Docusign Envelope ID: 3AD057BD-6F93-84A6-83F8-979C6C99A16B

PROGRAMME ON INNOVATION:
AFCIA PROGRAMMES

REQUEST FOR PROJECT FUNDING FROM THE ADAPTATION FUND

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

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project must be fully prepared when the request is submitted.

Complete documentation should be sent to:

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

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ADAPTATION FUND

MULTI/ REGIONAL INNOVATION PROJECT/PROGRAMME PROPOSAL

PART I: PROJECT/PROGRAMME INFORMATION

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

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

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1. Problem Statement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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2.1.Climate risks reshaping societies and systems

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

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

Economic and social context

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

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

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

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

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

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

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

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Development context

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Finance context

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

Environmental context

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

3. Global Innovation and Adaptation Finance Context

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

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

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

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

Regional Innovation Context

Africa

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

Asia–Pacific (including SIDS)

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

Europe & Central Asia (ECA)

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

Arab States (MENA)

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

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

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

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

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

Latin America & the Caribbean (LAC)

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

4. Climate Vulnerabilities: Global and Regional Perspective

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.1. Regional Vulnerabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Climate-Change Adaptation Priorities

5.1. Global adaptation priorities

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

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

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

5.2. Global evidence-based priorities: what to scale

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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5.3. Regional adaptation priorities

Africa

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

Arab States (MENA)

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

Asia & the Pacific (including SIDS)

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

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

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

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

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

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

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

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Europe & Central Asia (ECA)

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

Latin America and the Caribbean(LAC)

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

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

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

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

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

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

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

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

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

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

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

5.4.1. Climate-resilient food systems

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

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

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

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

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

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

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

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

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

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

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

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

Why AFCIA 2 focuses on Climate Resilient Food Systems?

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

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

5.4.2. Nature-based Solutions (NbS)

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

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

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

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

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

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

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

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

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

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

[139] WWF, GIZ, & IISD. (2024). Effectively delivering on climate and nature: NDCs, NAPs and NBSAPs synergies—A checklist for national policymakers. https://wwfint.awsassets.panda.org/downloads/giz-iisd-wwf-report--_1.pdf

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Why AFCIA 2 focuses on Nature Based Solutions?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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communities exposed to repeated shocks[165].

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

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

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

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

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

Summary of systemic barriers to climate adaptation and innovation

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

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

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

AFCIA 2: Targeted Response to the Adaptation Innovation Challenges

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

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

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

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

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

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

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

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

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

Project / Programme Objectives:

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

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

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

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

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

Overarching Development Outcome

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

1. Pilot Locally Led Adaptation Technologies and Practices

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

Could be achieved through:

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

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

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

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

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Could be achieved through:

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

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

3. Create Global Knowledge Platforms

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

Could be achieved through:

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

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

4. Ensure Inclusive Innovation

Objective: Prioritize equity and inclusion in all project components.

Could be achieved through:

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

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

AFCIA 2 four core principles

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

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

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

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

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

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

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

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

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

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

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

Project / Programme Components and Financing:

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

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

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

Project Duration: *5 Years*

Projected Calendar:

Milestones	Expected Dates

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

PART II: PROJECT / PROGRAMME JUSTIFICATION

Project Components and Contribution to Climate Resilience

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

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

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

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

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

Theory of Change

Project Objective:

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

Outcome Pathways:

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

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

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

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

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

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

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

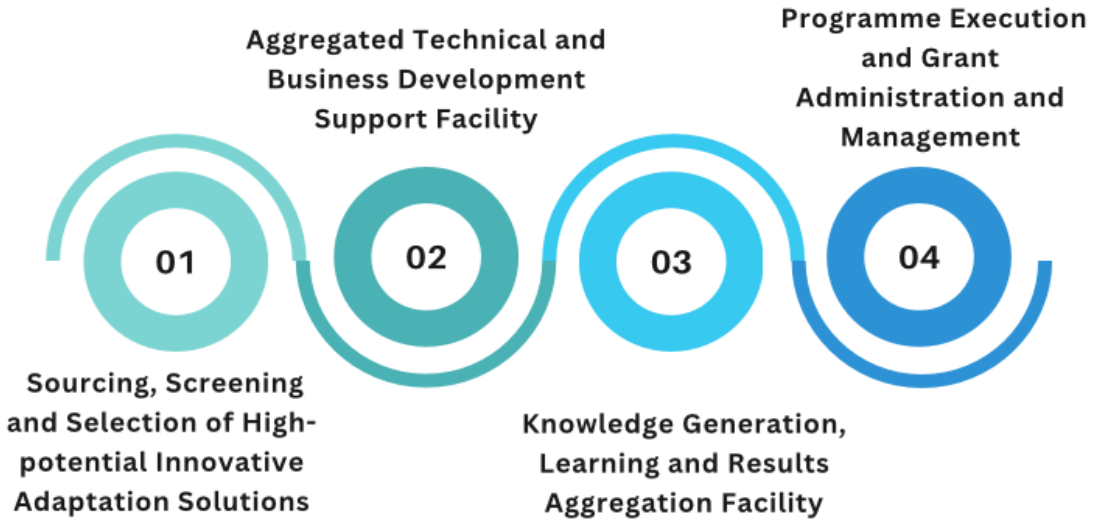
By supporting locally led adaptation activities across multiple countries in one coherent portfolio, the project achieves a compounded resilience effect: each site strengthens its own community, while insights from across the portfolio reinforce system-level resilience, generating enabling conditions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

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

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

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



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

The four main functions are described as following briefly:

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

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

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

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

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

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

Description of the Project Components

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Activities contributing to Output 1.1:

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

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

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

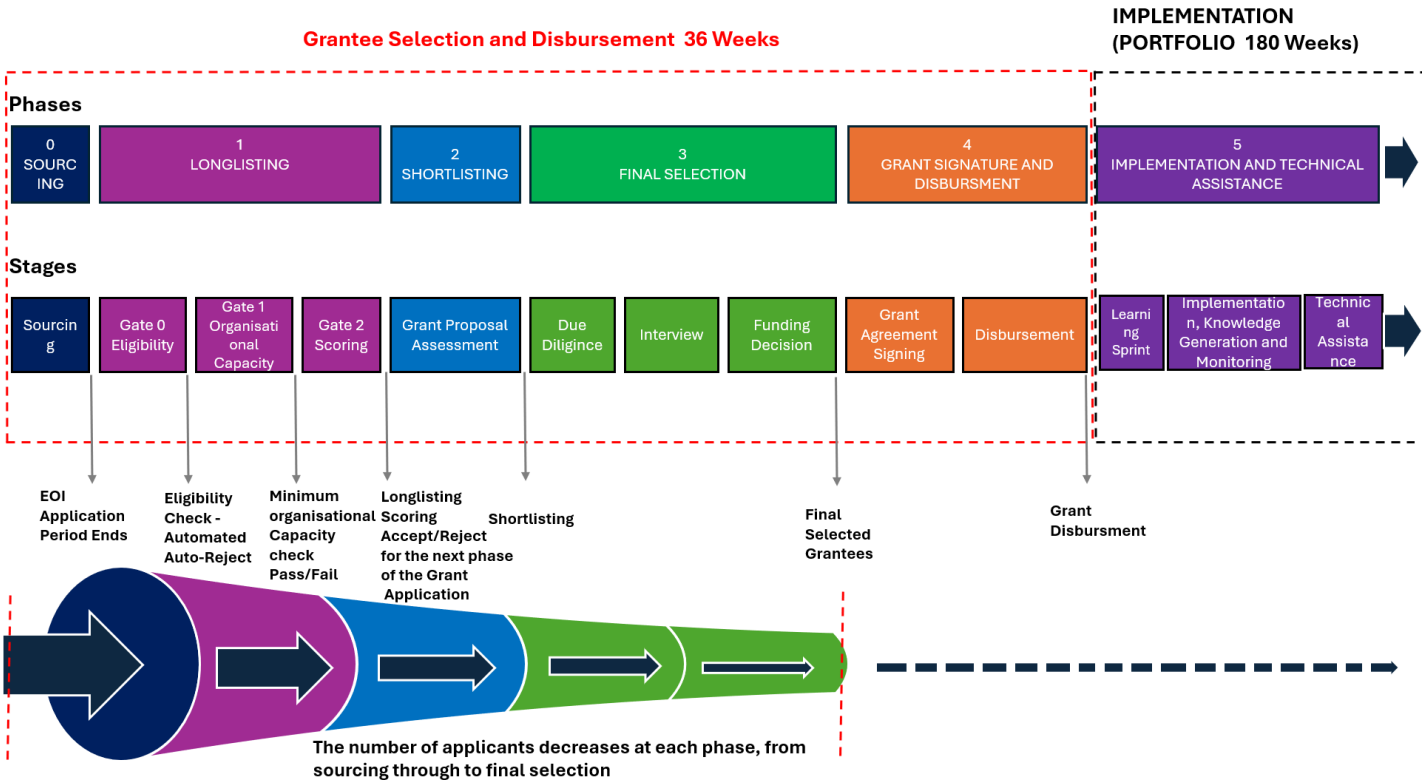
- **Relevant activities from the Multi-Annual Workplan include:**

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

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

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



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

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

closure)

(Table 1: High-level implementation timeline)

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

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

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

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

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

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

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

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

(Table 2: Milestones-based grant disbursement)

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

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

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

Activities contributing to Output 1.2

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

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

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

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

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

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

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Activities contributing to Output 1.3

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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AFCIA 2 will track progress using indicators such as:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

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

Relevant activities from the Multi-Annual Workplan include:

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

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

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

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

Activities contributing to Output 2.2:

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

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

Relevant activities from the Multi-Annual Workplan include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Activities contributing to Output 3.1:

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

  Relevant activities from the Multi-Annual Workplan include:

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

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

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

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

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

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

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

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

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

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

Activities contributing to Output 3.2:

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

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

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

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

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

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

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

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

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

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

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

Expected Results under the Innovation Pillar

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

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

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

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

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

ER2 – Replication and Scaling Pathways

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

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

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

ER3 – Building Access and Capacity for Innovation

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

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

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

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

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

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ER4 – Generating and Sharing Evidence

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

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

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

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

Promoting New and Innovative Solutions to Climate Change Adaptation

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

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

The project fosters innovation for adaptation considering:

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

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

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

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

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

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

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

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

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financial, impact, and safeguards standards.

Innovation for Adaptation Approach

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

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

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

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

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

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

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

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

   Each proposed innovation must:

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

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

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

   Projects are expected to:

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

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

   Projects are expected to:

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

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

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

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

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

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

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

   Proponents are required to:

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

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

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

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

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

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

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

D. Describe how the project / programme would screen innovation small grant proposals for their potential to provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund.

Economic, Social, and Environmental Benefits and Safeguards

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

Screening for Economic, Social and Environmental Benefits

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

Economic Benefits

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

Social Benefits

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

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Environmental Benefits

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

Screening for Inclusive, Equitable and Gender-Responsive Participation

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

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

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

Screening for socially acceptable and locally led Solutions

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

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

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

Screening for Environmental and Social Safeguards

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

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

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

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

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

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

Integrated Risk and Benefit Management

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

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

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

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

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

The project employs an open, competitive, and transparent process to identify, test, and scale locally led adaptation innovations. Rather than predetermining intervention sites or thematic areas, the 'open call for interest' mechanism allows a bottom-up selection process through which the best ideas emerge based on merit and contextual relevance. This avoids inefficiencies often associated with top-down project design and ensures that resources are directed to interventions with the highest potential for impact. Proposals are assessed through clearly defined multi-criteria screening that evaluates adaptation relevance and innovation potential; financial, technical, and operational sustainability; economic, social, and environmental co-benefits; and compliance with the Adaptation Fund's Environmental and Social Policy and Gender Policies. Only initiatives demonstrating strong value for money and alignment with adaptation priorities will be supported.

Resources are allocated through a performance-based disbursement model, with catalytic grants released in tranches tied to milestone achievements. This approach strengthens accountability, ensures that funds are

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disbursed only upon delivery of measurable outcomes, and enhances both fiduciary assurance and adaptation impact per dollar invested. By leveraging UNDP's existing infrastructure, mechanisms, governance systems, and global partnerships, the project avoids establishing new delivery mechanisms, thereby reducing overhead costs and start-up time. Administrative, procurement, and MEL functions are managed through UNDP's established corporate systems, drawing on the experience of AFCIA 1 and comparable global initiatives that advance local action work such as the GEF Small Grants Programme which has been implemented for years by UNDP and also brings a wealth of lessons learnt to draw upon. Likewise, existing teams in UNDP that could provide technical assistance, mentoring, investment brokering and broader connections at the national level, will be engaged (e.g. SDG Finance Hub, Innovation Teams, Youth Co:Lab in Asia and the Pacific, the Regional Bureous and associated Country Offices), making the model cost-effective and efficient as these capacities already exist within UNDP.

AFCIA 2 demonstrates strong cost-effectiveness by building on the tested architecture, partnerships, and delivery systems established under AFCIA 1, thereby avoiding the costs of developing new mechanisms while substantially expanding its reach and impact. The Project's global approach allows the efficient deployment of resources across countries, linking local innovation with regional/thematic and global knowledge networks. By consolidating technical support, capacity building, and learning under a single framework, AFCIA 2 minimizes duplication of effort and ensures that multiple countries benefit from shared expertise, advisory services, and learning platforms. This enables greater impact per dollar invested compared to isolated national initiatives.

Implementing AFCIA 2 as a global initiative rather than as separate national projects creates multiple opportunities for cost-efficiency and knowledge synergies. Shared technical and advisory resources across countries reduce duplication of effort and enable access to a wider pool of expertise and knowledge. Joint learning platforms and global coordination mechanisms streamline governance, reduce transaction costs, and improve implementation consistency, while cross-border replication of successful solutions eliminates the need to redesign adaptation models in each national context. As a result, a greater proportion of available funding directly supports innovation development and scaling, rather than administrative costs.

The project applies a portfolio approach to innovation and risk management, supporting grantees at different stages of maturity to balance experimentation with performance. This diversified investment strategy hedges against individual project underperformance while increasing the likelihood of identifying scalable, investable models. It maximizes learning returns and minimizes sunk costs, ensuring a higher aggregate impact per dollar invested.

Cost-effectiveness is further enhanced through strong strategic partnerships and co-financing opportunities. Building on AFCIA 1 collaborations, AFCIA 2 will explore engaging key partners such as UNCDF, the Global Resilience Partnership (GRP), ICCCAD, CDKN, Climate-KIC, and other public, private, and philanthropic networks that operate in the five regions, to expand technical capacity and mobilize complementary resources. These partnerships enhance reach and visibility, enable resource pooling, unlock additional investment pathways for scaling successful innovations, and align technical and financial support with investor expectations. Strategic collaboration with academic institutions, innovation networks, and impact finance actors also extends the reach of project investments and strengthens co-financing potential. Through this collaborative model, AFCIA 2 leverages global synergies and explore co-financing opportunities to deliver adaptation impact at scale, ensuring that collective learning, risk-sharing, and replication across geographies enhance both the cost-effectiveness and long-term sustainability of the Project.

Under the UNDP-AFCIA MBA Fellowship Programme and thought leadership workstream, three informal Collaborative Working Groups have been established with key systemic stakeholders—including Alti Global, BNP Paribas, UNCDF, Euroclear, Fidelity, and Acumen—to explore and advance the potential of micro-bonds and blended finance as innovative mechanisms to mobilize capital for climate resilience and adaptation at the local level. A key focus of this initiative is addressing one of the most critical bottlenecks facing adaptation projects in the Global South: the small ticket sizes and high perceived risks that deter private investment. The Collaborative Working Groups are developing pathways to de-risk such investments, making them more attractive to private sector and institutional investors while ensuring financial models that enable scalability and long-term sustainability. By aligning with partners that share the goal of accelerating innovation for climate

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resilience, the project amplifies its impact without requiring proportional increases in budget.

The project also leverages UNDP's institutional capabilities and global expertise, to provide technical guidance on innovation, systems thinking, and ecosystem development. Proven UNDP tools, and portfolio and foresight methodologies are integrated to strengthen project design, implementation quality, and scaling potential, thereby improving cost efficiency.

The project's integrated Learning and Knowledge Management Framework contributes directly to cost-effectiveness by embedding capacity development, MEL, and adaptive management within implementation. Initiatives such as the Onboarding Learning Sprint, advanced training modules, and the MBA Fellowship Programme strengthen grantees' technical, financial, and operational capacities early in the cycle, reducing the need for costly corrective measures and improving implementation quality. This proactive learning structure accelerates scaling, fosters adaptive management, and enhances both efficiency and sustainability of results.

Through its global coordination, competitive selection, results-based financing, and strategic partnerships, AFCIA 2 ensures that resources are deployed efficiently to deliver maximum adaptation impact per dollar invested. The combination of UNDP's proven infrastructure, shared global services, and collaborative partnerships allows the project to minimize duplication, pool expertise, and scale successful innovations across geographies. This structure delivers strong value for money with a focus on sustainability, scalability, and inclusive impact—fully aligned with the Adaptation Fund's objective of achieving transformative, cost-effective climate adaptation outcomes.

F. Describe how the project / programme is consistent with national or sub-national sustainable development strategies, adaptation planning processes, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action, national adaptation plans (NAPs), nationally determined contributions (NDCs), adaptation communications, and other voluntary adaptation reports, where they exist, as well as with the UNFCCC technology framework, and other relevant instruments.

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

AFCIA 2 is designed as a catalytic enabler to translate locally led innovations into nationally recognized climate impacts, aligning them with national and sub-national priorities. While the project will not preselect countries at the concept stage, it is structured to integrate with existing policy frameworks, such as NAPs and NDCs ensuring that innovations are both contextually grounded and aligned with broader national climate goals at different stages of the project.

Right from the start, the project is designed to target three key priority areas Climate-resilient Food Systems, Nature-Based Solutions, and Disaster Risk Reduction and Recovery, implementing interventions that directly address these sectors. These areas were selected based on a comprehensive review of priority actions identified in NAPs and NDCs across multiple regions, as referenced in Section "Project/Programme Background and Context", numeral 5 "Climate-Change Adaptation Priorities".

Moreover, during the screening stage, grant proposals are assessed against criteria that explicitly consider alignment with national sustainable development strategies, NAPs, NDCs, Technology Needs Assessments (TNAs), Technology Action Plans (TAPs) and other relevant instruments. Further, to ensure alignment with national strategies, AFCIA 2 will closely engage with UNDP Country Offices, who are well-positioned to guide the selection of grantees and ensure that their efforts support national development objectives. UNDP Country Offices also provide final confirmation that each selected solution maps effectively to relevant national instruments and contributes to the country's broader adaptation goals, including those reflected in

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Once grantees are selected, the operational model for AFCIA 2 further ensures vertical integration between local-level innovation and national adaptation planning processes. Through UNDP Country Offices involvement in the selection process, each supported innovation will be mapped against national adaptation priorities and tracked for its potential contribution to national targets under the Paris Agreement and other multilateral framworks as appropiate. The program uses a flexible, demand-driven approach that tailors its support to the specific needs of grantees, while also helping to elevate their work in line with national adaptation targets.

At the same time, AFCIA 2 facilitates horizontal integration through regional peer learning and cross-country exchange, allowing countries with similar climate risk profiles to identify replicable adaptation technologies and practices. This strengthens coherence with regional adaptation frameworks and supports transboundary resilience where relevant.

Alignment with Technology Needs Assessments & Technology Action Plans

AFCIA 2 complements national and regional adaptation technology priorities as identified in Technology Needs Assessments (TNAs), Technology Action Plans (TAPs), and National Adaptation Plans (NAPs)[172]. According to the Fourth UNFCCC TNA Synthesis Report, adaptation priorities consistently include agriculture, water management, and climate-resilient livelihoods, with over 94% of countries preparing TAPs to implement these priorities[173]. The report estimates that USD 4.4 billion is required for adaptation technology actions, and over 440 project ideas focus on agriculture and water sectors—areas directly addressed by AFCIA 2's thematic pillars: Climate-Resilient Food Systems, Nature-Based Solutions, and Disaster Risk Reduction.

Regionally, TNAs reveal distinct priorities. For example, Africa emphasizes technologies for climate-smart agriculture, drought management, and water harvesting (UNFCCC, 2020). Asia-Pacific prioritizes early warning systems, resilient crop varieties, and integrated water resource management (UNFCCC, 2020). Similarly, Latin America and the Caribbean focus on agroforestry, soil conservation, and nature-based solutions for disaster risk reduction[173]. These priorities align closely with AFCIA 2's approach, which supports innovations that address these technology gaps.

Rather than pre-selecting technologies, AFCIA 2 adopts a demand-driven approach identifying innovations through competitive screening and ensuring alignment with national instruments, including TNAs, TAPs, and NAPs. UNDP Country Offices validate this alignment, ensuring that supported solutions contribute to national adaptation objectives and technology pathways under the Paris Agreement. Once onboarded, AFCIA 2 strengthens **vertical integration** by mapping innovations to national priorities and **horizontal integration** through regional peer learning, enabling replication of adaptation technologies across countries with similar risk profiles.

By embedding practical tools and fostering investment brokering, AFCIA 2 creates an enabling environment for scaling technologies prioritized in TNAs and TAPs—such as drip irrigation, rainwater harvesting, climate-resilient crop varieties, and nature-based disaster risk solutions. This approach accelerates deployment of adaptation technologies and supports systemic change in line with national and regional adaptation pathways.

G. Describe how the project / programme would screen innovation small grant proposals for meeting the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund.

