Adaptation Fund Output  | Adaptation Fund Output Indicator   | Grant Amount (USD) |
| <b>Outcome 1:</b> Regional multi-stakeholder networks and governance mechanisms strengthened and operational to address common challenges in climate adaptation in FPIA.  | Number of regional and national multi-stakeholder coordination mechanisms established or strengthened and operationalized for climate adaptation in FPIA.   | <b>Output 2.1:</b> Strengthened capacity of national and sub-national centers and networks to respond rapidly to extreme weather events.      | <b>2.1.2.</b> Number of targeted institutions with increased capacity to minimize exposure to climate variability risks.                           | USD 3,267,200      |
| <b>Outcome 2:</b> Comprehensive adaptation solutions validated and adopted in FPIA territories.   | Number and type of climate-resilient specifically adaptive production technologies and practices strengthened and adopted in targeted FPIA territories to support individual and community livelihood strategies.     | <b>Output 6:</b> Targeted individual and community livelihood strategies strengthened in relation to climate change impacts.                  | <b>6.1.1.</b> Number and type of adaptation assets created or strengthened in support of individual or community livelihood strategies.            | USD 15,553,000     |
| <b>Outcome 3:</b> Enabling conditions identified and strengthened for the development and implementation of sustainable, solidarity-based or inclusive financial instruments that enhance the adaptive capacity of FPIA.            | Number of inclusive financial mechanisms adopted or piloted.  | <b>Output 8:</b> Viable innovations are rolled out, scaled up, encouraged and/or accelerated.   | <b>8.1.</b> No. of innovative adaptation practices, tools and technologies accelerated, scaled-up and/or replicated                                | USD 4,826,600      |
| <b>Outcome 4:</b> A regional MEL system developed   | Number of Agroclimatic Technical Committees   | <b>Output 3.2:</b> Strengthened capacity of   | <b>3.2.1</b> No. of technical committees/associations  | USD 2,440,157      |

|  |  |   |  |                |
|--|--|---|--|----------------|
| and implemented to generate evidence on adaptation processes and inform public policies and practices in FPIA. | established and functioning at national and regional levels, generating and feeding information into the RIS-FPIA. | national and subnational stakeholders and entities to capture and disseminate knowledge and learning. | formed to ensure transfer of knowledge |                |
| <b>Total output level grant amount</b>   |  |   |  | USD 26,086,957 |

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

### A. Record of endorsement on behalf of the government<sup>125</sup>

|   |                   |
|---|-------------------|
| <i>Carlos David Guachalla Terrazas, Viceministerio Planificación y Coordinación, <b>Ministerio de Planificación del Desarrollo, Bolivia</b></i> | July, 17, 2025    |
| <i>Ana Amelia Campos Toni Toni, National Secretary for Climate Change <b>Ministry of Environment and Climate Change, Brasil</b></i>             | October, 22, 2025 |
| <i>Andres Pica Tellez, Climate Change Director, <b>Ministry of Environment, Chile</b></i>   | July, 17, 2025    |
| <i>Silvano Domínguez Sanabria, Director National Office of Climate Change, <b>Ministry of Environment, Paraguay</b></i>                         | July, 28, 2025    |
| <i>María Fernanda Souza, National Director National Directorate of Climate Change, <b>Ministry of Environment, Uruguay</b></i>                  | July, 16, 2025    |

### B. Implementing Entity certification

|  |  |
|--|--|
| <p>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 Brasil, Uruguay, Bolivia, Chile and Paraguay and subject to the approval by the Adaptation Fund Board, commit to implementing the Project in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this Project.</p> |  |
| <p><i>Mr. Ignacio Lorenzo Arana</i><br/> <i>Technical Advisory on Biodiversity and Climate, Director Climate Action; Positive Biodiversity</i><br/> <i>Implementing Entity Coordinator</i></p>   |  |
| Date: August 9, 2025   | Tel. and email: <a href="mailto:ilorenzo@caf.com">ilorenzo@caf.com</a> |
| Project Contact Person: Miguel Guzman  |  |
| Tel.+598 (2) 917-3280 Email: <a href="mailto:mguzman@caf.com">mguzman@caf.com</a>  |  |

<sup>6</sup>. 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.