[172] UNEP Copenhagen Climate Centre. (2025). TNA step by step: A guidebook for countries preparing Technology Needs Assessments and Action Plans (2nd ed.). UNEP-CCC. https://tech-action.unepccc.org/resources/

[173] UNFCCC. (2020). Fourth synthesis report on technology needs identified by non-Annex I Parties. United Nations Framework Convention on Climate Change. Retrieved from https://unfccc.int/ttclear/tec/techneeds.html

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

AFCIA 2 is designed to ensure full compliance with relevant national technical standards, sectoral regulations, and the Environmental and Social Policy (ESP) and Gender Policy (GP) of the Adaptation Fund. Alignment with these frameworks is embedded in both the design and implementation modalities of the project.

Integration into Grant Proposal and Selection Process
As part of the competitive grant process, all applicants will be required to:

- Demonstrate alignment with national technical regulations and standards, including but not limited to environmental assessments, building codes, agricultural practices, water management protocols, and public health standards relevant to the nature and scope of their proposed innovation;
- Describe how proposed products, services, or technologies comply with applicable national and—where relevant—international standards, especially for innovations intended for broader replication or export.

This requirement is clearly outlined in the grant application template and forms a core part of the proposal evaluation and due diligence process.

Verification During Implementation
Once grants are awarded, grantees will be expected to:

- **Report on their compliance** with the national technical standards outlined in their original proposal;
- **Provide supporting documentation or certificates** (where applicable), such as approvals, permits, or independent verification of conformity with standards;
- **Submit to compliance monitoring** conducted through the project's monitoring and evaluation framework, in collaboration with UNDP Country Offices and technical experts.

This process will ensure that innovations supported by the project are not only context-appropriate and effective, but also safe, legally compliant, and scalable.

Environmental and Social Safeguards
Since the project includes a range of activities and sub-projects with yet unknown design parameters and uncertain social and environmental risks that cannot be fully assessed during the project appraisal, this Environmental and Social Management Framework (ESMF) has been developed to guide further assessment and management of the expected environmental and social risks of the project based on the applicable UNDP's Social and Environmental Standards (SES) and the Adaptation Fund's ESP and GP.

In line with the ESMF: All grantees will undergo a preliminary environmental and social risk screening as part of the proposal assessment process; A qualified Gender and Safeguards Specialist in coordination with the Grant Coordinator and Data Analyst will provide technical support and quality assurance to grantees throughout the project lifecycle. UNDP will ensure that no activity causes or contributes to adverse environmental or social impacts, particularly on vulnerable or marginalized groups. Local consultations and grievance mechanisms will be implemented where necessary, consistent with national requirements and the Adaptation Fund´s policies.

H. Describe if there is duplication of project / programme with other funding sources, if any.

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Maximizing Synergy: Enhancing Regional Climate Resilience through Complementary Adaptation Initiatives

The UNDP-AFCIA 2 has been designed to complement, rather than duplicate, existing global adaptation initiatives, ensuring its alignment with, and complementarity to, the broader global climate adaptation agenda. By addressing local vulnerabilities and supporting climate resilience, the project will build on and scale up adaptation innovations in synergy with ongoing initiatives in an effort to showcase deeper learnings, more scalable examples of investable projects and promote greater awareness of successful locally led adaptation (LLA) approaches and practices. Careful attention to leveraging existing resources, structures, infrastructures, and services from other projects to maximize efficiency and impact. Where there are close similarities between projects, the goal is to amplify, multiply and expand learning and system influence.

During the preparatory phase, the project will reassess relevant ongoing and past initiatives to ensure proper alignment, complementarity, and compatibility. By prioritizing consultation and collaboration (at the project development and implementation stages), the project will avoid redundancy and ensure that activities are well-integrated within the broader landscape of regional adaptation efforts.

Through a structured approach to coordination, AFCIA 2 enhances its contributions to adaptation goals, driving innovation while supporting and building on existing frameworks. This proactive strategy will ensure that the project complements, amplifies and strengthens existing efforts, fostering a collaborative environment where synergies can be realized, and outcomes can be maximized.

The following provides a comprehensive analysis of how the proposed project aligns with and contributes to the broader spectrum of existing innovation for adaptation initiatives globally:

1. Complementarity within the Adaptation Fund's Implementing Partners

- **World Food Programme (WFP) – Innovation Accelerator**: Adaptation Fund Climate Innovation Accelerator[174] : WFP's Innovation Accelerator supports climate adaptation in food systems. Each year it targets a different region and countries (e.g. Asia in 2025), and selects SMEs, CSOs/ NGOs or social enterprises to receive equity-free funding plus a 6–9-month intensive acceleration program. WFP's focus on food-system resilience complements UNDP-AFCIA 2, which funds a broader range of community-driven adaptation solutions at the global level. UNDP-AFCIA 2 targets predominantly civil society, hybrid organisations and MSMEs in three areas such as climate-resilient food systems, disaster risk reduction and recovery and nature-based solutions, whereas WFP specializes solely in food systems and targets specific regions and countries. This thematic distinction prevents overlap and allows each entity to build on its strengths. In practice, UNDP brings local adaptation expertise, an SDG13 (climate action) framing, and a global perspective, which allows for cross-learning and resource sharing, while WFP offers operational scale-up pathways linked to SDG2 in specific regions and focus countries. In addition to this, in the specific thematic area targeting climate-resilient food systems concrete synergies and collaboration between the UNDP-AFCIA 2 Project and the WFP AFCIA Project will be identified and advanced (if possible and applicable).

- **United Nations Industrial Development Organisation (UNIDO) – Adaptation SME Innovation Facility (ASIF)**[175]: ASIF supports private-sector climate adaptation innovation. It targets MSMEs with marketable adaptation solutions. UNIDO's MSME-focused approach is complementary to UNDP-AFCIA 2's community-based focus. UNDP-AFCIA 2 will fund NGOs, CSOs, and hybrid solutions in

[174] Adaptation Fund Climate Innovation Accelerator | WFP Innovation. (2024). Wfp.org. Retrieved November 13, 2025, from https://innovation.wfp.org/adaptation-fund-innovation-accelerator

[175] UNIDO. (n.d.). The Adaptation SMEs Innovation Facility (ASIF). Retrieved November 13, 2025, from https://www.adaptation-fund.org/project/the-adaptation-smes-innovation-facility-asif/

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addition to MSMEs, whereas ASIF deliberately supports only for-profit MSMEs with scalable, market-based models. This creates a natural pipeline: innovations supported by UNDP-AFCIA 2 can be trialed and de-risked at the community level, and those with strong market based bankable solutions could be potentially connected to UNIDO's ASIF acceleration ecosystem. Furthermore, learnings between the two entities can be shared: UNDP-AFCIA 2 grantees can draw insight from MSME scaling from the UNIDO AFCIA program, while UNIDO grantees can gain valuable learnings in the creation of positive societal and environmental externalities through UNDP´s NGOs and CSOs.

- **Pacific Small Grants – SPC and SPREP (Pacific Community and Pacific Regional Environment Programme)**[176] : SPC and SPREP jointly manage dedicated adaptation-grant windows for Pacific Island countries. The flagship is SPC's Climate Innovation Co:Lab, which aims to "incubate, catalyze, de-risk and scale locally led climate adaptation innovations across Pacific SIDS". SPC's Climate Innovation Co:Lab establishes a climate-specific funding stream within SPC's existing Funding with Intent programme, financing community-driven solutions (for example, traditional knowledge practices, coastal resilience measures and low-tech innovations) tailored to the high vulnerability of Pacific atolls. The grants support hyper-local projects that build resilience in island communities using SPC's regional networks. While UNDP-AFCIA 2 will be available to Pacific applicants, its scope is worldwide. SPC/SPREP's windows, by contrast, are 100% Pacific-focused. Together, they form a continuum of support: UNDP-AFCIA 2 can disseminate broad learnings and open calls to Pacific NGOs, CSOs and MSMEs, while SPC/SPREP provide deep, contextualized support to Pacific projects. Additionally, the global nature of UNDP-AFCIA 2 allows for a wider cross learning between grantees, thereby strengthening the learning and support system for the Pacific grantees.

- **UNEP – Climate Technology Centre & Network (CTCN)**[177] :The program supports developing countries through demand-driven technical assistance, capacity building, and technology transfer for climate adaptation and mitigation. Within the broader AFCIA Partnership, UNEP-CTCN plays a cross-cutting role by coordinating implementing partners, offering technical advisory services, and maintaining global knowledge-sharing platforms. UNEP-CTCN complements UNDP-AFCIA 2 by working upstream to strengthen enabling environments and policy frameworks, while UNDP-AFCIA 2 supports grassroots innovation led by NGOs, CSOs, MSMEs, and hybrid models. The two approaches are synergistic: UNEP-CTCN's technical expertise and national-level government engagement seek to provide a foundational system and context for UNDP-AFCIA 2 grantees to build and scale solutions (in the countries where both programmes have grantees). Conversely, successful community-driven innovations supported under UNDP- AFCIA 2 can inform UNEP-CTCN's broader advisory and policy work. Together, they offer a coordinated innovation-to-impact pathway that spans from policy and feasibility to local implementation.

2. Complementary Focus with other Climate Funds

- **Green Climate Fund (GCF)**[178] focuses on paradigm-shifting investments and balances its portfolio 50/50 between mitigation and adaptation, with over half of adaptation funding benefiting LDCs, SIDS, and African states. However, GCF projects are typically multi-million-dollar interventions, and it uses instruments like concessional loans, equity, or guarantees to mobilize private capital for resilience infrastructure.. UNDP-AFCIA 2 complements GCF by nurturing a pipeline of grassroots innovations

[176] Pacific Community (SPC). (n.d.). SPC's Climate Innovation Co:Lab. Retrieved November 13, 2025, from https://www.adaptation-fund.org/project/spcs-climate-innovation-colab/

[177] Environment, U. (2017). Climate Technology Centre and Network. UNEP - UN Environment Programme. Retrieved November 13, 2025, from https://www.unep.org/explore-topics/climate-action/climate-technology-centre-and-network

[178] Fund, G. C. (2023b, March 20). Adaptation. Green Climate Fund. Retrieved from https://www.greenclimate.fund/theme/adaptation

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that can later be scaled up. While GCF de-risks and scales proven models (e.g. resilient infrastructure or climate-smart agriculture at the national scale), UNDP-AFCIA 2 supports early-stage, locally led ideas that would be too small for GCF initially. In this way, UNDP-AFCIA 2 funded pilots could mature into larger projects suitable for GCF support, creating a continuum from innovation to investment. Coordination through national climate focal points and knowledge-sharing ensures UNDP-AFCIA 2 grants align with countries' specialized adaptation plans (e.g. NDCs/NAPs) so that successful grantees can attract GCF or other donor financing later, rather than overlapping with existing GCF projects.

- **Global Environment Facility (GEF) - Small Grants Programme (SGP)**[179]: GEF-SGP implemented by UNDP, has delivered support to 30,000+ community-level projects in 127 countries, supporting community-led initiatives that address global environmental issues. GEF-SGP empowers local civil society and community-based organizations, including women, indigenous peoples, youth, and persons with disabilities, through a decentralized delivery mechanism at the country level. UNDP-AFCIA 2 is aligned with the same locally driven ethos as GEF-SGP: empowering community organizations, women and youth as agents of adaptation. However,UNDP- AFCIA 2's exclusive focus on innovation for adaptation sets it apart. For example, the GEF-SGP might fund a broad range of community resilience projects (from biodiversity to clean energy), whereas UNDP-AFCIA 2 specifically targets novel climate adaptation solutions for scaling up. Likewise, UNDP-AFCIA 2 grants (from 40,000 USD up to 200,000 USD) are somewhat larger than regular SGP micro-grants, enabling support for technologies or business models that require more capital and time to mature and scale. UNDP- AFCIA 2 complements the GEF-SGP implemented by UNDP, by focusing on innovative early-stage solutions and by creating a bridge between community-based innovation and larger-scale implementation. Successful innovations emerging from UNDP-AFCIA 2 could be replicated or scaled with GEF/LDCF(Least Developed Countries Fund) financing, ensuring a continuum of support.

- **Least Developed Countries Fund (LDCF) & Special Climate Change Fund (SCCF)**[180]: The LDCF (for LDCs) and SCCF are GEF-managed funds that typically support government-endorsed adaptation projects. Recently, these funds have also started to back innovation and private sector engagement – for example, the SCCF is co-funding the Adaptation SME Accelerator Program (ASAP) (described below) to spur entrepreneurial solutions. UNDP AFCIA 2 shares the goal of helping vulnerable countries innovate, but operates through a different modality. LDCF/SCCF projects (often $3–10 million each) work at the policy or sector level, whereas UNDP AFCIA 2 provides smaller grants directly to local actors. By aligning with national adaptation priorities, UNDP AFCIA 2 ensures it complements LDCF/SCCF initiatives. Essentially, AFCIA's flexible small grants fill the gaps by reaching non-governmental innovators and MSMEs, complementing the public-sector projects financed by LDCF/SCCF.

- **GEF Challenge Program for Adaptation Innovation**[181]: The GEF's SCCF launched an Adaptation Innovation competition that awarded funds to pilot new private-sector solutions toa dress climate risks. The strong response to GEF's global innovation call (400+ proposals) shows the huge demand for adaptation innovation funding. UNDP-AFCIA 2 helps meet this demand on an ongoing basis. Unlike the one-off GEF challenge (which made a handful of larger grants through international partners), UNDP-AFCIA 2 runs continuous support and provides many direct grants along with direct TA packages to local organizations (NGOs, CSOs and MSMEs) in developing countries. This inclusive approach reaches grassroots innovators that big global competitions might miss. There is no duplication, as UNDP-AFCIA 2's grants are smaller and more locally focused. In fact, UNDP-AFCIA 2 can feed promising ideas into future rounds of GEF or other donor funding.

[179] GEF Small Grants Program. (2024, November 22). Global Environment Facility. Retrieved from https://www.thegef.org/what-we-do/topics/gef-small-grants-program

[180] New initiative aims to leverage climate adaptation investment | UNIDO. (2023). UNIDO. Retrieved from https://www.unido.org/news/new-initiative-aims-leverage-climate-adaptation-investment

[181] Challenge Program for Adaptation Innovation. (2024). Global Environment Facility. Retrieved November 13, 2025, from https://www.thegef.org/what-we-do/topics/challenge-program-adaptation-innovation

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- **Climate Investment Funds – Pilot Program for Climate Resilience (PPCR)**[182]: The PPCR (under the World Bank's Climate Investment Funds) historically provided funding to highly vulnerable countries to integrate climate resilience into development plans. It financed large-scale interventions and readiness activities. Programs like PPCR built the enabling environment and national plans that pave the way for local innovation. UNDP-AFCIA 2 will be aligned with those national adaptation plans, ensuring that the grassroots solutions it funds support the priorities identified through programs like PPCR. There is no duplication: PPCR did not typically fund small NGOs, CSOs or startups – in fact, many AFCIA applicants come from countries that now have climate strategies thanks to PPCR and similar efforts. By operating in this improved policy environment, UNDP-AFCIA 2´s investments have a higher chance to scale and integrate into government programs, achieving synergy with past multilateral investments.

3. Innovation and SME-Focused Initiatives

- **Adaptation SME Accelerator Program (ASAP)**[183]: This is a global initiative led by Lightsmith Group and supported by the GEF-SCCF, Inter-American Development Bank, and Conservation International. ASAP is an ecosystem-building program to identify and accelerate climate adaptation SMEs in developing countries. ASAP provides only acceleration services (mentorship, investment readiness) and helps connect SMEs with investors. Moreover, ASAP's focus in certain regions (e.g. Latin America and Africa) and sectors (tech-based adaptation solutions), whereas UNDP AFCIA 2 has a much broader scope in terms of both geography and sectoral focus. Additionally, ASAP's acceleration service offers a valuable opportunity to share knowledge and information.

- **UNCDF´s LoCAL**[184]: The UNCDF runs the LoCAL program, providing climate finance to local governments; while LoCAL gives performance-based climate grants to municipalities, UNDP AFCIA 2 funds NGO, CSOs and MSME solutions in those same communities – together strengthening locally led adaptation from both the public and civil society sides. By coordinating through AIM, such efforts ensure coherence: LoCAL funds a community's climate-resilient infrastructure, UNDP AFCIA funds a complementary community-based solution, each aware of the other. Additionally, UNCDF is a strategic partner for UNDP AFCIA 2 and therefore we can purposefully align with UNCDF on such programs to maximize synergy and outcomes.

- **Global Innovation Fund (GIF) – Climate Resilience Window**[185]: In partnership with the UK's FCDO and Sida, GIF launched an Innovating for Climate Resilience fund to invest (via grants, equity, or debt) in scaling climate adaptation innovations that benefit the poorest. It seeks out high-impact innovations and helps de-risk and scale them, often co-investing with other donors. The GIF climate resilience initiative operates more like an investor than a small-grants provider – it looks for innovations that have proven potential and can reach millions of people if funded to grow. This is a natural next step for successful innovations emerging from UNDP AFCIA 2. There is no overlap in funding approach: UNDP AFCIA's mandate is to target early-stage and demonstrate locally led solutions, whereas GIF can later provide larger follow-on funding (including equity investments) to those that show evidence of impact. In fact, GIF explicitly aims to "partner with other investors, large and small, to identify innovations and feed into a growing pipeline" for climate adaptation. UNDP AFCIA 2 is exactly such a pipeline of early

[182] Pilot Program for Climate Resilience | Climate Investment Funds. (n.d.). www.cif.org. Retrieved from https://www.cif.org/topics/climate-resilience

[183] The Adaptation SME Accelerator Program (ASAP): Africa Focused Adaptation SME Market Study. (n.d.). Retrieved from https://climateasap.org/wp-content/uploads/2023/09/ASAP-Africa-Adaptation-SME-Market-Study-September-2023.pdf

[184] LoCAL Climate Adaptive Living Facility Homepage. (2024). Uncdf.org. Retrieved from https://www.uncdf.org/local/homepage

[185] Innovating for Climate Resilience. (2025). Global Innovation Fund. Retrieved November 13, 2025, from https://www.globalinnovation.fund/innovating-for-climate-resilience

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innovations. By maintaining dialogue with these key partners (GIF is a strategic partner of the Global Resilience Partnership and the Adaptation Research Alliance, which are also UNDP AIM´s partners), AFCIA 2 will ensure that its most promising grantees are visible to scale-up financiers like GIF, rather than both programs unknowingly funding the same stage of the same project. Thus, GIF and UNDP-AFCIA 2 form a synergistic ladder of finance – with AFCIA at the early stage and GIF at the mature growth stage – collectively accelerating innovation for resilience.

- **Global Ecosystem-based Adaptation (EbA) Fund**[186]: The Global EbA Fund provides seed capital for innovative ecosystem-based adaptation measures worldwide. It offers rapid, targeted grants to projects that use nature-based solutions to help communities adapt. The EbA Fund specializes in nature-based solutions, whereas UNDP-AFCIA 2 has a broader innovation mandate with three thematic areas. The knowledge exchange between the EbA Fund and UNDP-AFCIA 2 can multiply impact – lessons from EbA projects can inform UNDP-AFCIA 2 grantees pursuing similar objectives, and vice versa. UNDP-AFCIA 2 offers integrated support to innovators via its TA provision. Through AFCIAs deep and extensive networks with business schools, it can leverage and multiply the outcomes of both programs to a wider private sector audience.

In addition to funding coordination, UNDP-AFCIA 2 actively contributes to shared learning platforms to prevent siloed efforts. The project's knowledge management approach will document lessons from local innovation projects and disseminate these globally. Building on this, AFCIA 2 will also leverage UNDP's and partners' business school networks to convene and expose different strands of adaptation work, including through dedicated roundtable-style workshops (in-person and hybrid) hosted in business schools per quarter.

These sessions will provide a neutral, safe space for Adaptation Fund implementing entities, Green Climate Fund and Global Environment Facility partners, and other adaptation-focused funds and programmes to exchange insights, compare what has worked (and what has not), and explore opportunities for a more coordinated approach to adaptation support. By sharing evidence with the wider community of practice, UNDP-AFCIA 2 helps other funders adjust their instruments and avoid duplicating approaches. Likewise, UNDP-AFCIA 2 will stay updated on outcomes from parallel programmes and feed this intelligence back into its own TA offer to maximize adaptation results. In summary, UNDP-AFCIA 2 is explicitly designed to maximize synergies with other climate funding sources, occupying a complementary niche in supporting grassroots innovations while partnering closely with the broader UNDP system and international climate finance architecture.

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

Learning and Knowledge Management Component

Empowering Grantees and Strengthening Local Adaptation through Knowledge Exchange

Knowledge exchange and peer-to-peer learning are central to the project, creating opportunities for grantees to share insights, best practices, and lessons learned from implementation. By facilitating direct communication and collaboration among grantees, the project fosters a learning community where participants collectively address challenges and learn from practical solutions. This approach promotes the cross-pollination of ideas, strengthens adaptive capacity, and accelerates the scaling of effective adaptation practices. The project adopts a "learning-by-doing" approach to ensure that knowledge is continuously applied to improve both institutional and community-level resilience.

[186] https://www.unep.org/gef/focal-areas/climate-change-adaptation/our-work/access-adaptation-finance

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The Learning and Knowledge Management plan aims to systematically strengthen the capacity of AFCIA 2 grantees to design, implement, monitor, and scale innovative, inclusive, and gender-responsive adaptation solutions. It combines structured learning processes with adaptive feedback loops to ensure that knowledge is captured, applied, and shared throughout the project cycle.

Integrated Learning Architecture

AFCIA 2 will adopt a two-stage learning and capacity-building structure aligned with the Adaptation Fund's Strategic Results Framework and UNDP's Monitoring, Evaluation, and Learning (MEL) standards. Learning will be embedded across all implementation stages—from project selection and proposal refinement to scaling and policy integration.

- **Stage 1 – Pre-selection and Proposal Strengthening:** Interactive webinars and mini courses will support long-listed applicants to strengthen problem framing, proposal design, and alignment with environmental, social, and gender standards.

- **Stage 2 – Onboarding Learning Sprint and Capacity Development:** An intensive 8-10 weeks Onboarding Learning Sprint will guide selected grantees to refine their business models, strengthen monitoring and reporting systems, and embed gender and social inclusion measures from the outset.

AFCIA 2 will formalize this process through an integrated MEL system that captures lessons across the project cycle—from selection and implementation to scaling and replication. The resulting lessons will be synthesized into actionable guidance, toolkits, and policy briefs to inform adaptation programming at national, regional, and global levels.

Immediately following selection, grantees will participate in a structured Onboarding Learning Sprint designed to strengthen their technical, financial, and operational readiness. The Sprint will combine group workshops, one-on-one mentoring, and peer-to-peer exchanges, complemented by expert sessions from academia, finance, and innovation ecosystems. Through this process, grantees will refine their business models and value propositions, strengthen financial management and resource mobilization, and explore sustainable hybrid models such as social enterprises. They will also prepare contextualized Gender Action Plans, apply gender marker criteria to ensure equitable participation and benefits, and develop simplified Environmental and Social Management Plans (ESMPs) in line with Adaptation Fund and UNDP standards. Practical training on monitoring, reporting, and data quality will enhance accountability and support consistent aggregation of results across the portfolio.

Within the Onboarding Learning Sprint, grantees will further benefit from advanced thematic modules on business development and scaling, gender-responsive monitoring and evaluation, policy and investment engagement, and communication tools, sequenced to match their stage of implementation and evolving capacity needs.
During implementation phase, AFCIA 2 will pilot a "Onboarding Learning Sprint Review"—a structured reflection exercise engaging grantees from both AFCIA 1 and 2, EMBA/MBA partners, and investors. The review will help identify emerging trends, needs, and adaptive measures, ensuring that lessons directly inform project improvement and investment strategies.

Fostering Knowledge Exchange and Capacity Building through the MBA Fellowship Programme

The MBA Fellowship Programme is a cornerstone of UNDP-AFCIA's knowledge and capacity-building framework. It strategically connects academic expertise from leading business schools with the operational realities of locally led climate adaptation initiatives. This partnership—between UNDP, a responsible party

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selected under UNDP procurement processes, and top-tier universities—creates a structured platform for applied learning and collaboration.

By embedding EMBA/MBA students within AFCIA-supported organizations, the project will enable the transfer of business and financial skills, particularly in enterprise development, investment readiness, and impact measurement. In turn, students gain first-hand experience with adaptation challenges in the Global South, bridging academic knowledge with practical implementation. This collaboration also supports the development of a new generation of climate and development professionals equipped to advance innovation for resilience at scale.

From a knowledge management perspective, the project serves as a dynamic repository for continuous documentation and learning. Grantees receive tailored business development and scaling support, while students contribute to case studies, data collection, and evidence generation. These outputs will be consolidated into a shared knowledge library and inform publications and joint learning events focused on scalable adaptation business models.

Through AFCIA 2, EMBA/ MBA fellows also gain hands-on exposure to locally led adaptation models, community priorities, and the practical realities of delivering climate resilience on the ground. AFCIA 2 allows them to take this learning into their places of work and influence, to better assign and allocate capital based on a more nuanced and deeper grasp of local adaptation. This immersive experience builds a deep appreciation for context-driven solutions, social equity, and long-term sustainability—elements often overlooked in traditional business and policy training. As these fellows transition into influential roles across the private sector, public institutions, multilateral organisations, consulting, research, and philanthropy, they carry forward this understanding and values-based mindset. Over time, they become champions who shape decisions, policies, and market behaviours—driving change not only in investment flows, but also in corporate practice, product design, procurement models, risk management, and public–private partnerships.

While the impact may not be immediately visible at the project level, this intentional cultivation of future leaders contributes to long-term systemic transformation. It seeds a global network of informed and committed decision-makers who can shift institutional norms, unlock climate and development finance, influence policy agendas, and advance inclusive and locally led approaches to adaptation. By investing in the next generation of academics and leaders, AFCIA 2 strengthens the enabling environment needed for climate resilience—ensuring that the principles of localisation, equity, and sustainability gain influence in boardrooms, ministries, financial markets, and global development platforms.

For further reference, check the blog "Shaping the future of climate adaptation through academic collaboration" which captures the main lessons learnt of this academic collaboration with AFCIA 1.

Creating a Knowledge Platform to Support Scaling and Replication

The project will establish a multi-layered knowledge-sharing and learning structure to support the exchange, replication, and scaling of climate adaptation solutions. This approach aligns with the Adaptation Fund's Monitoring and Tracking System (AF MTS), particularly Strategic Focus 3, which prioritizes knowledge sharing and guidance on adaptation action and finance.

AFCIA 2 will operationalize a structured Learning and Knowledge Management Framework that ensures systematic documentation, aggregation, and synthesis of evidence emerging from each innovative solution that is supported by the project. This framework will use harmonized templates, progress indicators, and reflection tools to ensure comparability across regions and thematic areas, while allowing flexibility for diverse local contexts. Lessons from grantee monitoring data, field missions, gender assessments, and community consultations will be consolidated into periodic learning summaries and thematic evidence notes. These insights will feed into adaptive management processes at both project and portfolio levels, enabling timely adjustments to technical support, partnership brokering, and investment-readiness interventions. Building on AF's requirement to identify effective and efficient adaptation practices, AFCIA 2 will prioritize the extraction of

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practical, scalable, and gender-responsive solutions that demonstrate strong potential for replication and financing.

Key outcomes include the identification, codification, and dissemination of lessons learned; the development of replication toolkits and case studies; and the strengthening of learning networks at local, national, and global levels. Rather than building new systems, AFCIA 2 will leverage existing UNDP´s (and in particular UNDP AIM´s) platforms, and collaborate with the broader AFCIA community under UNEP-CTCN coordination services project, to ensure efficient and wide-reaching dissemination through existing communication channels, such as policy briefs, social media, webinars, and virtual communities of practice.

Coordination among AFCIA´s MIEs and RIEs will be strengthened through joint learning cycles, shared reporting structures, and co-curated knowledge products that synthesize results generated across the AFCIA portfolio to date. UNDP will collaborate closely with AFCIA implementing agencies including UNEP-CTCN, WFP, UNIDO, SPC as well as UNCDF, other AIM partners to avoid duplication and ensure that emerging lessons flow into regional exchanges, the Adaptation Fund Community of Practice, and global platforms.
Findings from AFCIA 1 will be systematically integrated into AFCIA 2's capacity-building and learning architecture to reinforce continuity and accelerate uptake of proven models. Cross-regional learning sessions, thematic deep-dives, and peer-to-peer clinics will further enable cross-fertilization of insights between countries and regions, supporting the identification of common barriers, shared opportunities, and emerging innovation pathways. These processes will ensure that learning from individual sub-projects is aggregated into portfolio-wide evidence that can inform policy, investment, and future adaptation innovation programming.

Knowledge exchange will also be deepened through South-South and South-North knowledge exchanges, cross-country peer learning events, and thematic learning series. A depository of knowledge/ communication products will host gender case studies, and field lessons to inform both policy and practice.
Knowledge exchange and ecosystem engagement will be advanced through global, regional, and thematic learning events, including innovation showcases, investor roundtables, replication clinics and alliance networking sessions, as well as through the Onboarding Learning Sprints, which will serve as a platform for peer learning and collaboration. Each event will incorporate gender-transformative and socially inclusive perspectives, ensuring balanced participation and equitable access to learning opportunities.

To further strengthen technical expertise and communication, the Project will coordinate with the UNDP Country Offices, on how to best connect grantees with academia, accelerators, incubators, and their local innovation ecosystems, integrating emerging insights from climate technology, adaptation finance, and social innovation. The AFCIA PMU will oversee the synthesis, validation, and dissemination of knowledge products, ensuring alignment with UNDP and Adaptation Fund standards.

With the aim of increasing visibility of community-driven adaptation, supporting knowledge sharing among grantees (internally) and with the global community (externally), and strengthening stakeholder engagement, coherent and consistent communication will overall serve the purpose of highlighting the importance and urgency of fostering innovation for climate adaptation.

Visibility and Branding of the Adaptation Fund

The Adaptation Fund's contribution will be visible at all key stages—sourcing, screening, grant administration, and knowledge dissemination. UNDP will produce branded knowledge products that highlight the Fund's impact and leadership in advancing locally led innovation for adaptation. Grantees will be encouraged to acknowledge both the Adaptation Fund and UNDP in their communications and visibility materials, ensuring appropriate recognition in line with the Adaptation Fund´s communication and visibility guidelines (including AFCIA´s specific ones).

A targeted communications and visibility strategy will highlight the Adaptation Fund's contribution through case studies, videos, and impact stories disseminated via regional and global platforms. Particular attention will be

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given to documenting and showcasing women- and youth-led success stories, amplifying their visibility and positioning them as role models within the adaptation innovation landscape.

Through a comprehensive and inclusive learning ecosystem, AFCIA 2 ensures that knowledge is not only captured and shared, but actively translated into better design, stronger policies, and greater investment in adaptation innovation—ultimately strengthening resilience and fostering long-term sustainability across the Global South. A preliminary communications strategy for AFCIA 2, can be found in **Annex 11** for further reference.

J. Describe the consultative process that would take place, and how will it involve all key stakeholders, and vulnerable groups, including gender considerations.

Consultative Process and Stakeholder Engagement Approach

At the stage of the AFCIA 2 project´s proposal formulation, it was not yet feasible to conduct deeper consultations at the level of specific project sites or with stakeholders that will ultimately be engaged by the grantees. This is because the specific sub-projects and implementing partners (grantees) across the regions will be identified through a global open call for proposals, which will take place at the beginning of the implementation stage. As such, the project currently includes Unidentified Sub-Projects (USPs), consistent with the nature of the innovation process being supported and in line with guidance from the Adaptation Fund (Decision B.39/52).

Given this structure, UNDP´s approach to stakeholder consultation has been adapted accordingly in a two-phased approach to consultations: a) During project design and b) Once grantees are selected. In line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy (GP), initial virtual consultations with key stakeholders were undertaken by UNDP. These consultations include past grantees from AFCIA 1, grantees supported by other UNDP Programmes (that advance adaptation, local action or innovation acceleration), representatives from other UN partner agencies, civil society organizations, research centres and other relevant institutions. Consultations inside UNDP with the five Regional Bureous were also undertaken (mainly with the Environment Regional Technical Leads and additional teams which were brought in into these preliminary consultations) to strengthen the project design. These consultations inform the overall project framework, including implementation principles and safeguards. A full list of the stakeholders consulted is available in **Annex 6a. Stakeholder Consultations and Engagement during the Design Phase** and the results and notes from said consultations are available in **Annex 7. Minutes of the Stakeholder Consultations.**

While specific grantee-led activities cannot yet be defined, UNDP will ensure that stakeholder input shapes the overarching implementation approach and risk identification processes at the grantee level. Once grantees are selected and specific interventions are identified through the open call process, more detailed, locally grounded stakeholder consultations will be conducted. These will include consultations with vulnerable or marginalized groups, women, Indigenous Peoples, and other directly affected communities as relevant. At that stage, each grantee in collaboration with UNDP will also develop and disclose detailed risk assessments and management instruments—including gender action plans, stakeholder engagement plans, and environmental and social management plans—supported by the PMU's Gender and Safeguards Specialist as part of project support and quality assurance.

This phased approach allows each grantee and UNDP to manage stakeholder expectations responsibly and transparently, recognizing that not all organizations applying for the grants may ultimately be selected or have the capacity to implement. However, UNDP us fully committed to ensuring that, in line with Adaptation Fund guidance on USPs, risk identification, gender considerations, and stakeholder engagement are addressed at both the framework level (during proposal formulation) and the sub-project level (once grantees are known). These measures will ensure robust safeguards and inclusive engagement throughout the project lifecycle.

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Further to this, **Annexes 6 and 7** outline the 2-phased consultation process that started during project design and proposal development, and that will further advance during implementation—to meet the requirements of the UNDP´s and the Adaptation Fund´s Environmental and Social Safeguards Policies and Gender Policies.

Initial Consultations with Key Stakeholders

The consultative process undertaken during the preparation of the AFCIA 2 proposal has been designed to ensure broad stakeholder engagement, with particular attention to vulnerable groups and gender considerations, in compliance with the Environmental and Social Policy (ESP) of the Adaptation Fund. The process has been structured in phases, enabling effective and local input integration throughout the project's development. The following table provides an overview of the stakeholders consulted and the main insights from the consultations. Detailed information can be found in the following annexes to this proposal **Annex 6a. Annex 6a. Stakeholder Consultations and Engagement during the Design Phase**, and **Annex 7. Minutes of Stakeholders Consultations**.

Stakeholder	Key takeaways
UNDP AFCIA grantees	- AFCIA's flexibility, experimentation space, and risk-tolerant approach were highly valued, distinguishing it from other funders. - AFCIA's holistic support package (financial resources + technical assistance + mentorship + organizational strengthening) was highlighted as a core strength. - Collaborations with MBA students and other forms of tailored technical assistance created impact beyond the project lifecycle. - In-person visits from AFCIA/UNDP staff were seen as critical for understanding grantee contexts and fostering stronger, ongoing engagement. - Peer-to-peer learning, capacity building, and technical support were highly appreciated; grantees recommended expanding these components in AFCIA 2. - Grantees emphasized the importance of thematic and cross-cutting collaboration (e.g., climate-smart agriculture, gender, finance) to deepen expertise and address shared challenges. - Feedback on reporting tools was mixed: some found them clear and manageable, while others requested improvements for AFCIA 2. - Key reporting improvements needed: clearer communication of the overall Theory of Change and indicator framework; co-defining indicators with grantees; and dedicating sessions to explain templates and expectations. - Need to better contextualize ESG metrics and provide dedicated sessions to explain their purpose, relevance, and practical application. - Grantees identified scaling and business model challenges, noting that innovations are impactful but often unattractive to investors due to low financial returns in climate-vulnerable contexts. - Highlighted the value of partnerships (CSO–SME consortiums, collaboration with UNDP country offices, linkages with other organizations) as essential for scaling, government engagement, and resource convergence. - Increasing engagement and visibility with local governments—along with recognition such as letters confirming collaboration with UNDP—can enhance grantee credibility and partnership opportunities. - UNDP's institutional credibility is an important asset that helps smaller organizations gain recognition, build networks, and access opportunities.
UNDP-funded challenge funds	- Grantees emphasized the importance of stage-appropriate capacity building, noting that early-stage organizations benefit from foundational training while growth-stage innovators require more advanced, specialized support.

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grantees	- Iterative feedback and coaching were highlighted as essential, with grantees stressing that learning is strengthened through regular review, adjustment, and practical guidance—not only through static deliverables. - Participants called for longer funding windows, particularly for organizations transitioning from pilot to scale, to enable sustained impact and stronger business development. - UNDP's convening power was consistently valued, with grantees crediting networking opportunities for expanded partnerships, visibility, and strategic collaboration. - Application processes can be challenging for smaller or women-led organizations due to extensive documentation requirements, limited access to formal financial records, and systemic barriers such as lack of land ownership. - Reporting requirements were seen as important but sometimes difficult to navigate; grantees requested clearer guidance, standardized tools, and more flexible expectations, particularly in contexts with data limitations. - Peer learning is considered highly beneficial, with demand for thematic cohorts, case study libraries, and simple communication channels (e.g., WhatsApp, Telegram) to support ongoing exchange. - On gender and inclusion, participants stressed the need for early planning, culturally sensitive approaches, and tailored capacity-building to ensure meaningful engagement of women, youth, and vulnerable groups. - Reaching women, especially in restrictive or fragile contexts, requires local partnerships, non-digital outreach strategies, and safe spaces for women to engage and share experiences. - Participants encouraged AFCIA to improve clarity, accessibility, and targeting of Calls for Proposals to ensure they reach relevant CSOs and MSMEs across diverse geographies and capacity levels.
Women-led Science, Technology, Engineering and Mathematics (STEM) organisations	- Women remain severely underrepresented in STEM and climate-related technical roles, particularly in agriculture, due to entrenched cultural norms and limited mobility. - Women face restricted access to technology, information, land, and finance, preventing them from benefitting from early-warning systems and digital advisory services, despite being primary agricultural workers. - Opportunities exist in vertical farming and climate-smart agriculture, but structural barriers (e.g., land ownership patterns) limit women's participation. - Effective engagement requires intentional, early planning, partnerships with women-led organizations, and non-digital outreach tools such as radio to reach rural women. - Participants valued UNDP's role in facilitating partnerships with ministries, universities, and research institutions, as well as providing cross-country knowledge exchange and case studies. - Short grant durations, complex application processes, and slow reporting and disbursement procedures hinder implementation and sustainability; participants called for longer funding windows and simpler, more accessible application processes. - Peer learning is highly beneficial, with demand for thematic groups, WhatsApp/Telegram channels, and practical case libraries to support continuous exchange and learning.
AFCIA-implementing agencies (UNEP,	- Generated impact need to be showcased more effectively to strengthen private-sector engagement and attract investment. - Harmonizing impact categories and standardizing tracking frameworks across agencies would help ensure portfolio diversity and minimize duplication of technologies and solutions. - Early coordination with key stakeholders, including implementing entities, UN country

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UNIDO[187])	offices, and government bodies at local, regional, and national levels, is essential for coherent planning and implementation. - Implementing entities agreed on the need for stronger alignment across the AFCIA programme, including the potential for a shared M&E framework and indicators to enable collective measurement of adaptation impact. - Grantees should be directed to the implementing agency best suited to their technical needs, ensuring efficient access to specialized support and resources. Coordination among AFCIA implementing agencies will facilitate collabrations for smooth referral process. - Cross-agency collaboration was recommended to facilitate investment by pooling networks and providing grantees wider access to investors, partners, and complementary expertise. - When supporting SMEs, assistance should integrate both profitability and impact, helping businesses maintain financial sustainability while achieving measurable adaptation outcomes. - Knowledge sharing and communication products (e.g., videos, web stories, webinars) should be jointly planned under the coordination services of UNEP-CTCN, from the outset to ensure coherence and visibility across agencies. - Implementing entities should leverage communities of practice and jointly engage local media through country offices to enhance outreach and learning.
UNDP Regional Technical Leads	- Strong consensus on leveraging existing UNDP structures (Country Offices, SGP, Biodiversity Finance Initiative (BIOFIN), Climate Promise) to strengthen local presence, reduce duplication, and support robust pipeline development. - Regions stressed the importance of systematically monitoring grantees' progression from grant to scale, capturing and institutionalizing lessons from AFCIA 1, and prioritizing high-potential, innovative, and community-driven solutions—including those emerging from South–South collaboration. - Regional differences in adaptation ecosystems were highlighted: sectors, value chains, and types of target organizations vary significantly and must inform how AFCIA 2 tailors outreach and selection across regions. - AFCIA 2 should aim for exponential—not linear—impact by expanding pathways for private finance attraction, strengthening business model viability, and linking grantees to national and regional adaptation finance ecosystems. - Lessons from AFCIA 1 (e.g., growth from 20% to 59% revenue-generating grantees; 32% earning over USD 100,000 annually) were viewed as strong foundations for investment-readiness and scaling support in AFCIA 2. - Clear opportunities identified to link AFCIA 1 grantees with SGP and Western Balkans project portfolios for structured peer learning, knowledge exchange, and replication of proven models. - Regions emphasized the need to highlight AFCIA's support methodology (technical assistance, mentoring, pipeline development, investment-readiness) as a core value proposition that Country Offices see as equally important as financing. - Inputs emphasized articulating how AFCIA's support model can be replicated by Country Offices and how it strengthens local organizations' engagement with national systems and financing mechanisms. - Strong emphasis on maintaining community-embedded approaches, elevating Indigenous-led and women-led innovations, and ensuring grantees work within environments that can sustain scaling pathways.

[187] The WFP AFCIA focal points were contacted to carry out an interview, but at the time of submitting this proposal, the interview was not confirmed by WFP.