ESTADO PLURINACIONAL DE BOLIVIA

MINISTERIO DE PLANIFICACIÓN DEL DESARROLLO



Letter of Endorsement by Government

GOVERNMENT OF PLURINATIONAL STATE OF BOLIVIA

July 17<sup>th</sup>, 2025

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

Subject: Endorsement for "Regional Program for Adaptation to Climate Change in Family Farming in MERCOSUR (RPCCFF)"

In my capacity as designated authority for the Adaptation Fund in Plurinational State of Bolivia, I confirm that the above regional 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 Plurinational State of Bolivia and MERCOSUR.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by Corporación Andina de Fomento CAF (Development Bank of Latin America and the Caribbean) and executed by Ministry of Rural Development and Lands.

Sincerely,

Handwritten signature of Carlos David Guachalla Terrazas

Carlos David Guachalla Terrazas
Viceminister of Planning and Coordination
Designated Authority for Plurinational State of Bolivia



"2025 BICENTENARIO DE BOLIVIA"



MINISTÉRIO DO MEIO AMBIENTE E MUDANÇA DO CLIMA  
SECRETARIA NACIONAL DE MUDANÇA DO CLIMA  
GABINETE DA SECRETARIA NACIONAL DE MUDANÇA DO CLIMA

Brasília, 22 de outubro de 2025


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

**Subject: Endorsement for the project "MERCOSUR Regional Programme for Climate Change Adaptation in Family Farming (RPOCCAF)"**

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

Accordingly, I am pleased to endorse the above programme proposal with support from the Adaptation Fund. If approved, the project will be implemented by Development Bank of Latin America and the Caribbean (CAF) and executed by the Inter-American Institute for Cooperation on Agriculture (IICA).

Sincerely,

  
**ALOISIO LOPES PEREIRA DE MELO**  
National Secretary for Climate Change

(logo del gobierno)

LETTER OF ENDORSEMENT BY GOVERNMENT

**GOVERNMENT OF CHILE  
MINISTRY OF ENVIRONMENT**

July 17, 2025


To: The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [afbsec@adaptation-fund.org](mailto:afbsec@adaptation-fund.org)  
Fax: 202 522 3240/5

***Subject: Endorsement of the Concept Note: Regional Program for Adaptation to Climate Change in Family Farming in MERCOSUR (RPCCF)***

In my capacity as designated authority for the Adaptation Fund in Chile, I confirm that the above national 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 South America.

If the Concept Note is approved, the full proposal will be submitted, with Corporación Andina de Fomento CAF (Development Bank of Latin America and the Caribbean) as the implementing entity and IICA as the executing entity.

Sincerely,

  
Andrés Pica Téllez  
Climate Change Director  
Ministry of Environment

(ple de página de Autoridad Designada)



PARAGUÁI  
TEMBIGUEREKOITA  
HA VIRUÑANGAREKO  
MOTENONDEHA



ADAPTATION FUND

July 17, 2025

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

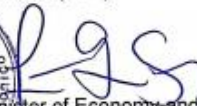
**Subject:** *Endorsement for Programa Regional de Adaptación al Cambio Climático de la Agricultura Familiar del MERCOSUR (PROCCAF)*

In my capacity as designated authority for the Adaptation Fund in Paraguay, I confirm that the above regional project 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 the country.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Development Bank of Latin America (CAF) and the Caribbean and executed by Inter-American Institute for Cooperation on Agriculture (IICA).

Sincerely,



  
Vice Minister of Economy and Planning  
Republic of Paraguay  
Felipe González Soley



Ministerio  
de Ambiente

LETTER OF ENDORSEMENT BY GOVERNMENT

GOVERNMENT OF URUGUAY  
MINISTRY OF ENVIRONMENT

Montevideo, July 16, 2025

To: The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [afbsec@adaptation-fund.org](mailto:afbsec@adaptation-fund.org)  
Fax: 202 522 3240/5

***Subject: Endorsement of the Concept Note: Regional Program for Adaptation to Climate Change in Family Farming in MERCOSUR (RPCCF)***

In my capacity as designated authority for the Adaptation Fund in Uruguay, I confirm that the above national 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 Uruguay.

If the Concept Note is approved, the full proposal will be submitted, with Corporación Andina de Fomento CAF (Development Bank of Latin America and the Caribbean) as the implementing entity and Inter-American Institute for Cooperation on Agriculture (IICA) as the executing entity.