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	- Regional Technical Leads emphasized the importance of strategic geographic prioritization, including consideration of whether to maintain a global call for proposals or narrow eligibility to countries with conducive enabling environments, more mature MSME ecosystems, and stronger potential for scalable outcomes. These insights will guide decisions on AFCIA 2's geographic focus, replication pathways, investment linkages, and technical support modalities. To ensure inclusive participation, the programme will apply targeted, context-specific outreach and communication efforts informed by regional and country contexts, thematic priorities, and stakeholder mapping. This will help increase the diversity and quality of applications and enable the programme to attract high-potential, locally led adaptation innovations from civil society organizations and MSMEs.
UNEP-CTCN AFCIA	- Need for early and continuous engagement with national focal points, governments, and implementing partners to ensure coherence from the design stage of AFCIA 2. - Stronger demonstration of concrete, measurable, and commercially relevant impacts is required to attract private-sector engagement and enhance the scalability of CSOs and MSMEs. - Under the coordination services of UNDP-CTCN function, a shared M&E framework with common indicators on innovation, adaptation, and resilience should be established across AFCIA implementing partners to ensure coherent reporting and comparability. - Establishing a repository of projects, stakeholders, and sectors would facilitate cross-country and cross-sector collaboration, reduce silos, and strengthen alignment among AFCIA implementers. - Joint learning and communication activities (e.g., videos, web stories, webinars, communities of practice) should be planned from the outset under a coordinated communications strategy. In addition, they stressed the importance of adopting a joint communications strategy from the outset—leveraging videos, web stories, local media engagement, and grantee-generated visual content—to improve visibility, support knowledge sharing, and help avoid siloed approaches across AFCIA implementers. - Grantees should be encouraged to budget for visibility materials (e.g., professional photography), while country offices and partners collaborate on broader communication products and local media engagement. - Establishing a shared M&E framework with common innovation- and resilience-focused indicators that can be used consistently across implementing partners is critical. UNEP-CTCN also highlighted the benefits of creating a consolidated repository of country and sector activities, strengthening communities of practice, and facilitating regular cross-partner exchanges to enhance coherence and collective learning. - It is advised to maintain the AFCIA dashboard that remains simple, practical, and comparable across the different Implementing Partners.

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Impact investment networks (AVPA, AVPN, Latimpacto)	- Need for stronger multi-sectoral collaboration and inclusion of vulnerable and marginalised communities in adaptation efforts. - Persistent financing barriers highlight the importance of flexible, context-appropriate capital and complementary capacity building. - Investors stressed the value of community-driven, locally led solutions and clear pathways for long-term sustainability and ownership transfer. - Significant disconnect between small local projects and investor expectations, requiring reframing of risk perceptions and stronger business model support. - Grantees need enhanced investment-readiness skills, including clearer communication and pitching capacity. - Lack of standardized metrics for resilience underscores the need for adaptable, context-sensitive measurement frameworks. - Political, safety, and contextual factors challenge climate resilience financing and should be better accounted for in design and risk assessment.
Private Sector-Sector agnostic Impact investors (Global Innovation Fund, Acumen, Six Capital, SAB Foundation)	- Catalytic capital is most valuable as an early validator and pipeline builder: it reaches solutions few others will fund, lets locally rooted innovators test and refine models, and acts as an "institutional ambassador" that makes later investors take them seriously. - The deepest barriers to investability are weak financial management and governance: poor or non-existent financial records, informal structures, over-extraction by founders, valuation mismatches, and thin documentation make otherwise promising solutions very hard to back. - Investors and catalytic funders are looking for clear proof of concept and product–market fit: paying clients, real invoices, movement towards breakeven, simple ownership structures, committed founders, and alignment with investor values and mandates. - High-impact technical assistance clusters around four areas: strategic finance (realistic projections, cashflow and capital-raising plans), go-to-market (customer, pricing, distribution at margin-positive unit economics), governance and compliance (boards, ESG, audited accounts), and team/talent (senior capacity and incentives). - Across consultations, the most effective programme support has been very practical: producing strong investor materials and organised data rooms, coaching founders on how to engage with investors, and using showcases and peer-learning events to build networks and visibility. - Early-stage grants are often best used in sequenced, milestone-based ways: first to experiment and validate key assumptions, then to close specific investor-readiness gaps, ideally after or within a structured accelerator-style process rather than as stand-alone cheques. - Co-funding and risk-sharing structures (e.g. pairing AFCIA solutions with impact funds, blending international climate capital with local sources like Broad-Based Black Economic Empowerment (B-BBEE) are seen as powerful tools to move "borderline but promising" deals over the line, especially when combined with clearer geographic or thematic focus. - Funders place real weight on the programme's own credibility: a track record of "finding gems," transparent and cost-effective grant governance, clear outcomes and success metrics, and UNDP's ability to connect ventures into markets, large institutional partners and follow-on investors are all central to whether they engage with AFCIA 2.
MBA Fellows that participated MBA Fellowship	- AFCIA 1 TA was strongest because it was flexible, co-created and community-first, helping grantees with business plans, financial models, impact/data systems, localised marketing, digital literacy and linking to clear carbon and market pathways. - The hardest barriers to moving from pilots to investable scale were structural: insecure land tenure and control over natural resources in the case of indigenious communities,

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Programme in AFCIA 1	high verification/certification and due-diligence costs, weak supply chain and logistics, poor connectivity, and thin or poor-quality documentation and data - Many AFCIA 1 grantees had strong technical and impact foundations but were still clarifying their core model while being asked for "investor-ready" materials, with gaps in revenue strategies, basic financial projections, governance structures, outward communication and regular financial/impact reporting. - Stakeholders converged that AFCIA 2 should make matching and scoping more intentional: clearer project descriptions, categorisation by primary TA need and stage, preference matching, alignment calls, and time allocations calibrated to project maturity to avoid generic outputs. - Short but focused in-country or in-community engagement was repeatedly highlighted as critical for context, cultural fit and implementation, with physical visits producing more tailored and actionable outputs than purely remote support. - There is a clear need for simple, standard, but adaptable tools: step-by-step roadmaps from pilot to scale, shared templates and libraries, scenario-based financial models, and standard data-room structures that reduce duplication and transaction costs for both grantees and investors. - Fellows and grantees both asked for stronger peer learning and mentorship: thematic clusters for fellows, grantee-to-grantee exchanges, co-mentors with policy/market/technical expertise, structured orientation, continuity across cohorts and proper handover processes. - To better connect TA, financing and long-term sustainability, AFCIA 2 should help organisations shift from philanthropic NGO mindsets to revenue-generating social enterprises, build simple durable data/reporting systems (potentially supported by AI/automation), diversify revenue streams, and integrate governance strengthening and clearer career/visibility pathways for fellows.
Academia Partners (Professors – University of Oxford, University of Cape Town)	- Academic stakeholders see big untapped value in MSc/MBA fellows, but only if there is a dedicated "bridge" role that co-creates problem statements with grantees, turns them into clear briefs for students, and then ensures outputs are implemented rather than parked. - Grantees currently spend a lot of time explaining their context from scratch; short project videos, concise written cases and clear problem statements, prepared in advance, would let students arrive better oriented and free up time for real support. - Matching should be much more intentional: projects classified by primary need (finance, marketing, carbon/MRV, governance, etc.), students selected for relevant skills and interests, and early three-way alignment calls (grantee–student–programme) to agree scope, expectations and limits. Rather than only creating new tools, future student cohorts should help refine and implement existing tools, supported by stronger handover, shared repositories and staggered cohorts that build on each other's work over multiple years. - Knowledge and data management is a core bottleneck: organised folders, accessible documentation and common toolsets are essential if multiple cohorts are to work on the same organisations and if insights are to feed back into programme design and monitering, evaluation and learning. - For monitoring and quality assurance, self-reported grantee narratives and financials need to be complemented by light external evaluations, simple standardised Monitoring and Evaluation tools, and student projects that validate reported results in the field, with impact/ESG certifications or simplified "impact audits" used as higher-level quality signals where feasible.
Global Resilence Partnership	- Catalytic facilities like AFCIA create the most value when treated as structured learning engines rather than simple grant windows, using cohort-based cycles to surface what works, why, and under which conditions.

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	- The biggest barrier to evaluating early-stage adaptation solutions is limited time and support to deeply understand the underlying problem and local context; once this clarity is achieved, assessing solution–fit becomes significantly easier. - The diversity of adaptation ventures—from tech-enabled tools to deeply community-rooted initiatives—requires experienced, hands-on mentors who can help organisations articulate the real problem and sharpen their models, rather than relying solely on generic TA or student projects. - The integrated package of grants, tailored technical assistance and intentional learning cycles is a clear strength; neither grants nor TA alone are sufficient without a strong learning loop that improves programme design over time. - Investor alignment depends as much on educating investors as preparing ventures; many capital providers struggle to clearly articulate expectations, so programmes need to shape investor understanding while maintaining a disciplined impact–scalability lens. - A persistent gap exists between proof of concept and early commercial viability; meaningful follow-on funding often takes several years, implying that AFCIA 2 should plan for longer-term support pathways rather than short project cycles. - For funders, the critical proof point remains evidence that “the model works”: credible resilience outcomes, combined with a business or community engine that generates more value than it costs and can be scaled or replicated. - Strong, science-informed resilience measurement is essential: starting from a clear conceptualisation of resilience, then using mixed methods and systematic field engagement to understand community-level effects and feed back into programme design.

Future Stakeholder Consultations and Detailed Risk Assessments

As the project progresses at the implementation stage, further consultations will be conducted at the grantee level and specific project sites, once specific grantees and interventions are identified through the global open calls for proposals. These consultations will focus on localized engagement across diverse geographical and cultural contexts, particularly with vulnerable groups, women, Indigenous Peoples, and vulnerable communities, ensuring that interventions are tailored to the specific needs and priorities of the communities they aim to serve.

Grantee-level consultation approaches will be adapted to local contexts, languages, and cultural practices, utilizing participatory methods that enable meaningful engagement of all stakeholders, including those who may face barriers to participation due to literacy, mobility, language, or other factors. Consultations will be consistent with the principle of Free, Prior and Informed Consent (FPIC). Detailed stakeholder meeting summaries, responses to stakeholder comments, and stakeholder engagement plans will be included in the application forms and made available in locally appropriate formats and languages where feasible.

Additionally, context-specific risk assessments, gender action plans, and environmental and social management plans will be further developed in more detailed and refined, in consultation with affected communities and disclosed in accordance with the Adaptation Fund's policies and UNDP's Social and Environmental Standards, ensuring the safeguarding of vulnerable groups across all participating countries.

This consultative process ensures that the voices of all stakeholders, particularly vulnerable groups and those historically excluded from decision-making processes, are actively heard and incorporated into the project's design and implementation across diverse regional contexts. The phased approach allows for continuous learning, adaptation, and responsiveness to emerging challenges and opportunities, ensuring that the project remains aligned with the principles of the Adaptation Fund's Environmental and Social Policy and Gender Policy throughout its lifecycle.

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Annex 6b. Stakeholder Engagement Plan During the implementation Phase, presents a high level workplan for future consultations, with an estimated timeline and the means to be utilized for the consultations (e.g. who will carry the consultations, how, and when).

K. Describe how the project/programme draws on multiple perspectives on innovation from e.g., communities that are vulnerable to climate change, research organizations, or other partners in the innovation space, in the context in which the project/programme would take place.

Incorporating Diverse Perspectives on Innovation from Different Stakeholders

The project draws on multiple perspectives on innovation by actively engaging a diverse range of stakeholders across participating countries, including local communities, research organizations, academic institutions, and development partners. Building on learnings and best practices from AFCIA 1, the project incorporates proven approaches while adapting them to new geographical and cultural contexts.

Communities most affected by climate change—including Indigenous Peoples, local communities, marginalized groups, women, youth, persons with disabilities, rural and remote populations, small-scale farmers, and urban informal settlement residents—are central to the project's innovation process, as they bring valuable lived experiences and unique insights into context-specific adaptation challenges. Their participation ensures that the solutions developed are culturally appropriate, contextually relevant, and grounded in the real-world needs of those who are most impacted by climate change across diverse global settings.

In addition to local and traditional knowledge systems, the project incorporates expertise from research organizations, academic institutions, and think tanks, whose findings help shape the technical and scientific aspects of the adaptation solutions. These research entities provide evidence-based approaches, innovative methodologies, and a deeper understanding of regional and global climate trends, which are crucial for developing scalable and sustainable solutions that can be adapted across different contexts.

The project also benefits from the MBA Fellowship Programme, which connects EMBA/MBA students from leading global business schools with grantees participating in the AFCIA 2 project. Drawing on experience from the previous phase, this programme has been refined to better match student expertise with grantee needs and to provide culturally sensitive mentorship. These students provide valuable expertise in business strategy, financial planning, market analysis, and scaling pathways, helping to refine and strengthen the business models of local organizations. By integrating academic insights with local adaptation efforts, the MBA Fellowship Programme ensures that innovative solutions are not only technically feasible but also financially sustainable and scalable across different economic contexts.

The project will continue to collaborate with the UNDP Country Offices and as an extension, with their national innovation ecosystems, regional climate centers, private sector partners, impact investors, non-profits, social enterprises, and networks of local adaptation practitioners across multiple regions. Drawing on lessons learned from the AFCIA 1 regarding effective partnership models and knowledge exchange mechanisms, the project fosters a multi-stakeholder environment that spans diverse geographical, economic, and cultural contexts. Through AIM, AFCIA 1 harnessed a broad network of technical and strategic partners, including ICCCAD, CDKN, LUCCC, GRP, Climate KIC, and UNCDF, to support its work and collaborated with impact investment networks like AVPN, AVPA, and Latimpacto to build private sector finance capacity in Asia Pacific, Africa and Latin America and the Caribbean.

As part of the development of this proposal, the above mentioned partners have also provided inputs through a series of consultations. By integrating diverse perspectives from across these sectors and regions, the project ensures that adaptation solutions are not only innovative but also feasible, scalable, and adaptable to the changing realities of different countries and communities.

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This approach encourages cross-pollination of ideas across borders and sectors, strengthens South-South, South-North and triangular cooperation, and enhances the project's ability to identify and implement effective, locally driven, and globally informed climate adaptation strategies. The project establishes peer learning networks and knowledge exchange platforms that enable grantees from different regions to share experiences, challenges, and innovations, building on the successful knowledge-sharing mechanisms piloted in the previous phase.

Through this inclusive and globally informed process, the supported solutions not only address the immediate needs of vulnerable communities but also contribute to the broader global climate resilience agenda, fostering long-term sustainability, innovation, and transformative change across participating countries and regions.

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

Justification for Funding Requested: Addressing the Full Cost of Climate Adaptation

When it comes to climate resilience, the economics are clear: acting early is far cheaper than responding late. The cost of rebuilding after extreme weather events is often several times higher than the cost of investing in adaptive measures beforehand. According to the Global Commission on Adaptation, investing $1.8 trillion in climate adaptation globally between 2020 and 2030 could generate $7.1 trillion in total net benefits, a return of nearly 4 to 1[188]. For vulnerable communities already on the frontlines of climate disruption, even modest improvements in preparedness can significantly reduce future fiscal, social, and environmental burdens. AFCIA 2 presents a timely opportunity to direct resources toward locally led solutions that offer far greater returns than waiting to pick up the pieces after disaster strikes.

AFCIA 2 has been designed to extend well beyond the scope of a standard grant initiative, but instead aims to act as a transformational mechanism. The funding request represents the comprehensive cost of generating adaptation impact through using a pipeline model strengthening and validating context-specific, growth-stage solutions, and positioning them for scale, investment and policy uptake. This approach is essential to closing the adaptation gap not only in volume, but in structure, equity and long-term impact.

Ensuring Sustainability of Project Outcomes in the Design Process

188 Global Commission on Adaptation Report ADAPT NOW: A GLOBAL CALL FOR LEADERSHIP ON CLIMATE RESILIENCE #AdaptOurWorld. (2019). page 3.

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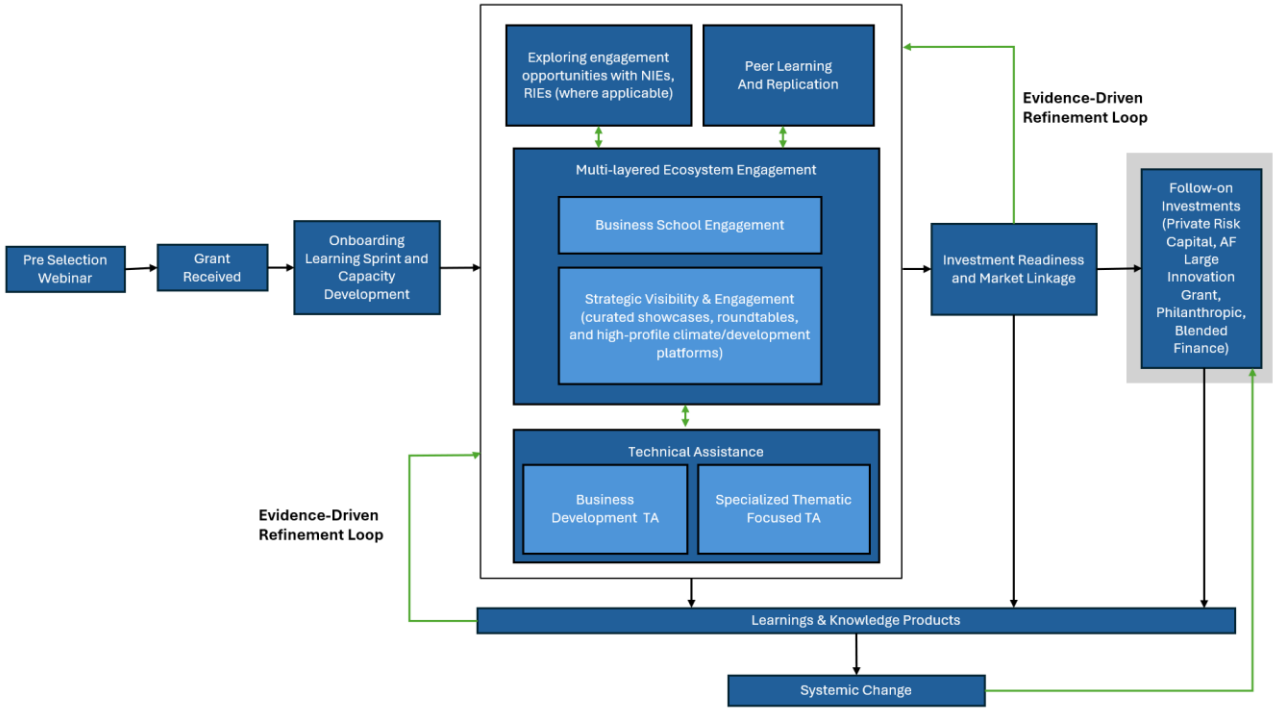


Figure 3: AFCIA 2's approach to sustaining grantee outcomes

Long-term dependence on grants is a significant risk for climate resilience initiatives, particularly those implemented by NGOs, CSOs and hybrid organizations, due to a lack of availability in follow-on funding. This is compounded by other structural vulnerabilities that due to their nature, are often felt more by local, smaller projects, including weak financial management systems and unclear unit economics; exposure to foreign exchange losses for models reliant on imported inputs; over-reliance on a small number of buyers or suppliers; policy and public-procurement delays; fragile supply chains; and the absence of a clear, time-bound sustainability or transition plans.

Long-term sustainability is a core pillar of the AFCIA 2 design, helping to shift local innovative projects from being grant reliant, to more self-sustaining and market friendly business models. This helps ensure that AFCIA 2 is an effective catalyst for durable, scalable climate resilience. The project "doubles-down" on sustainability from the outset by integrating forward-looking sustainability planning, strengthened financial governance, and deliberate, targeted support for institutional and organisational development.

Finally, AFCIA 2 seeks to extend the boundaries of a grant provider, to learn from lessons gained in AFCIA 1, and also to respond to system dynamics that place increasing pressure on the concessional funders to be even more innovative, catalytic and effective in the use of grant finance. Therefore, AFCIA 2 will consider the unlocking role of a grant provider within this lens, and will necessarily cascade this dual role (bridge between grant/development and the private sector) down to its local grantees (NGOs and CSOs that are aiming to scale into market friendly solutions). The sustainability strategy and expected outcomes will therefore reflect the duality of the funding landscape. Figure 3 illustrates AFCIA 2's end-to-end approach to sustaining grantee outcomes beyond the grant period, by combining tailored technical assistance and ecosystem engagement with structured investment readiness and market linkage. The approach is designed not only to strengthen each grantee's organizational and financial capacity, but also to translate implementation evidence into replicable learning and knowledge products that inform broader practice.

Crucially, AFCIA 2 positions these learnings as an enabling mechanism for system-level change—shaping how private and institutional capital identifies, assesses, and engages with climate adaptation innovations.

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Through the evidence-driven refinement loops shown in Figure 3, lessons from delivery are continuously fed back into programme support and market engagement, improving the quality of the investment pipeline and reducing friction for follow-on financing (including DFI, impact, philanthropic, and blended finance pathways).

The AFCIA 2 will ensure the sustainability of project outcomes using the following approaches:

Sustainability of project outcomes: AFCIA 2 will help communities adopt and sustain their initiatives over time beyond the life of the project through drawing on the strengths of locally led adaptation by focusing on community ownership and employing flexibility with the project to respond to local needs.

Through flexible programming, the use of community-defined indicators shall help to foster local ownership, creating more relevant, effective and impactful solutions for the local context

Fostering relationships with innovative partners, while aiding in the testing and refinement of solutions as part of the innovation and learning process to ensure the long-term effectiveness, resilience and sustainability of solutions.

To support the transition from testing to replication and scaling, AFCIA 2 will provide sequenced, hands-on support that enables successful grantee solutions to validate their models, strengthen the evidence base, and develop replicable approaches. This will allow innovations that have demonstrated results in one context to be adapted and applied across new geographic and sectoral settings, expanding their reach and impact.

Policy and institutional mechanisms will further sustain innovation ecosystems beyond the programme's lifetime. By ensuring alignment with NAPs, NDCs, TNAs and TAPs, facilitating engagement with NIEs (where applicable), and connecting innovators to public-sector pipelines, AFCIA 2 will help embed validated models into long-term national systems. As indicated before, through AIM and the AFCIA Partnership platforms and mechanisms, and UNDP’s existing networks of multiple stakeholders (including governments, investors and knowledge partners), the AFCIA 2grantees will continue to access, adopt, and scale proven models long after project closure.

Impact on the grantee: **Capacity Building for Institutional and Financial Sustainability:**
AFCIA 2 places sustainability at the core of its support model, aiming to ensure that climate resilience initiatives are impactful in the short term and structurally equipped to endure, grow, and mobilise resources beyond the grant period. The project adopts a capacity-building approach that seeks to embed practical systems, sound financial governance, and disciplined sustainability planning from the outset. This ensures that grantees develop the institutional strength, financial resilience, and strategic clarity required to sustain and scale their impact over time. To translate this vision into practice, AFCIA 2 establishes clear sustainability requirements and provides structured support to help grantees meet them. The following elements ensure that partners build strong foundations for long-term institutional and financial resilience:

a. **Upfront Sustainability Planning and Financial Integrity**: All successful grantees must have shown a clear and credible pathway for technical, financial, and operational sustainability. including evidence of either potential co-financing or self-sustainability, a fundraising strategy, and identification of relevant long-term partners. Furthermore, financial integrity and institutional transparency are ensured through strict compliance with UNDP’s financial management regulations. Financial audits will be conducted in accordance with UNDP Programme and Project Management Policies, ensuring the institutional trust necessary for future investment.

b. **Mandatory Exit Strategy and Risk Mitigation**: An exit strategy and risk mitigation strategy will be required for each grantee. In this context, the exit strategy is a pre-defined plan outlining how the grantee will achieve full or partial financial and operational independence and sustained impact after AFCIA 2 support ends, focusing on clear pathways for scaling and securing subsequent funding (from either public or private sources). This requirement ensures that the support provided to each grantee leads to long-term self-reliance; this transition is actively supported by dedicated technical assistance

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that guides the grantees toward their best position to secure follow-on capital and achieve self-sustainability and reliance. Identified risks will be fully integrated into the TA support to develop and implement proactive mitigation strategies. AFCIA 2 will support grantees operating under a purely NGO/CSO model to transition toward a hybrid structure (non-profit plus social enterprise spin-offs). This model has been proven to enhance long-term sustainability and create a crucial pathway for attracting private risk capital, as successfully demonstrated by SAMPLE Uganda Aquaculture Association, AFCIA 1 grantee. AFCIA 2 grantees will also support few MSMEs through innovation challenges or grants, as a main differential to AFCIA 1 (which only focused on NGOs and CSOs).

Strengthening the Feedback Loop: AFCIA 2 reinforces a culture of accountability, adaptive learning, and continuous performance improvement across its portfolio. By embedding structured feedback mechanisms, the project ensures grantees evolve into stronger, more resilient and investment-ready organisations over time. More information can be found in section I of the proposal.

Failure Learning Protocol: AFCIA 2 will establish a safe mechanism for grantees to confidentially share lessons from technical setbacks, market rejections, or unsuccessful pilots. Insights gathered through this Failure Learning Protocol will be anonymised and synthesised into practical guidance for the entire portfolio, accelerating collective learning and enabling rapid course-correction. This approach fosters a culture of transparency, innovation, and adaptive management—ensuring that challenges become shared assets rather than isolated setbacks.

Multi-layered Ecosystem Engagement for Long-Term Systemic Change: MBA Fellowship Programme and AFCIA 2's engagement with leading GNAM business schools and with broader innovation ecosystems will further enhance sustainability by facilitating continuous cross-sector collaboration and the showcasing of successful scaling. This is particularly important for the catalysing and influencing of currently unlocked capital: many funders have the desire to invest in resilience, but lack the pathways, knowledge and importantly the successful case studies and examples on how to do this. AFCIA 2 aims to support in this bridging in several ways:

a. **Safe Space and Knowledge Dissemination to interested funders:** Universities provide a safe space for dialogues and discussions around climate resilience models that might be too sensitive or nascent for public policy debate, accelerating idea refinement. They also act as a channel to spread the word and conduct research on scaling mechanisms.

b. **Building Future Levers of Change:** Through AFCIA 2, EMBA/ MBA fellows gain hands-on exposure to locally led adaptation models, community priorities, and the practical realities of delivering climate resilience on the ground, The AFCIA 2 MBA Fellowship Program allows them to take this learning into their places of work and influence, to better assign and allocate capital based on a more nuanced and deeper grasp of local adaptation.

- **Pathways to Scaling Up**: Securing the Systemic Foothold to Scale AFCIA 2 goes beyond strengthening individual organisations and enterprises—it embeds locally led innovations into the wider policy, market, and institutional systems needed for long-term scale and durability (Figure 4 illustrates the ecosystem linkages). PMU, in coordination with UNDP Country Offices will support the identification and assessment of potential scaling pathways at local, regional, and global levels. This will include context-specific ecosystem mapping and, where relevant, engagement with national institutions such as Designated Authorities (DAs), National Implementing Entities (NIEs), alongside other public, private, and development partners, to inform opportunities for scaling and sustainability. AFCIA 2 supports grantees to secure legitimacy, demand, and integration into national adaptation, innovation and financial priorities, while also preparing their leadership to manage growth and navigate complex ecosystems.

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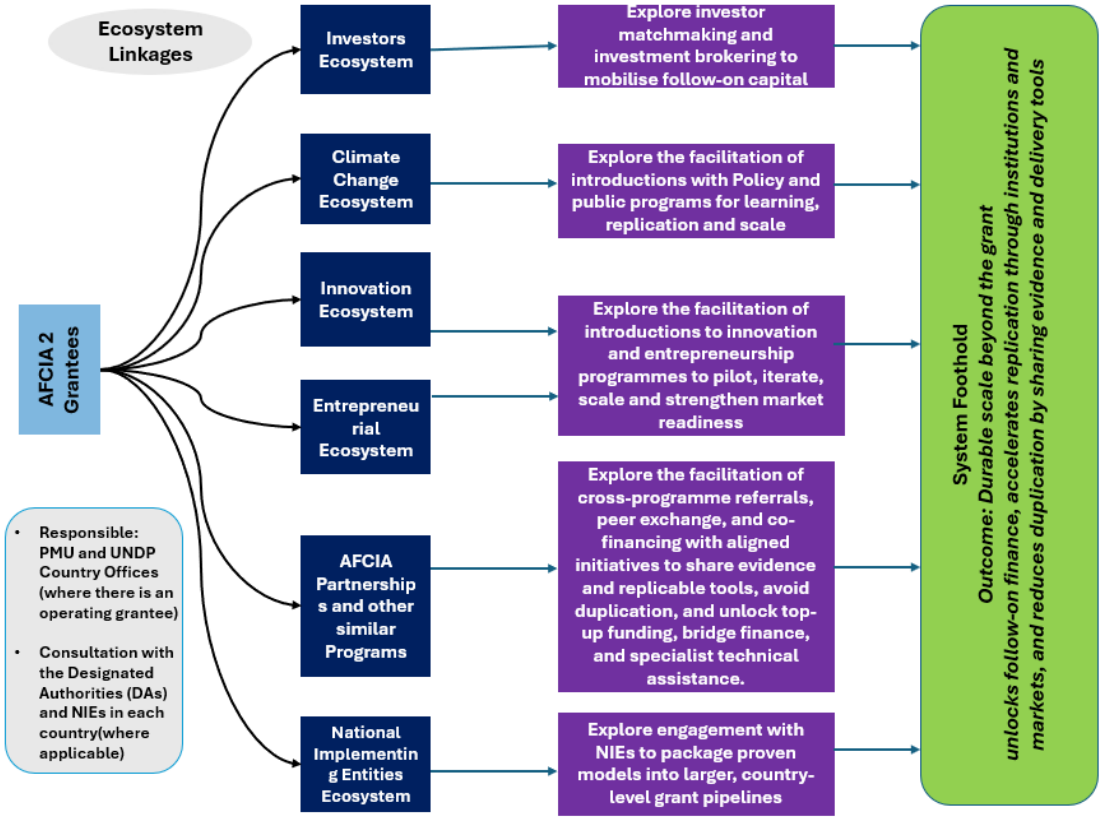


Figure 4: Ecosystem Mapping for Scaling Pathways

a. **Identifying the "right" enabling environments:** AFCIA 2 prioritizes early alignment with national and regional climate adaptation priorities, ensuring solutions are not developed in isolation but aligned with relevant policy and institutional frameworks. Working closely with UNDP Country Offices and their associated adaptation, innovation, entrepreneurship and climate finance ecosystem actors, AFCIA 2 will explore ways to transition successful models from "project status" into broader public or private sector, through learning and information-sharing processes. This could be done, for example, by documenting in detail and showcasing successful grantee case studies that scaled or replicated thanks to appropriate enabling environments in a particular country.

b. **Engagements with National Implementing Entities (NIEs):** As another pathway for scaling up, AFCIA 2 will actively work on identifying and supporting engagements between NIEs and grantees. Building on the partnerships and lessons from AFCIA 1 and other multilateral agencies implementing the AFCIA Partnership and other AF-Innovation or LLA Grants, the project will also explore opportunities to aggregate promising solutions and pursue engagements with NIEs for larger, country-level grants to help unlock further resources from the Adaptation Fund or other potential funding sources. Where innovations demonstrate strong performance and clear potential for scale, AFCIA 2 will *selectively* operationalize engagements with relevant National Implementing Entities (NIEs through a structured and time-bound process facilitated by the PMU in collaboration with UNDP Country Offices). During the final year of the grant implementation cycle, the PMU may identify a small number of scale-ready

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innovations and, on an indicative basis, support initial dialogue between grantees and interested NIEs. Subject to mutual interest and alignment with NIE priorities and Adaptation Fund programming cycles, this support may include facilitating exploratory discussions, sharing lessons and evidence generated, and providing light-touch assistance toward the development of concept ideas or potential integration into existing or pipeline projects. This piloting approach ensures that successful innovations are anchored within national and Adaptation Fund delivery mechanisms, thereby strengthening the long-term sustainability and scaling potential of programme outcomes beyond the duration of the small grants. These engagements will be intended to strengthen learning, readiness, and visibility of high-potential solutions, rather than to predetermine specific scaling or financing outcomes.

c. **Investment Readiness and Market Linkage:** As illustrated in Figure 5, AFCIA 2 embeds investment readiness and market linkage within the broader technical assistance (TA) pathway to help grantees scale. AFCIA 2 will provide tailored brokering and facilitation of connections with Development Finance Institutions (DFIs), impact investors, and other relevant financial actors, helping to showcase grantees and support their transition from grant reliance to more diversified funding pathways.

Investment readiness will be accelerated through targeted, hands-on TA that strengthens the practical capabilities required to engage confidently with external capital providers—such as business model refinement, governance and operational readiness, financial management and reporting, impact evidence and results articulation, and investor-facing materials. This support aims to “exit” the grantees with high-quality skillsets, as well as financial and organizational documentation that enables them to meet and withstand rigorous investor due diligence processes of a range of funders.

At the mid-point of the TA phase, the PMU will undertake a structured maturity and readiness assessment to segment grantees into one of three pathways (Figure 4), enabling differentiated support that is fit for purpose and appropriate to grantee life stage, and the most viable route to follow-on resources:

- Category 1 – Market-ready innovations: demonstrated demand and revenue or cost recovery, with a market-facing delivery model in place and readiness for follow-on capital.
- Category 2 – Scale-ready innovations: a credible pathway towards partial cost recovery, but requiring additional technical and/or financial support to scale and qualify for market-ready investment.
- Category 3 – Public-good anchored innovations: high social returns with limited monetisation potential, yet essential context-specific solutions that are best sustained through public finance and grant-based mechanisms.

This segmentation will directly shape the PMU’s follow-on TA and investment brokering approach. Category 1 will receive targeted introductions and deal support with private and commercial financiers (including blended finance facilities and larger grant windows). Category 2 will be prioritized for intensified TA alongside linkages to concessional and blended finance options and small-to-medium grant pipelines. Category 3 will be supported through tailored capacity building, strategic visibility, and linkage to public funding channels and institutional adoption pathways. Overall, by matching support to readiness (Figure 5), AFCIA 2 strengthens the investable pipeline, reduces transaction costs for both innovators and financiers, and increases the likelihood that proven solutions transition beyond grant dependency ensures long-term sustainability and sustained scale.

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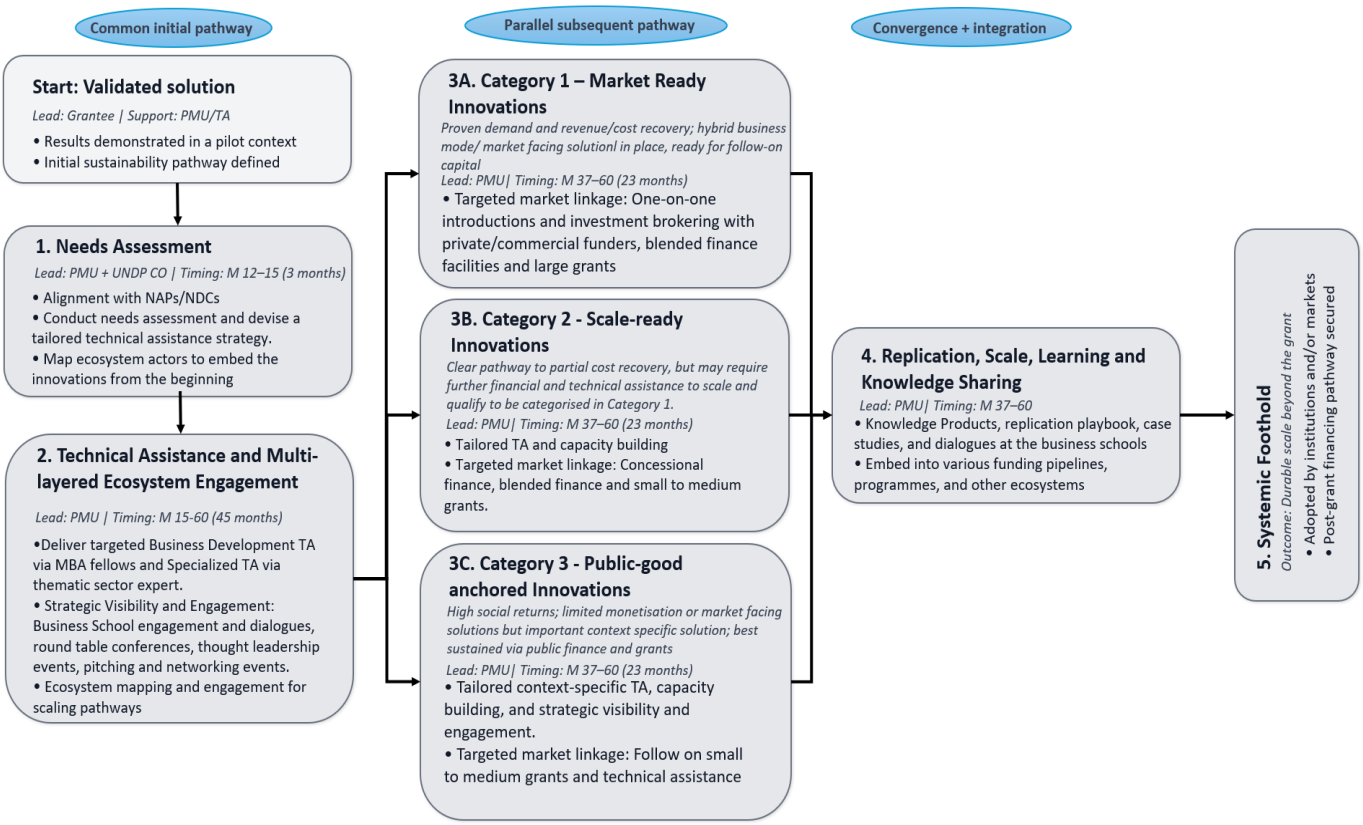


Figure 5: Scaling Pathways: Investment readiness operational flow

d. **Operational Longevity through Organizational Capacity Building:** Long-term sustainability is supported by ensuring the leadership team can effectively scale the organization itself. AFCIA 2's expanded TA, through its relationship with business schools, will focus on strengthening the executive board's ca

e. Capacity to manage rapid growth, specifically aiding in the implementation of hybrid governance structures. This includes supporting the leadership in developing internal structures for talent retention and succession planning around key operational and financial roles, securing the organization's future capacity.

By combining upfront sustainability planning, rigorous financial governance, and targeted post-grant support throughout the grant window, AFCIA 2 ensures that the innovations it funds are not one-off interventions but catalysts for long-term, scalable climate resilience.

AFCIA 2 is not just a grant project; it is a transformation mechanism. It addresses the full cost of adaptation by integrating capital, capacity, and connectivity. Without this intervention, high-impact innovations, especially from marginalised actors, will remain underdeveloped and invisible to financiers and policymakers. The USD 15 million request reflects the full cost of delivering adaptation impact through a pipeline approach: from strengthening and validating context-specific, growth-stage solutions to positioning them for scale, investment, and policy integration. This is the only viable way to close the adaptation gap, not just in volume, but in structure, equity, and impact.

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Alignment and collaboration with NIEs, RIEs and MIEs: As outlined under the project components, AFCIA 2 will organize innovation showcases, solution fairs, regional dialogues and investment roundtables, and will generate knowledge and communication products that will be shared with MIEs, RIEs and NIEs (as applicable) through AFCIA collaboration and coordination mechanisms led by the UNEP-CTCN Coordination Project. These efforts will elevate grantee solutions across global and regional platforms—including the AFCIA coordination platform—expand their visibility within the wider AFCIA ecosystem, and strengthen pathways for integration into national systems and policy processes.

This multi-layered collaboration across different entities working in the innovation for adaptation space, will serve as a strategic catalyst for embedding tested innovations into policy frameworks and investment pipelines, ultimately magnifying the programme's contribution to long-term, systemic climate resilience.

Connection and synergies with appropriate innovation, adaptation and financing national ecosystems:

In addition, AFCIA 2 will reinforce long-term sustainability by strengthening deliberate connections and synergies with appropriate national innovation, adaptation, and financing ecosystems. The programme will work closely with UNDP Country Offices, Small Grants Programme (SGP) Coordinators through "national support focal points" to ensure that grantees are effectively positioned within the institutional and market environments most relevant to their growth. These focal points will play a catalytic role in guiding grantees toward national platforms, networks, and financing pathways that extend beyond the project's lifecycle. At the local level, AFCIA 2 will foster linkages with community structures, cooperatives, local authorities, and civil-society partners to ensure that project learnings, evidence, and tested models inform broader government-supported programmes and can be absorbed into ongoing initiatives. By embedding grantees within these interconnected ecosystems, AFCIA 2 strengthens the prospects for replication, enhances demand for successful solutions, and supports their transition into durable, nationally anchored adaptation and innovation pathways.

M. Provide an overview of the environmental and social impact and risk screening process that will be put in place for the subgrant project.

Overview of Environmental and Social Impact and Risk Screening Process

As the specific small-grant activities under AFCIA 2 will be identified only during implementation, all sub-grants will be treated as Unidentified Sub-Projects (USPs) in line with the Adaptation Fund's *Updated Guidance for Implementing Entities on the Use of USPs*. The project has developed an Environmental and Social Management Framework (ESMF) and uses UNDP's Social and Environmental Screening Procedure (SESP) to operationalize the project-level Environmental and Social Management System (ESMS). These instruments define the procedures for screening, categorizing, approving, and monitoring all sub-projects once selected.

Screening and Categorization Process

Once a grant proposal is submitted, UNDP as Implementing and Executing Entity will apply the following steps:

1. **Initial Eligibility Screening:**
   Submissions are reviewed against AFCIA 2 eligibility criteria, including thematic relevance, innovation potential, and compliance with the Adaptation Fund's policies on safeguards and gender.

2. **Environmental and Social Screening (SESP):**
   Each USP will undergo a structured SESP screening to identify potential environmental and social risks. The results will assign the USP to a risk category (low/moderate/substantial/high) as per AF and UNDP standards.

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3. **Determination of Required Safeguard Instruments:**
   Grantees will be required to prepare simplified specific instruments (e.g., ESMP, Gender Action Plan, stakeholder engagement plan). Depending on the categorization, they may be required to develop more detailed and targeted risk mitigation frameworks, ESMPs, and GAPs, with technical support from the PMU and safeguard experts.

4. **Review and Approval:**
   The PMU reviews all safeguard instruments for quality and compliance before approving the USP. Higher-risk sub-projects will undergo an additional peer review and clearance by UNDP safeguard specialists.

Selection and approval mechanism of grants

A transparent, competitive, and inclusive selection process will be used, consisting of:

- **Open call for proposals**, with outreach to NGOs and CSOs working or led by women, youth, Indigenous Peoples, people with disabilities and other vulnerable groups. MSMEs will also be invited to apply for a smaller, specific windows of the AFCIA 2 call for proposals.
- **Clear evaluation criteria** published in advance (innovation potential, climate rationale, feasibility, Environmental and Social risk acceptability).
- **Independent review panel** comprising the AFCIA PMU, and the Gender and Safeguards specialist.
- **Approval thresholds** based on grant size and Environmental and Social Risk category, with upper moderate (e.g. Moderate risk with heightened impact likelihood, sensitivity, or migration complexity) proposals requiring additional clearance.
- **Onboarding Learning Sprint** which includes essential training on safeguards and gender-responsive approaches to enhance grantees' proposals before implementation.

Roles and Responsibilities

- **Implementing Entity (UNDP):**
  Leads Environmental and Social screening, provides technical support to grantees, approves categorization and safeguard instruments, ensures disclosure, and follows up with each grantee and ensures comprehensive reporting to the Adaptation Fund.