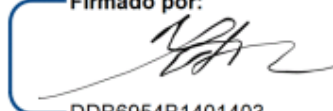
Sincerely,

  
MSc. Maria Fernanda Souza  
National Director of Climate Change  
Ministry of Environment

Juncal 1385  
Montevideo - Uruguay  
Teléfono: (+598 2) 917 33 80

**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 Brasil, Uruguay, Bolivia, Chile y Paraguay 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

Firmado por:  


DDB6954B1401403...  
**Mr. Ignacio Lorenzo Arana**  
Technical Advisory on Biodiversity and Climate, Director  
Climate Action; Positive Biodiversity  
Implementing Entity Coordinator

Date: *August 9, 2025* | Tel. and email: [ilorenzo@caf.com](mailto:ilorenzo@caf.com)

Project Contact Person:  
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## Project Formulation Grant (PFG)

Submission Date: February 8, 2026

Adaptation Fund Project ID : -  
 Country/ies : Brazil, Bolivia, Chile, Paraguay and Uruguay  
 Title of Project/Programme : MERCOSUR Regional Project for Climate Change Adaptation in Family Farming (RPOCCAF)  
 Type of IE (NIE/MIE) : RIE  
 Implementing Entity : Development Bank of Latin America and the Caribbean - CAF  
 Executing Entity/ies : Development Bank of Latin America and the Caribbean - CAF

### A. Project Preparation Timeframe

|                        |                    |
|------------------------|--------------------|
| Start date of PFG      | <b>April 2026</b>  |
| Completion date of PFG | <b>August 2026</b> |

### B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

| List of Proposed Project Preparation Activities   | Output of the PFG Activities   | USD Amount   |
|---|--|--|
| Consultative process planning:<br>- Consultation general methodology (data collection and systematization)<br>- Planning and implementation of field work.<br>- Preparation of the general work plan<br>- Data collection on the field<br>- Systematization<br>- Report preparation   | <ul style="list-style-type: none"> <li>▪ Specialized support fees for coordination across five countries.</li> </ul> | <b>USD 30,000</b><br>Specialized services and related travel costs for the design team, as required  |
| - Stakeholder identification and invitations (key beneficiaries, institutions and partners).<br>- Facilitation of five national workshops (one per country) to validate priorities and proposed activities.<br>- Facilitation of one regional workshop to consolidate inputs from all countries and align them with national frameworks.<br>- Consolidation of workshop agreements, inputs and action points for incorporation into the project design. | <ul style="list-style-type: none"> <li>▪ Consultative process</li> </ul>   | <b>USD 70,000</b><br>5 workshops (one per country) and 1 comprehensive workshop with genre emphasis (food, lodging, meals and workshop materials and Travel expenses for key project beneficiaries and Specialist) |
| Document translation costs  |  | <b>USD 10,000</b>  |
| Project Formulation Grant   |  | <b>USD 110,000</b>   |
| PFG Fee (10%) by CAF  |  | <b>USD 11,000</b>  |
| Project Formulation Grant   |  | <b>USD 121,000</b>   |

Note: The amounts requested under the PFG represent partial support for project preparation. CAF and IICA are covering the costs related to the design and drafting of the concept note and the full proposal, as well as the consultative processes for the concept note across the five participating countries. The overall effort invested in project design exceeds the preparation costs reflected in this request.

### C. Implementing Entity

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

| Implementing Entity Coordinator, IE Name   | Signature | Date (Month, day, year) | Project Contact Person   | Email Address  |
|--|-----------|-------------------------|--|--|
| Ignacio Lorenzo Arana<br><i>Director for Technical Advisory on Climate and Biodiversity Climate Action and Positive Biodiversity Department</i><br><i>AF CAF Coordinator</i> |           | 12/12/2025              | Miguel Guzman<br><i>Principal Executive for Technical Advisory on Climate and Biodiversity Climate Action and Positive Biodiversity Department</i> | +59 829 173 111<br><a href="mailto:ilorenzo@caf.com">ilorenzo@caf.com</a><br><br>+59 896 248 265<br><a href="mailto:mguzman@caf.com">mguzman@caf.com</a> |