- **National Support Focal points (in UNDP Country Offices where there is an AFCIA grantee):**
  Facilitate outreach, support grantees in completing screening tools, support with specific aspects of implementation and troubleshooting, and flag any changes in risk profile.

- **Grantees:**
  Prepare required documentation (simplified SESP, ESMP, and GAAP formats to be provided by the AFCIA PMU), implement mitigation measures, and report on compliance.

Monitoring, Reporting, and Learning Across USPs

All USPs will be monitored through:

- **Periodic safeguard compliance checks** using tools in the ESMF
- **Site visits** by the AFCIA PMU or National Support Focal points (in UNDP Country Offices)
- **Annual reporting** on implementation of mitigation measures
- **Adaptive management**, updating safeguard plans as needed

The lessons that emerge from the environmental and social risk management across all projects will be documented and shared across the AFCIA network through regional learning events and knowledge products.

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Overview of Environmental and Social Impacts and Risks Relevant to the Project

(further detailed in Annex 4)

While the project is expected to have mainly positive social and environmental impacts and integrates social and environmental standards in its design, a number of risks were identified as per UNDP's Social and Environmental Screening Procedure. As per UNDP's Social and Environmental Standards policy and the AF's Environmental and Social Policy, the principles outlined in the table below are triggered. Potential adverse social and environmental risks and impacts are few in number, limited in scale, largely reversible and can be identified with a reasonable degree of certainty and readily addressed through application of recognized good international practice, mitigation measures and stakeholder engagement during project design and implementation. The overall project risk category is Moderate as per UNDP's Social and Environmental Standards policy and B as per the AF's Environmental and Social Policy. A description of planned screenings, assessments and management measures is provided in the relevant sections of this document including the annexed Environmental and Social Management Framework.

Checklist of environmental and social principles	**No further assessment required for compliance**	**Potential impacts and risks – further assessment and management required for compliance**
Compliance with the Law *UNDP SES Accountability Principle*		Low risk: All supported activities will be required to comply with applicable domestic law and relevant international obligations. Compliance will be verified through UNDP's environmental and social screening process prior to grant award and will be embedded as an obligation in each grant agreement, with ongoing monitoring through grantee reporting and PMU oversight. Any activity that cannot demonstrate legal compliance will be redesigned, deferred, or excluded from support in line with the programme's screening and categorization procedures
Access and Equity *UNDP SES Human Rights Principle*		**Moderate risk** The project will operate in a broad range of socio-economic contexts and there is some risk of unequitable access to project benefits if grants are insufficiently screened for this risk. In response, all project-supported activities shall be screened in order to ensure that provide fair and equitable access to benefits in a manner that is inclusive for potentially affected populations, including marginalized individuals and persons with disabilities, and not exacerbate existing inequities, particularly with respect to marginalised or vulnerable people who live in extreme poverty or face disadvantage(s) that limit their choices and opportunities relative to others in society.

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		Equal access to project benefits will be further promoted by requiring inclusive design, meaningful consultations, and transparent information sharing through grantee stakeholder engagement processes. Where access barriers are identified, grantees will be required to integrate practical mitigation measures into their implementation plans and budgets, and implementation will be monitored through reporting, spot checks where relevant, and the project-level grievance redress mechanism.
Marginalized and Vulnerable Groups *UNDP SES Human Rights Principle*		Moderate risk: The project may exclude potentially affected stakeholders, particularly marginalized groups, from fully participating in grant selection and decision-making processes. It is expected that this risk has a high probability but low impact given the grant amount ($150,000 for NGOs/CSOS; $40,000 for private sector). This risk is partly managed through project design as all innovations supported by the project will be required to integrate gender-responsive and inclusive approaches, ensuring measurable benefits for vulnerable communities. Furthermore, all project-supported activities shall be screened to ensure that they do not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups. Where risks of potential risks to access and equity arise, the supported actions shall be required to: • identify potential impact of the proposed activities on the potentially affected individuals and groups, including those who have lesser access to its benefits and/or marginalised or vulnerable groups, • Identify practical measures that avoid, reduce or offset such adverse impacts, and • uphold the principles of accountability, inclusion, non-discrimination, and participation and increase the inclusion of potentially affected groups in decision-making processes that may impact them (consistent with the non-discrimination and equality human rights principle). The programme will prevent disproportionate adverse impacts on marginalized and vulnerable groups by integrating inclusion requirements into the grant screening and selection process and by requiring grantees to identify who may be excluded and how barriers will be addressed. Each supported action will be required to prepare customized stakeholder engagement arrangements and—where risks are identified—apply avoidance and mitigation measures that uphold non-

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		discrimination, participation, and equitable benefit sharing. These requirements will be reinforced through onboarding safeguards guidance and PMU quality assurance, with implementation tracked through periodic progress reporting and an accessible grievance mechanism designed to remove barriers to reporting and resolution for marginalized groups
Human Rights *UNDP SES Human Rights Principle*		Moderate risk: The project ensures the mainstreaming of a human-rights based approach and the Sustainable Development Goal (SDGs) commitment to “leave no one behind” through its design. By working with supporting NGOs/CSOs at local level on building resilience and finding innovative solutions for climate change adaptation; the project aims to increase the overall resilience and social and economic status for the communities and frequently excluded population groups. Small grants will be provided to NGOs/CSOs and community-based organizations involved with local environmental protection and poverty eradication activities; and/or climate change adaptation challenges that still require some level of experimentation to identify possible solutions. This project is a new way to develop climate change resilience at the local level. The expected overarching development outcome is innovation for effective, long-term adaptation to climate change accelerated promoted and enabled with particular emphasis on supporting vulnerable groups and gender equality. The human rights principle is still triggered out of precaution, as the project operates in a range of countries and sectors. In particular, there is a risk that if stakeholder engagement is not sufficiently inclusive, project activities could contribute to (exacerbating) conflicts among communities due to business expansion. In response, al project-supported activities shall be screened for potential Human Rights risks. Where related risks are identified, the project shall duly consider any such risks and assist the grant applicants in adequately addressing them based on standards set in international law or national law (whichever is more stringent). The programme will require transparent stakeholder engagement and disclosure so affected people can understand potential impacts and participate in decisions that affect them, and will maintain accessible grievance channels for project-affected people, including escalation pathways through UNDP’s accountability mechanisms where concerns are not resolved through the project GRM.

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Gender Equity and Women's Empowerment *UNDP SES Gender Equality and Women's Empowerment Principle*		Moderate risk: The project is expected to have mainly positive effects on gender equity and women's empowerment. Still, it recognizes that if GAPs are insufficiently developed and/or implemented GAPs at grantee level, the grant recipient NGOs/CSOs may limit women's ability to use, develop and protect natural resources, taking into account different roles and positions given the employment choice and local culture. If this were to happen, the project could potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits through grant selection. In response, the project will work with grantees to integrate rigorous gender analysis to understand and meaningfully address the particular needs, priorities, structural and systemic barriers, status and roles of men and women in their business. The grantee will work with the project team to develop a business plan to advance gender equality and women's empowerment. All grantees must adhere to UNDP and AF policies and requirements on gender. Gender equality is imbedded in the project design, consultation, implementation, monitoring, reporting, and evaluation. The Grant committee will also ensure existing gender inequalities are not be exacerbated by any activities or innovative solutions of grantee. Overall, the project will provide technical assistance to potential grantees to expand their innovative solutions that could advance social and economic status for women; either from a business perspective of from their customers' perspective. Project-supported activities shall be screened to ensure that they are gender-responsive and not reinforce gender-based discrimination and/or inequalities. The supported actions will be expected to promote a meaningful and equitable participation of both women and men in decision-making about the supported activities, allow both genders obtain comparable social and economic benefits from the proposed actions, and support women to easily access them. The project will (where relevant) promote women-led initiatives. To proactively manage and mitigate any potential gender-related risks, this project has embedded a robust gender-responsive strategy throughout the entire project cycle, from design and grantee selection to implementation and evaluation. This strategy ensures that project activities will not exacerbate existing gender inequalities but will instead actively advance gender equality and women's empowerment.

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		Grantees will be required to integrate gender considerations into design, implementation, and monitoring, including through proportionate Gender Action Plans and gender-responsive stakeholder engagement, with technical guidance provided through onboarding and ongoing PMU support. Progress on gender commitments will be monitored through regular reporting and compliance review, and the grievance mechanism will be available to capture and address gender-related concerns safely and confidentially where needed. To proactively manage gender-related risks, a robust, gender-responsive strategy is embedded throughout the entire project cycle. The process begins with the Grant Committee, which will screen all potential activities to ensure they do not exacerbate existing gender inequalities but instead actively promote them. Upon selection, the project will provide grantees with technical assistance to integrate a rigorous gender analysis into their work. This analysis will identify the particular needs, priorities, and systemic barriers faced by both men and women. Based on this, each grantee will be required to develop a proportionate Gender Action Plan (GAP) to advance gender equality and women's empowerment. This process will be supported by dedicated technical guidance from the Project Management Unit (PMU), delivered through initial onboarding sessions and continuous support. Throughout implementation, these GAPs will guide efforts to ensure meaningful and equitable participation of all genders in decision-making. The goal is to ensure both women and men obtain comparable social and economic benefits from all supported actions, with a specific focus on promoting women-led initiatives where relevant. Progress on gender commitments will be systematically monitored through regular grantee reporting and compliance reviews, and all grantees must adhere to the gender policies of both the Adaptation Fund and UNDP. To ensure full accountability, the project's grievance mechanism will be available to all stakeholders to safely and confidentially capture and address any gender-related concerns.
Core Labour Rights *UNDP SES Standard 7 Labour and Working Conditions*		Moderate risk: Labour and working condition risks will be managed by requiring grantees to comply with national labour laws and core labour standards, including fair terms of employment, fair payment conditions, limited working hours and paid leave, clear employment terms, non-discrimination, abolition from child or forced labour, and

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		prevention of violence and harassment, including GBV. In response, all project-supported activities shall be screened for the potential labor risk violations. Likewise, occupational health and safety requirements will be integrated into screening and grant conditions. Still, there is a chance that NGOs/CSOs receiving grants would insufficiently implement and monitor occupational health and safety guidelines or human resource policies in line with national legislation and international standards. In that case, the grant recipient NGOs/CSOs might fail to comply with national and international good practices on Occupational Health and Safety for workers engaged in the project activities. In this scenario, employment with the NGOs/CSOs could pose a potential risk to health and safety of individuals employed by grantees during project implementation. Grantees will be expected to implement proportionate OHS measures and incident reporting procedures. Worker access to grievance channels will be ensured in line with UNDP guidance, and compliance will be monitored through reporting, oversight, and corrective actions where gaps are identified. Specifically the supported organizations will be required to: • Provide project workers with clear and understandable information on terms and conditions of their employment (e.g. payment in a timely manner, written notice of termination, and payment of all wages and benefits on termination, etc.). • Prevent and address violence, harassment, intimidation, or exploitation, including any form of gender-based violence. • Ensure that workers engaged have appropriate health and social insurance. Exclude unsafe working practices and implement relevant occupational health and safety measures, such as: • Provide workers with introductory job- focused safety trainings before starting work; training event is properly registered in the instructions' book. • Ensure that workers' protective equipment based on the local requirements and international good practice (e.g. hardhats, masks, safety glasses, harnesses, safety boots, etc.) • Make first aid kits available on site and fire-extinguisher easily accessible in all sections of the site. • Introduce appropriate signposting of the sites will

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		inform workers of key rules and regulations to follow. • Record and report health & safety incidents to UNDP.
Indigenous Peoples *UNDP SES Standard 6 Indigenous Peoples*		Moderate risk: It is highly likely that the project will affect Indigenous Peoples, either as grantees, customers of grantees or suppliers of grantees. This is expected to lead to positive outcomes for Indigenous Peoples, but could entail adverse outcomes if free, prior and informed consent processes are not duly followed. In that case, the project could lead to exclusion of Indigenous Peoples from fully participating in decisions that may affect their lands, natural resources, territories, traditional livelihoods, and cultural heritage, entailing inequitable or discriminatory impacts or their access to rights, resources and livelihoods; and/or lack of access to project benefits. In response, all project-supported activities shall be screened for potential risks to Indigenous Peoples. Where such risks are identified, the following measures shall be applied: • Undertake meaningful, inclusive, and culturally appropriate consultations with Indigenous Peoples, consistent with the principle of Free, Prior, and Informed Consent (FPIC), to ensure their effective participation in project design and implementation. • Identify and assess potential impacts on Indigenous Peoples' rights, lands, resources, cultural heritage, and traditional livelihoods. • Avoid adverse impacts where possible. Where avoidance is not possible, minimize, mitigate, or compensate for such impacts in a manner agreed upon with affected Indigenous Peoples. • Ensure Indigenous Peoples share equitably in project benefits, respecting their rights, dignity, and cultural identity. • Support Indigenous Peoples in strengthening their adaptive capacities and traditional knowledge systems relevant to climate resilience.
Involuntary Resettlement *UNDP SES Standard 5 Displacement and Resettlement*		Low risk: While likelihood is assessed to be low, there is some chance that grant recipient businesses and social enterprises expansion limit community access to land and/or natural resources. In that case, communities in the project area (including ethnic minorities) could face economic displacement, changes to land rights and/or restricted access to resources. All project-supported activities shall be screened for potential displacement risks. Where such risks would

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		arise, the actions seeking project support shall be required to conduct a dedicated due diligence of any displacement activities before they take place to: • Identify and assess any potential physical and economic displacement risks • Prohibit any forced evictions. • Include measures for avoiding, or, when avoidance is not possible, minimizing any potential displacement risks and their adverse social and economic impacts. • Consult the potentially affected stakeholders (with specific attention to poor and marginalized groups) on the proposed measures and opportunities for improving their living standards and the overall socioeconomic status through the project interventions. Any required design changes and mitigation measures, will be documented in project instruments prior to grant signature. Compliance will be monitored through PMU review and periodic reporting, and any emerging issues can be raised through the GRM for timely resolution.
Protection of Natural Habitats *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to habitats, e.g. associated with harvesting of natural forests or harvesting of fish populations or other aquatic species. Grantees might have business activities within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities. They may have business activities that result in secondary or consequential development activities which could lead to adverse environmental effects, or generate cumulative impacts with other known existing or planned activities in the area. All project-supported activities shall be screened for risks related to natural Habitats. They shall be generally required to: • as far as possible, conduct the proposed activities in areas where natural habitats have already been converted to other land uses or that have low value for biodiversity and ecosystem services, and low sensitivity to the anticipated impacts, • keep interventions in natural and semi-natural habitats to minimum in order not to disturb the existing flora and fauna, degrade the habitat and resident species populations • where possible avoid interventions that would

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		reduce ecological connectivity in the ecosystem (e.g. restricting the free movement of species between important habitats) or changes in the important ecosystem processes (e.g. hydrological regimes and nutrient flows) that support ecosystems and their services. • assess and manage the impacts of proposed interventions on critical, natural and modified habitats and their ecosystem services in accordance with the UNDP SES 1 requirements, • use cost-effective opportunities to enhance the existing habitats and ecosystem services as part of the proposed interventions. The exclusion list to prevent Substantial/High-risk activities will be applied. Supported actions will be required to prioritize work in already-modified or lower-sensitivity areas where feasible, minimize interventions in natural and semi-natural habitats, and avoid actions that reduce ecological connectivity or disrupt key ecosystem processes. Where habitat-related risks are identified, proportionate environmental management measures will be required and reviewed by the PMU prior to approval, with ongoing monitoring during implementation
Conservation of Biological Diversity *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: While both likelihood and impact are assessed to be on the lower to medium end, there is a chance that grants are allocated to NGOs/CSOs where their business model could cause adverse impacts to biological diversity, e.g. associated with introduction of invasive alien species or through promoting monoculture. All project-supported activities shall be screened for biodiversity risks. They shall be generally required to consider the presence of any endangered species and any potentially significant adverse impacts on their habitats, breeding grounds, free movement, and migration needs and will be optimised to ensure that they: • do not cause any reduction of any recognized Vulnerable, Endangered, or Critically Endangered species, • avoid adverse impacts on endemic species, restricted-range species, and migratory species, and • minimize unwarranted impacts on resident species populations. They shall also be required to: • not introduce species known to be invasive into new environments, • promote the use of native species or more resilient varieties of native species as a priority, and • use any potentially suitable alien species (e.g.

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		climate resilient crop seed varieties) only if they were duly approved as posing no risks of potential invasive behaviour by the relevant authorities. Where biodiversity risks are present, measures will be reflected in management instruments and monitored through implementation reporting and oversight.
Climate Change *UNDP SES Standard 2 Climate Change and Disaster Risks*		Moderate risk: The project is expected to have a positive effect on adaptive capacity of communities and is not expected to pose significant risks related to climate change and disaster risks. Any risks are expected to be addressed through stakeholder engagement and good practices. It is recognized that grantees may propose activities: • within or adjacent to habitats that are especially sensitive to impacts of climate change, • that could cause GHG emissions, • that could positively or negatively affect the adaptive capacity of communities/community members to the effects of climate change. Potential impacts on communities will be mainly assessed and avoided through the required stakeholder engagement. Negative impacts on communities will be part of the grant-level screening. Furthermore, the supported actions shall be screened for any potential project-related increases in emissions that may exacerbate climate change, such as GHG emissions and black carbon emissions. Where any such risks would arise (e.g. the use of cooling systems), the action shall be asked to consider and adopt technically and financially feasible alternatives for reducing proposal-related greenhouse gas emissions. Such options may include, but are not limited to: • alternative project locations, • adoption of renewable or low-carbon energy sources, or energy efficiency measures • use of low-global-warming-potential coolants for air-conditioning and refrigeration, • promote climate-smart agricultural, forestry, and livestock management practices, and ecosystem-based adaptation and mitigation measures (including potential integration of carbon sinks). In parallel, the programme's risk management approach recognizes the operating context of climate vulnerability and therefore strengthens resilience through design requirements, technical assistance, and adaptive management, including updates to screening as grantees and locations are identified. Progress and emerging risks will be monitored through periodic reporting, and

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		mitigation measures adjusted where needed to maintain risk at acceptable levels.
Pollution Prevention and Resource Efficiency *UNDP SES Standard 8 Pollution Prevention and Resource Efficiency*		Low Risk: While impact and likelihood are assessed to be at the lower-moderate end, there is a chance that if NGOs/CSOs receiving grants are insufficiently informed of pollution/waste management risks and/or fail to identify appropriate management measures, activities could lead to pollution/inadequate waste management. The supported actions shall be screened for pollution prevention and resource efficiency risks. They will be required to avoid, minimize, and mitigate environmental and related public health risks associated with the potential release of pollutants in routine and non-routine circumstances in accordance with the national law and international best practices used in the region. Where risks of pollution release would arise, the project will: • require operators to conduct orientation training addressing relevant environmental and occupational health and safety issues prior commencement of the relevant operations, • conduct regular surveillance is conducted to avoid leaks, spills, incidents or accidents occurring during the use of equipment and during storage, • monitor, manage and remediate any chemical oil leaks or spills, and incidents/accidents occurring during the use of equipment and their effects, and undertake all necessary immediate actions to ensure they do not adversely affect water bodies/sources. Where the risks of inadequate waste management would arise, the supported actions shall be required to: • reduce the generation of any generated waste • separate waste at the source (where possible) • reuse waste in a manner that is safe for human health and the environment. • transport all waste that cannot be reused to an appropriate waste recovery-or-treatment facility that appropriately controls its emissions and residues in accordance with the national law and international best practices used in the region.
Public Health *UNDP SES Standard 3 Community Health, Safety and Security*		Moderate Risk *Project-supported activities are not expected to pose significant risks to community health, safety and security. However, if NGOs/CSOs receiving grants do not sufficiently implement and monitor occupational health and safety guidelines in line with national*

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		legislation and international standards, then project-funded activities may create certain health and safety risks or construction-related risks to communities. The supported actions shall be screened for public health and safety risks. They will be required to be designed, implemented, and operated in accordance with the national law and will also respect the following UNDP requirements for construction process management: • have design and management plans which were: i) prepared by suitably qualified and experienced professionals who are certified for such design process, and ii) cleared by the competent authorities for construction process management. Low-risk designs will require at least a peer-review by qualified professionals. • be constructed and operated by the experienced contractor(s) having relevant certifications and permits for the relevant works, • implement preventive/protective measures to avoid/minimize the relevant health and safety risks for the construction workers and the surrounding communities based on the national law and international good practice, and • be before the beginning of their actual use/operation approved (and where needed certified) by either competent authorities or independent professionals not involved in their design and construction. Where potential impacts on public health arise, the supported actions shall be required to: • use qualified health and safety experts to assess the risks to, and potential impacts on, the safety of affected communities during the project design, construction, operation, and decommissioning, • adopt preventive measures and plans to address any identified risks in a manner commensurate with their potential impacts based on good practices and standards used by the international organizations working in the region, • prepare, implement, and monitor emergency preparedness plans in collaboration with stakeholders and relevant authorities, where relevant, and require periodic safety inspections and monitoring, and report to UNDP should any issue be found.
Physical and Cultural Heritage *UNDP SES Standard 4 Cultural Heritage*		Moderate risk: NGOs/CSOs grantees will share their lessons learned in their innovative approach to climate change adaptation. This may include references to traditional knowledge. While the project itself will not commercialize traditional knowledge, UNDP is expected to act as a facilitator to find potential commercial investors to invest commercially

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		in scalable grantees. If Indigenous Peoples and/or local communities are not sufficiently engaged through the principles of free, prior, informed consent, commercialization of traditional knowledge without consent and/or agreed benefit-sharing and/or do not obtain an equitable share of benefits derived from any commercial development of their traditional knowledge, they would face adverse impacts. The supported actions shall be screened for risks related to cultural heritage. They will be required to: • comply with the local requirements for their protection and preservation and fully respect the requirements of the World Heritage Convention (if they might affect the World Heritage sites). • Where moderate risks arise, consult the relevant authorities and explore all viable and feasible alternatives for the reduction of these risks (including changes in the planned activities, in situ conservation and rehabilitation, etc.) to avoid, minimize, or offset such risks, and apply "chance finds" procedures and documentation practices consistent with recognized good practice. • Ensure that it does not lead to the destruction of unknown cultural heritage and follow national requirements and/or globally recognized good practices for field study, inventorying, and documentation of archaeological heritage Management measures will be documented in safeguard instruments where required, quality-assured by the PMU, and monitored through implementation reporting and grievance channels.
Lands and Soil Conservation *UNDP SES Standard 1 Biodiversity Conservation and Sustainable Natural Resource Management*		Low risk: See risks of impacts on habitats. The supported actions shall be screened for risks related to impacts on lands and soil. They will be required to: • avoid conversion of productive lands or lands that provide valuable ecosystem services • avoid, and where avoidance is not possible, minimize adverse impacts on soils, their biodiversity, organic content, productivity, structure, and water-retention capacity • adopt appropriate measures to ensure that the supported activities promote soil conservation support. They will also be used as a reference during the review process of the project application. Where land-based activities intersect with biodiversity-sensitive areas, the programme will apply the same mandatory screening criteria for sustainable natural

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		resource management, including requirements to minimize interventions in natural and semi-natural habitats, protect ecological connectivity and key ecosystem processes, and promote cost-effective enhancement of habitats and ecosystem services where relevant. Compliance will be verified through PMU safeguards clearance prior to signature and monitored through periodic reporting, with corrective actions required where needed to maintain soil and ecosystem service functions.

(Table 3: Overview of Environmental and Social Impacts and Risks Relevant to the Project)

PART III: IMPLEMENTATION ARRANGEMENTS

A.Describe the arrangements for project / programme management at the regional and multi-regional level, including coordination arrangements within countries and among them. Describe how the potential to partner with national institutions, and when possible, national implementing entities (NIEs), has been considered, and included in the management arrangements.

1. Project Management and Oversight Arrangements

1.1. UNDP as Implementing Entity (IE) and as Executing Entity (EE)

UNDP will serve as the Implementing Entity (IE) for AFCIA 2 bearing responsibility for the oversight of the project in full compliance with the AF and UNDP policies, regulations and procedures. UNDP shall ensure compliance with fiduciary, procurement, legal, gender, and safeguard standards throughout the project cycle, and will serve as the project assurance function within the project governance structure.

As a Multilateral Implementing Entity, UNDP provides also end-to-end project oversight services, including specialized technical advice through the Regional Technical Specialist (RTA) and Head of Climate Change Adaptation (PTA) for the executing team, financial, legal, safeguards and gender oversight services, the Mid-term evaluation (MTR)189, the Terminal Evaluation costs and the Baseline/Inception Report costs, allowing the project to fully comply with UNDP's rules and regulations and AF's policies and standards. These oversight services will be covered by the IE fee of 10%, permitted for Global Projects. The IE fee will also cover the oversight required for the preparation of the annual project reports and project evaluation reports, steering committee supervision meetings, and ensuring compliance with audit requirements. A detailed breakdown of the IE costs is presented in **Annex 8.**

UNDP shall also serve as the Executing Entity (EE) for this project, drawing upon the expertise and operational reach of global and regional teams, including UNDP´s Local Action Team, UNDP Innovation Facility, SDG Finance Hub, the five UNDP Regional Bureaus (for Africa, Asia and the Pacific, the Arab States, Latin America and the Caribbean and Europe and Central Asia) and will leverage as needed the existing network of over 150 country offices, to ensure alignment with national priorities, identify synergies and facilitate integration with

189 According to the Adaptation Fund Evaluation Framework "Projects and programmes that have more than four years of implementation will conduct a mid-term evaluation after completing the second year of implementation", which means that for AFCIA Phase 2 an MTR will be mandatory. Available: https://www.adaptation-fund.org/wp-content/uploads/2023/11/AFBEFC.318Add.8-09.15.23.pdf

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existing adaptation, innovation and finance ecosystems. Building upon UNDP' s existing networks, the project will be structured to promote cross coordination across grantees, engagement with key stakeholders in country, to help foster knowledge sharing, peer learning, and the transfer of innovative practices across regions.

As the Executing Entity under the DIM modality, UNDP is directly responsible for the execution of the project. Thereby, the Project Execution Costs include expenditures to be incurred by UNDP directly in the provision of services related to operational and administrative support activities carried out. The global project proposal provides a detailed estimation and description of the project execution costs, at the level of 3% of the total project budget (kindly refer to **Annex 8**). While this exceeds the 1.5% cap set by the Adaptation Fund Board for initiatives implemented and executed by the same Implementing Entity, the request is made on an exceptional basis in line with item (b) iii of Decision B.38/42.

The higher execution costs are justified by the programmes´ operational requirements and covers essential administrative and project management support personnel needed to administer a large-scale, global project, with multiple grants and transactional services across numerous small organizations (NGOs/CSOs and MSMEs). Consequently, the operational burden is greater in ensuring robust coordination, transparency, and accountability. Operational demands are further heightened by the project's design, which necessitates the provision of support at both global, regional and national levels, as well as sustained engagement with community organizations across multiple countries. To ensure effective implementation, this structure requires operational and administrative backstopping, and real-time, in-country problem-solving all requiring a significant operational budget.

The higher execution costs ensure that project activities are implemented efficiently, accurately, and in compliance with operational standards, while remaining responsive to the specific needs of each grantee and maintaining sufficient flexibility to provide tailored support which may have greater implications for administrative and project management costs. This one-on-one dedicated administrative and operational support was one of the most valued characteristics during the implementation of UNDP-AFCIA 1 as expressed by the participating grantees, because it allowed them to conclude their LVGA´s implementation with following an adaptative management process throughout the process.

1.2. General Implementation Arrangements

As part of this project, UNDP shall establish a Global Project Management Unit (PMU) (Refer to Organigram below and in **Annex 10**) to serve as the central coordination and support hub that will directly execute the project using a global Direct Implementation Modality (DIM). The PMU will be in charge of project implementation, ensuring project coherence and providing comprehensive management support. The global PMU will be based in UNDP's Office in Bonn with key managerial and operational positions, to optimize cost-efficiency, facilitate engagement with stakeholders and support streamlined delivery across geographies. The PMU will be integrated by a Project Manager, a Finance and Operations Analyst, a Procurement Analyst, and a Project Associate as the core operational personnel to be placed in UNDP´s Bonn Office.

To support the achievement of the three Outcomes (1, 2, and 3), the project will draw on the expertise of specialized professionals across key technical and operational domains. The project will establish in-house technical expertise that will consist of specialists in Investment and Partnership Development, Grant Coordination and Data Analysis, Learning and Knowledge Management Coordinator, Communications, Business Development, Safeguards and Gender. This structure builds on the successful approach implemented under AFCIA 1.

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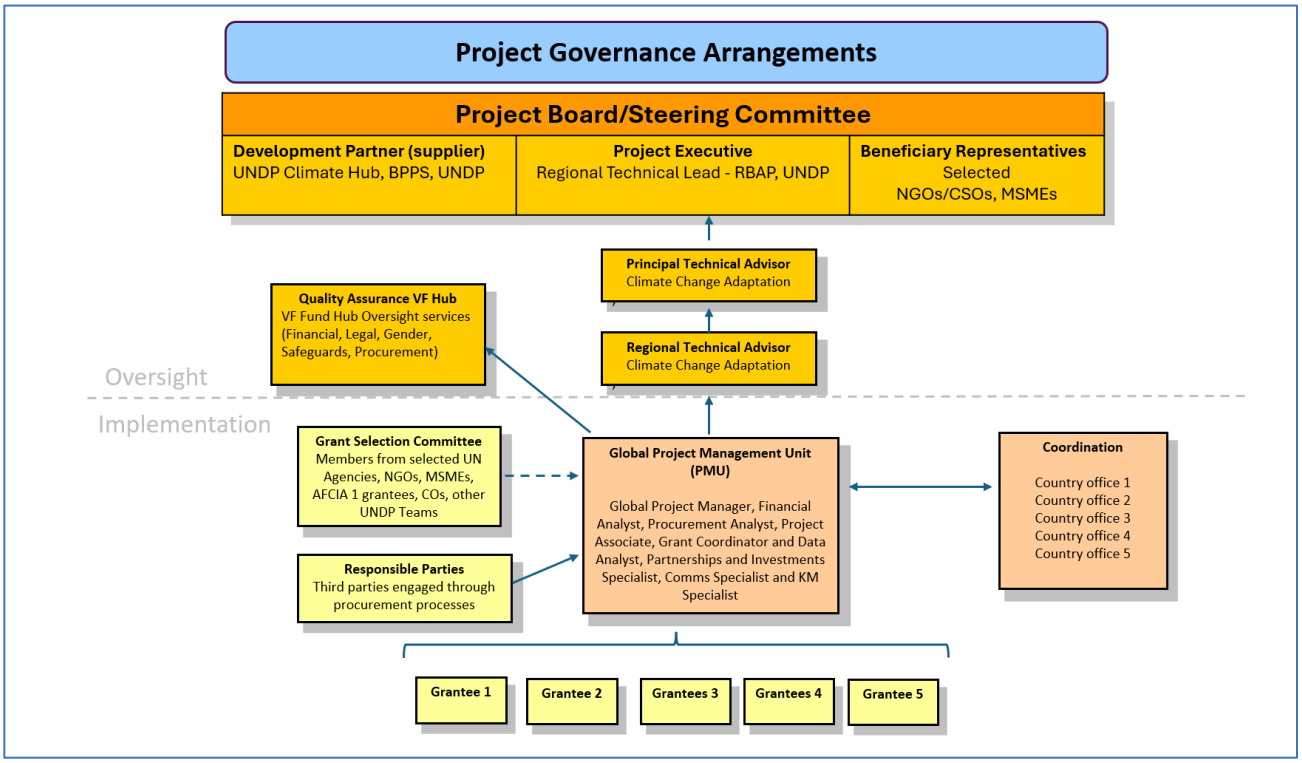


Figure 6 : Project Organigram

The experts will contribute directly to the delivery of each outcome:

- Outcome 1, selected experts will strengthen systems for identifying and supporting high-potential, locally led adaptation innovations.
- Outcome 2, they will facilitate investment readiness, foster strategic partnerships, and enhance integration into adaptation finance ecosystems;
- Outcome 3, they will ensure that evidence, lessons, and knowledge generated from implementation are effectively documented, communicated, and leveraged to inform replication, government programmes, and investment practices.

Due to the non-core operational nature of these roles, some positions may be home-based to optimize efficiency, minimize project overhead costs, and ensure cost-effective delivery of high-quality support to the project. This hybrid model of having key positions based in a selected duty station, plus remote specialists, proved to work well in AFCIA 1 and reduce costs.

UNDP will ensure consistent application of the project-level ESMS by using standardized screening tools, review procedures, and safeguard requirements outlined in the ESMF and SESP. A central registry of all approved USPs will be maintained by the Project Team, capturing screening outcomes, risk categorizations, required safeguard instruments, disclosure actions, and monitoring updates. To ensure quality and compliance, a dedicated Gender and Safeguard Expert will provide ongoing guidance to grantees. In addition, all selected innovations will participate in a tailored onboarding learning sprint, which includes essential training on monitoring, evaluation and reporting, gender-responsive approaches, and lite business development. The sprint serves as the primary entry point for establishing core operational disciplines across the portfolio, including articulation of a clear outcomes model, development of basic unit economics, and the early adoption

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of systematic data-capture practices covering financial, operational, impact, and gender-related information.

As a Multilateral Implementing Entity, UNDP provides also end-to-end project oversight services, including specialized technical advice through the Regional Technical Specialist (RTA) and Head of Climate Change Adaptation (PTA) for the executing team, financial, legal, safeguards and gender oversight services, the Mid-term evaluation (MTR)[190], the Terminal Evaluation costs and the Baseline/Inception Report costs, allowing the project to fully comply with UNDP's rules and regulations and AF's policies and standards. These oversight services will be covered by the IE fee of 10%, permitted for Global Projects. The IE fee will also cover the oversight required for the preparation of the annual project reports and project evaluation reports, steering committee supervision meetings, and ensuring compliance with audit requirements. A detailed breakdown of the IE costs is presented in **Annex 8.**

2. Detailed Governance Arrangements, Roles and Responsibilities

a) Roles of the Project Management Unit (PMU)

The PMU will be responsible for day-to-day operations, overall management, ensuring project coherence, the preparation and implementation of work plans and annual audit plans; preparation and operation of budgets and budget revisions; disbursement and administration of funds; recruitment of national and international consultants and personnel; financial and progress reporting; and monitoring and evaluation.

Specific tasks of the PMU include:

- Procurement of goods and services, including human resources;
- Financial management and reporting, including ensuring that financial expenditures are aligned against project budgets;
- Approving and signing the multiyear work plan;
- Approving and signing the combined delivery report at the end of the year;
- Signing the financial report or the funding authorization and certificate of expenditures.:
- Manage the overall conduct of the project.
- Plan the activities of the project and monitor progress against the approved workplan.
- Execute activities by managing personnel, goods and services, training and low-value grants, including drafting terms of reference and work specifications, and overseeing all contractors' work.
- Monitor events as determined in the project monitoring plan, and update the plan as required.
- Provide support for completion of assessments required by UNDP, spot checks and audits.
- Manage requests for the provision of UNDP financial resources through funding advances, direct payments or reimbursement.
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports.
- Monitor progress, watch for plan deviations and make course corrections when needed within project board-agreed tolerances to achieve results.
- Ensure that changes are controlled and problems addressed.
- Ensure the communication and visbility plan is implemented accordingly.
- Perform regular progress reporting to the project board as agreed with the board, including measures to address challenges and opportunities.
- Prepare and submit financial reports to UNDP on a regular basis (milestone-bound).
- Manage and follow up the project risks – including social and environmental risks - initially identified and submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learned during project implementation.

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- Prepare revisions to the multi-year workplan, as needed, as well as annual and quarterly plans if required.
- Prepare the inception report no later than one month after the inception workshop.
- Assess major and minor amendments to the project within the parameters set by UNDP & AF
- Monitor implementation plans including the gender action plan, stakeholder engagement plan, and any environmental and social management plans;
- Monitor and track progress against the donors' required result framework.
- Provide information as required by the MTR and TE Evaluation process, facilitate coordination of field visits and interviews as required.

b) Project Board

The Project Board is the governing body of the project. It is responsible for the overall strategic steering of the project activities. The Board takes corrective action as needed to ensure the project achieves the expected results. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition.

In case consensus cannot be reached within the Project Board, UNDP senior management (or their designated) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board include:

- Approve the TORs for the Governance Arrangements of the Project and the SOPs
- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Agree on project manager's tolerances as required, within the parameters set by UNDP and AF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP and AF;
- Ensure coordination with various government agencies and their participation in project activities;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
- Address project-level grievances when escalated at the Project Board level;
- Approve the project Inception Report, Mid Term Evaluation Report, Terminal Evaluation reports and corresponding management responses;
- Review the final project report package during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

c) Grant Selection Committee:

UNDP will invite 5 to 7 experts in fields that are relevant to this project to be part of the Grant Selection Committee. Grant Selection Committee member will be responsible for providing grant selection function and grantee implementation recommendation to the Project Board. In addition, the committee will be responsible for the selection of project grantees supported by the PMU (longlisting conducted by PMU, shortlisting and by Committee, final selection will be approved by the Project Board), provide guidance and suggestion to grant

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selection criteria designed by the PMU. Final grantee recommendation and grant selection criteria will be submitted to Project Board for approval. Based on member's expertise, they will be providing advisory and guidance to grantees' acceleration plan; supported by the PMU, the experts will assist each individual grantees to provide guidance on business development, climate change risks planning, safeguard risks planning and gender mainstreaming (depends on the needs from each grantee). Performance will be tracked by the PMU and report back to committee for any actions/changes.

Members of grant selection committee will be nominated by the project board based on their specific technical expertise, provided however that:

- ✓ No individual or entity (including, if applicable, members of the technical advisory committee) shall be nominated to be part of the Grant Selection Committee for funding windows in which such individual or entity also intends to provide any technical assistance
- ✓ in relation to advising on or setting the grant award criteria and/or assessing proposals submitted in response to these funding windows
- ✓ Grant Selection Committee members cannot be an organization, be affiliated to an organization, or have ownership in an organization that might apply for a grant from the project. Grant Selection Committee member will meet virtually after a funding window is opened.

Specific responsibilities of the Grant Selection Committee include:

- Advise technical issues raised by the PMU in the selection process;
- Provide guidance and advise on member's area of expertise;
- Working with the project team and following instructions from the Project Board, advise on the final design of the grant selection criteria;
- Approve and select shortlisted grantees; provide recommendation the Project Board on the selected grantees;
- Provide high-level strategy and guidance to grantees' acceleration plan;
- Serve as a "second layer" in the selection process to help identify any potential concern regarding the shortlisted applicants, related to their project design, legal entity status, gender or safeguard related aspects.

d) UNDP and UNDP Country Offices and Bureaus

The Project shall actively engage the UNDP Regional Bureaus and the UNDP Country Offices at multiple stages of the project to leverage localized expertise, networks and contextual knowledge throughout the project life cycle. This collaboration will enhance the project's local relevance and ensure that grantee support is responsive to local contexts. During the initial stages of the project, the PMU shall involve the UNDP Regional Bureaus and the UNDP Country Offices in the grantee selection phase. This process will involve mapping proposed solutions to national objectives.

Beyond selection, the UNDP Regional Bureaus and the UNDP Country Offices shall be involved in compliance monitoring and oversight of grantee activities. Further, to help strengthen technical capacity and local relevance, Country Offices will play a key role in facilitating connections with local innovation ecosystems through local networks (internal and external to UNDP). To facilitate these activities, the project will allocate funds to UNDP Country Offices where grantees are located, to support with specific follow up (in situ), verify safeguard and gender related matters in situ, help identify national scaling pathways, as well as learning and showcasing opportunities for the AFCIA 2 grantees operating in their countries.

B. Describe the measures for financial and project / programme risk management.

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Financial and Project / Programme Risk Management

AFCIA 2 adopts a proactive, multi-layered approach to financial and operational risk management, building on lessons from AFCIA 1 and aligning with UNDP's fiduciary standards and the Adaptation Fund's Environmental and Social Policy. Financial integrity is ensured through performance-based disbursement, where catalytic grants are released in tranches tied to verified milestones rather than upfront lump sums. All grantees undergo due diligence and are subject to compliance with UNDP programmatic and financial regulations, while still allowing flexibility to the grantees to implement their grants.

To mitigate implementation delays, the project embeds a structured Onboarding Learning Sprint at inception and provides continuous technical assistance, business development support, and adaptive management through a robust Monitoring, Evaluation, and Learning (MEL) system. Milestone-bound progress and financial reporting enable early identification of bottlenecks and corrective action.

Environmental and social safeguards, including Gender Action Plans and Environmental, Social and Management Plans, are mandatory for all grantee sub-projects. All grantees will need to prepare a simplified GAP and ESMF after screening and identifying all risks (high, medium, low). They must also propose how these risks will be managed during implementation within their specified budget as part of the total grant. Screening under UNDP Social and Environmental Standards and the Adaptation Fund's ESP ensure compliance, while a grievance redress mechanism (GRM) provides transparency and accountability. Gender equality and social inclusion are mainstreamed across all stages, with capacity-building to meet Gender Marker 2 requirements.

This integrated risk management framework ensures fiduciary assurance, operational efficiency, and compliance with environmental, social, and gender standards, while enabling innovation to scale responsibly and sustainably.

Measures for Financial and Project Risk Management

Potential Risk	Risk Level	Risk Management Strategy
Misappropriation of the grant funding	Low	Performance based disbursement will be used instead of providing the total grant amount at the grant signing stage. Grantees may be asked to get an agreement from UNDP (with advise from UNDP country office) if procurement of goods/services exceeds a certain threshold. Financial audit is required as a part of the annual progress report.
Lack of participation at the regional call for proposals across the four targeted Western Balkan countries	Low	During the regional call for proposals, UNDP will also actively source innovation ideas from the network of development partners who are working on innovation, incubation, and acceleration as well as climate adaptation and resilience topics. With the extensive network of UNDP Innovation team and BOOST network, Accelerator Labs in the Country Offices, Country Office ecosystem and detailed stakeholder mapping that will be developed the risk of lacking participation is relatively low.

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Delays in Project implementation and delivery	Medium	To mitigate this risk, the project embeds a structured Onboarding Learning Sprint at inception; and during implementation phase, project will provide ongoing technical and business development support and apply its standard Monitoring and Evaluation (MEL) processes, including: • **Milestone-bound reporting:** Grantees will submit progress and financial reports each milestone throughout the implementation period. • **Ongoing Support:** Continuous technical and business acceleration support will help identify and address potential implementation challenges early on. • **Timely Issue Resolution:** Any barriers to timely completion will be monitored and addressed through tailored mitigation strategies. This approach will ensure proactive oversight and supports effective and timely project delivery
Imbalanced Reporting of Success vs. Challenges and Lessons Learned	Medium	To ensure accurate and balanced reporting, grantees will be encouraged to document both successes and challenges as part of their regular progress updates. Lessons learned—particularly from challenges—are essential for continuous improvement, knowledge sharing, and the replication or scaling of effective practices. This expectation will be clearly communicated throughout the project implementation cycle and reinforced during regular monitoring. Project implementation will also be guided by the Impact Report and documented lessons learned from UNDP-AFCIA 1 implementation. These insights will inform best practices and support adaptive learning. All relevant lessons from the project will be captured to contribute to broader institutional learning and future project design.
Grantees fail in securing scale up and replication support and funding from other sources after the completion of the project	Medium/High	While it is common for only a portion of innovative or early-stage initiatives to secure follow-on funding the project is designed to improve these odds by strengthening grantees' capacity for long-term sustainability. Through targeted technical assistance, the project will help grantees enhance their financial planning, develop robust business models, and strengthen partnerships. This support aims to make initiatives more 'investment-

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		ready', enabling them to attract additional funding and diversify income streams. By addressing core barriers such as limited access to finance, technical know-how, and strategic networks, the project aims to bridge the gap between promising community-led adaptation initiatives and the resources needed for sustained impact. Based on comparable experience, it is anticipated that approximately 20–30% of supported initiatives may successfully secure follow-on investment or replication support.
Environmental, social and governance risk not managed, triggering risk events	Medium	UNDP has strong safeguard systems, but decentralized implementation and innovation pilots increase exposure. In order to address these risks following action will be taken. **Environmental, Social, and Governance (ESG) Criteria Embedded Throughout:** ESG considerations will be integrated at every stage of the programme under UNDP guidance. **Mandatory Screening & Safeguard Instruments:** All Unidentified Sub-Projects (USPs) will undergo screening under UNDP Social and Environmental Standards (SES) and Adaptation Fund Environmental and Social Policy (ESP). Each grantee must prepare simplified **Environmental and Social Management Plan (ESMP)** and **Gender Action Plan (GAP)** prior to implementation. **Call for Proposals & Selection Process:** The call for proposals will explicitly highlight ESG requirements. The selection template will include ESG risk identification questions, and an ESG expert will participate in the technical review panel. **Capacity Building:** An ESG expert will be hired to build grantees' capacity in understanding, managing, and reporting ESG risks. Training will be delivered during the Onboarding Learning Sprint and throughout implementation. **Monitoring & Reporting:** MEL reporting will include a dedicated ESG section. Milestones-bound reports will track compliance with safeguards and gender commitments. **Grievance Redress Mechanism:** Accessible channels will be established for communities to report concerns. **Gender Marker Compliance:** All projects will meet Gender Marker 2 standards.

C. Describe the measures for environmental and social risk management, in line with the Environmental and

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Social Policy of the Adaptation Fund.

Environmental and Social Risk Management Measures

A detailed Social and Environmental Screening Procedure (SESP) and Environmental and Social Management Framework (ESFM), that complies with the Adaptation Fund´s Safeguards Policy and UNDP´s Safeguard policy is presented in **Annex 3 and 4 respectively.**

The project is fully aligned with the Environmental and Social Policy (ESP) of the Adaptation Fund and UNDP's Social and Environmental Standards (SES). It incorporates a comprehensive, phased approach to environmental and social risk management, ensuring that all activities are implemented responsibly and inclusively across diverse national and cultural contexts.

1. Preliminary Risk Screening

- Grantees will be requested to consider - using the guidance proposed in the AFCIA ESMF - the main risks that their solution/project could potentially generate in the environment and the communities where they plan to operate.
- Based on this, all grantee proposals will submit their own initial environmental and social risk screening that will be reviewed during the selection process, by UNDP´s safeguard and gender experts associated to the AFCIA PMU and in collaboration with the Grant Coordinator and Data Analyst.

2. Integration of mitigation measures into final design of the supported actions

- If this screening identifies potential risks, the applicants will be asked to explore measures to avoid, minimize, or offset any potentially significant risks in order to comply with the minimum legal requirements in each of their countries and the requirements stipulated in UNDP´s Social and Environmental Standards and the Adaptation Fund´s Environmental and Social Policy.
- Mitigation measures will be tailored to local regulatory frameworks, cultural contexts, and the specific vulnerabilities of affected communities, with particular attention to transboundary impacts where relevant.

3. Ongoing Monitoring and Support

- Grantees will report regularly on safeguard implementation and will be required to undertake appropriate corrective actions as needed.
- The Grant Coordinator and Data Analyst will, in coordination with the Safeguards and Gender Analyst, provide technical support and quality assurance on social and environmental risk management throughout the project lifecycle.

4. Grievance Redress and Transparency

- In addition, a web-based Grievance Redress Mechanism (GRM) system will be established and made publicly known and accessible to each of the participating grantees/countries. This platform will enable stakeholders to submit concerns, or complaints —anonymously if they wish— about any potential violation of environmental and social standards during the project implementation. A dedicated email address will also be provided through the project website to facilitate GRM submissions.

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- The PMU will regularly monitor and respond to the GRM submissions to ensure timely resolution and continuous improvement, in alignment with the Environmental and Social Policy of the Adaptation Fund and UNDP.

5. Gender equality and social inclusion are central to the project's safeguards approach:

- Proposals must demonstrate how they will **mainstream gender**, empower women, and address differentiated vulnerabilities.
- Gender equality must be embedded across all stages—design, consultation, implementation, monitoring, and evaluation—with approaches adapted to local gender norms and power dynamics.
- All projects must meet Gender Marker 2, indicating gender equality as a significant objective.
- Special attention will be given to ensuring the meaningful participation and protection of Indigenous Peoples, ethnic and religious minorities, persons with disabilities, and other marginalized groups, in accordance with international human rights standards and national legislation.

This integrated safeguard framework ensures that all supported innovations are effective, inclusive, and environmentally and socially responsible. Its structured and participatory approach proactively manages environmental and social risks, contributing to sustainable, inclusive, and equitable climate adaptation outcomes, while respecting local priorities.

D.Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.

Monitoring and Evaluation Arrangements and Budgeted MEL Plan

The AFCIA-2 Monitoring and Evaluation (M&E) system is designed to promote accountability, learning, and adaptive management throughout the project lifecycle. It adheres to the Adaptation Fund's Evaluation Policy (2022) and the AF-TERG Guidance Note on Evaluation in Project Design, while fully mainstreaming AF's and UNDP's Gender and the Safeguards Policies across all levels. In addition, the system is firmly grounded in UNDP's Results-Based Management (RBM) principles, ensuring that monitoring processes are results-oriented, evidence-based, and aligned with global best practices.

1. M&E Objectives and Governance

The M&E system will:

- Track progress toward outputs, outcomes, and the project objective.
- Ensure compliance with environmental and social safeguards and gender commitments.
- Generate evidence and learning to inform scaling, replication, and policy engagement.
- Enable adaptive management through real-time feedback loops.

UNDP, as the Implementing Entity (IE), will oversee the M&E system. The Project Management Unit (PMU) will lead day-to-day implementation, supported by a dedicated Grant Coordinator and Data Analyst. Quality assurance will be provided by UNDP's Principal Technical Advisor (Climate Change Adaptation Team), a dedicated Regional Technical Advisor, Oversight specialists on different matters (Safeguards, Gender, Finance, Legal, Evaluation) and the Independent Evaluation Office (IEO). For more details on the implementation arrangements kindly refer to **Annex 10. Organigram.**

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Role of the Implementing Entity and Use of IE Fees for M&E Supervision

As the Implementing Entity, UNDP is responsible for the independent supervision, quality assurance, and fiduciary oversight of the project's Monitoring and Evaluation (M&E) system. Implementing Entity (IE) fees will be use to finance these supervisory M&E functions, ensuring compliance with the Adaptation Fund's Evaluation Policy, Results Framework, and fiduciary standards.

IE-supported M&E supervision includes: (i) technical oversight and quality assurance of monitoring systems, indicators, and reporting through UNDP's Regional Technical Advisor (RTA) and Principal Technical Advisor (PTA); (ii) validation of results and data quality assurance, including verification of gender equality and environmental and social safeguards compliance; (iii) participation in supervision missions and risk-based monitoring at grant and portfolio levels; (iv) review, clearance, and submission of Annual Project Performance Reports (PPRs) to the Adaptation Fund; and (v) commissioning, management, and quality assurance of the independent Mid-Term Review and Terminal Evaluation in accordance with AF-TERG guidance.

These supervisory functions are distinct from day-to-day implementation and are designed to ensure the independence, credibility, and integrity of project monitoring, evaluation, and reporting.

2. Key M&E Milestones

Milestone	**Timeline**
Project Inception	Q1 2027
Baseline Data Collection	Q3–Q4 2027
Grantee Technical and Financial Progress Reports	Every milestone as per the LVGA (6 months for MSMEs and 9 months for NGOs-CSOs) (2028-2031)
Annual Project Performance Reports (PPRs)	Annually (2027–2031)
Mid-Term Review (MTR)	Q3 2029
Terminal Evaluation (TE)	Q3-Q4 2031
Final Project Summary Report and Audited Financial statement [191]	Q2 2032

(Table 4: Key M&E Milestones)

3. Evaluation Products

- **Mid-Term Review (MTR):** Conducted by an independent evaluator, the MTR will assess progress, effectiveness, efficiency, gender and environmental/social performance, and course-correction needs.
- **Terminal Evaluation (TE):** An independent assessment of project achievements, sustainability, and lessons learned overall contribution of the project, including contributions to the Adaptation Fund's Strategic Results Framework (SRF) and the National Adaptation Plans.

[191] Mandatory AF requirement for financial closure and project completion summary

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- **Evaluation Use:** Findings will be shared through workshops, peer learning events, and knowledge products to inform adaptive management and future programming.

4. Monitoring Systems and Data Management

The project will establish a comprehensive monitoring and data management system grounded in UNDP's Results-Based Management (RBM) principles to ensure accountability, transparency, and adaptive learning throughout the project lifecycle. This system will operate at both project and portfolio levels, leveraging digital tools and decentralized support for effective implementation.

Project-Level Monitoring System

A dedicated Management Information System (MIS) will be developed to track progress against the project's results framework. The MIS will capture data disaggregated by gender, stakeholder type, and vulnerable groups, enabling inclusive monitoring and reporting. Automated dashboards will provide real-time visualization of progress and facilitate evidence-based decision-making.

Data Quality Assurance (DQA)

To maintain data integrity, the project will implement robust DQA protocols, including:

- Validation visits on a needs basis to verify reported data.
- Triangulation of grantee reports with field observations and secondary sources.
- Ad hoc data audits to identify inconsistencies and strengthen reliability.

Grantee Capacity Building and Reporting

Grantees will receive structured training on Monitoring, Evaluation, and Learning (MEL) fundamentals during the Onboarding Learning Sprint. This will include guidance on developing context-appropriate MEL systems, defining SMART indicators, applying gender-sensitive approaches and managing environmental and social safeguard risks.

A digital results-based monitoring and reporting framework will be introduced, requiring grantees to submit milestone-bound technical and financial reports through the system. Continuous capacity-building sessions and on-demand support will be provided to strengthen grantee skills in data collection, indicator tracking, and reporting.

Annual Performance Reporting

The project will submit Annual Adaptation Fund Project Performance Reports (PPRs), providing comprehensive updates on:

- Progress against the Results Framework
- Gender mainstreaming achievements
- Key lessons learned and adaptive management actions
- Financial status and procurement updates
- Compliance with environmental and social safeguards

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Portfolio-Level Monitoring and Aggregation

At the portfolio level, AFCIA 2 will develop an interactive dashboard serving two core purposes:

1. Monitoring and tracking the implementation status of all 26 grants on regular basis.

2. Aggregating results to demonstrate overall project impact, contribution to the Adaptation Fund's core indicators, key achievements, and lessons learned. This dashboard will provide a consolidated view of progress, enabling strategic communication with stakeholders. This dashboard will also demonstrate overall project impact and contribution to the broader Climate Change Adaptation portfolio in UNDP.

Country-Level Monitoring Support

UNDP Country Offices will play a critical role in ensuring compliance and contextual relevance within the project's monitoring framework. They will support the PMU by validating grantee activities against national priorities and project safeguards, including gender and environmental standards. In addition, Country Offices will strengthen data credibility through validation visits, review of grantee reports, and triangulation with local sources. Their involvement will also facilitate the integration of national datasets and context-specific indicators into the Management Information System (MIS), ensuring alignment with country-level adaptation priorities.

5. Gender and Social Inclusion Monitoring

The project will embed gender equality and social inclusion as core elements of its monitoring framework. All grantees will be required to achieve Gender Marker 2, ensuring that gender considerations are fully integrated into project design and implementation. Each grantee will develop a simplified Gender Action Plan, and progress will be tracked through sex-disaggregated indicators reported in milestone-bound technical submissions. These data will be aggregated regularly and reflected in the annual progress reports (PPRs) to the Adaptation Fund. Monitoring will go beyond numerical indicators to assess the quality of participation, equitable distribution of benefits, augmentation in capacities and skillsets, and leadership roles of women, youth, Indigenous Peoples, and other marginalized groups, ensuring that adaptation actions are inclusive and transformative.

6. Learning and Knowledge Integration

The project's Monitoring and Evaluation system will serve as a key input to the Learning and Knowledge Management Framework, enabling the aggregation and analysis of innovation outcomes across all sub-projects. Insights and lessons learned will be systematically captured and synthesized into practical knowledge products such as blogs, articles, and policy briefs. These resources will be disseminated through South–South exchanges, webinars, and regional learning events, fostering peer learning and supporting the scaling and replication of successful adaptation solutions.

Table: Budgeted MEL Plan			
Monitoring Activity	**Frequency/Timeframe**	**Responsible Parties**	**Indicative Cost (USD) (for the 4 years)**

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Inception Workshop and Report	Inception Workshop within 2 months of the First Disbursement	EE, Project Manager	10,000 (See Annex 8, Budget Note 1)
Baseline data collection and drafting of the Baseline Report. (Budget covers the cost of hiring an independent consultant/firm only. All IE oversight, review, and quality assurance are covered separately by the IE fee)	Baseline report with in first year of implementation not later than submission of annual PPR	IE, Grant Coordinator and Data Analyst, Finance Officer	16,000 (See Annex 8 IE fee breakdown, Budget Notes 1 and 3)
Progress Reporting Support (technical & financial)	Through the milestone-bound reports (every 6 months for MSMEs and 9 months for NGOs-CSOs)	EE, Grant Coordinator and Data Analyst, Finance Officer	100,000 (See Annex 8, Budget Notes 1 and 3)
Grantee MEL Onboarding	Y1 (core), refreshers Y2–Y4	EE, Grant Coordinator and Data Analyst	5,000 (See Annex 8, Budget Note 3)
MIS & Project Dashboard (build, hosting, maintenance)	Y1–Y4	EE, Grant Coordinator and Data Analyst	10,000 (See Annex 8, Budget Note 3)
Monitor and Manage Risk (at grant level)	Through the milestone-bound reports (every 6 months for MSMEs and 9 months for NGOs-CSOs)	EE, Grant Coordinator and Data Analyst, Gender and Safeguard Specialist	178,000 (See Annex 8, Budget Notes 2 and 3)
Monitor Gender Action Plan and ESMF (at grant and project level)	Through milestone-bound reports (at the grant level- every 6 or 9 months) and annual reports (at the project level)	EE, Grant Coordinator and Data Analyst, Gender and Safeguards Specialist	36,000 (See Annex 8, Budget Notes 2 and 3)
Monitoring visits	Annually/ need base	EE, Local Action support (COs), Grant Coordinator and Data Analyst and/ or Project Manager	100,000 (See Annex 8, Budget Notes 1 and 3)
Regular project progress review	Weekly, monthly and annual	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer	80,000 (See Annex 8, Budget Notes 1 and 3)

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Learning & Knowledge Integration	Annual	EE, Learning and KM Specialist	60,000 (See Annex 8, Budget Note 10)
Annual AF Project Performance Report (PPR)	Annually	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer, Project Associate	30,000 (See Annex 8, Budget Notes 1, 3 and 13)
Project Board Meeting preparation and progress update	At least annually and need base	EE, Project Manager, Grant Coordinator and Data Analyst, Finance Officer, Project Associate	30,000 (See Annex 8, Budget Notes 1, 3 and
Independent Mid-Term Review (MTR)/Evaluation Professional fees and associated costs for contracting Independent External Evaluators to conduct the Midterm Evaluation. (IE supervision, TOR development, validation, and QA are covered by the IE fee seperately)	End of Year 2	IE , Contracting and independent evaluator	40,000 (See Annex 8 IE fee breakdown)
Independent Terminal Evaluation (TE)/Final Evaluation Terminal Evaluation Professional fees and associated costs for contracting Independent External Evaluators to conduct the and Terminal Evaluation. (IE supervision, TOR development, validation, and QA are covered separately by the IE fee	End of Year 5	IE, Contracting and independent evaluator	55,000 (See Annex 8 IE fee breakdown)
Impact and Knowledge Reporting Consultant: Under the guidance of the		EE, Contracting Individual Consultant	95,000 (See Annex 8 Budget Note 26)

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Data Analyst and Performance Coordinator and the Knowledge and Learning Coordinator, this consultancy will lead the synthesis of project achievements into structured, high-visibility knowledge products. Key responsibilities include consolidating qualitative and quantitative impact results to draft comprehensive multi-year Impact Reports and compelling human-interest success stories. Furthermore, the consultant will execute the full professional graphic design and layout of these deliverables, translating complex portfolio data into visually engaging assets that strengthen organizational learning and external donor visibility.			
TOTAL			**845,000 (including the Midterm and Terminal evaluation costs that are covered under IE fee)**

(Table 5: Monitoring and Evaluation Arrangements and Budgeted MEL Plan)

E. Include a results framework for the project / programme proposal, including milestones, targets, and indicators.

Results framework for the Project

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

Project Objective	Objective Level Indicators	Baseline	Target at Project Completion	Means of Verification	Risks and Assumptions
Project Objective To accelerate and scale inclusive, locally led adaptation innovations across the Global South by providing catalytic finance (via competitive grants and innovation challenges), technical assistance, and integration into innovation and adaptation financing ecosystems – enabling high-potential solutions to enhance climate resilience and benefit vulnerable populations.	1. Number of innovations successfully scaled and built resilience at local level.	**0**	At least 10 innovations successfully scaled	Grantee reports, scaling evidence; low value grant agreements.	**Assumptions:** Continued interest and engagement from adaptation, innovation or climate finance ecosystems actors. Innovations remain relevant and technically feasible. Political and economic stability in target regions and countries where grantees operate. Innovators operating in the adaptation, innovation or climate finance ecosystems have capacity and willingness to learn and support innovations to scale and replicate. **Risks:** Limited absorption capacity of grantees. External shocks (e.g. climate disasters, conflict) which could disrupt scaling pathways.
	2. Aggregate number of people benefitted through the supported innovations[192] supported.	**0**	Total no of beneficiaries[193]: 215,096 (direct: 53,774;indirect: 161,322; Youth: 64,528)		

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					Funding delays in the project cycle.
Outcome	**Outcome Indicators**	**Baseline**	**Target at Project Completion[193]**	**Means of Verification**	**Risks and Assumptions**
Outcome 1: High potential, locally led adaptation innovations, (NGOs/CSOs & SMEs) are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	O1.1: Number of beneficiaries reached through supported innovations[194] (a) Direct beneficiaries (male and female) (b) Indirect beneficiaries (male and female) GAP indicator 1.1.3)	**0** **0**	(a) Direct Beneficiaries: Total: (estimated):53,774 Female:26,887 Male:26,887 Youth: 16,132 (b) Indirect Beneficiaries: Total:161,322 Female:80,661 Male: 80,661 Youth: 64,528	Grantee reports, beneficiary surveys, MEL system aggregation, selection records, grant agreements, mapping sheets, proposals, selection criteria.	**Assumptions** Sufficient pool of high-potential, locally led innovations exists in target regions. Baseline data on beneficiaries will be available or collected early in the project. **Risks:** Limited number of eligible innovations meeting selection criteria.

[192]Disaggregated data will be collected and reported under outcome 1

[193] The beneficiary numbers presented at this stage are indicative and based on approval-stage planning assumptions. Exact figures will be calculated once grantees and their intervention footprints are confirmed during inception. These numbers will be validated and updated in the Results Framework and reported in the first Project Performance Report (PPR) in line with Adaptation Fund guidance. Please note that youth figures represent a subset of the total male and female beneficiaries, not an additional category. For detailed methodology and assumptions, including youth disaggregation, refer to the Annex 13 on Beneficiary Estimation.

[194] For alignment with GAP): Disaggregate beneficiary data by sex, age (including youth), and disability status at grantee level will be collected

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	O1.2: Number of high potential, locally led innovations identified and supported (disaggregated by women led/co led (GAP indicator: 1.2.3)	0	26 total; 20% women led/co-led		Grantees may have limited or no capacity to write strong proposals without technical support. Resistance to gender and social inclusion integration in some contexts.
	O1.3c) Number of supported innovations demonstrating meaningful integration of gender equality and social inclusion (GESI), including adaptation/implementatio of gender responsive approaches in design, implementation, or governance (GAP indicator: 1.2.3)	0	*26*		
Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through	O2.1. No of supported innovations achieving investment readiness benchmarks through technical support and investment brokering packages. (GAP 2.1.1)	0	*10*	Technical assistance completion reports; Business model documentation; Evidence of Pitch Decks and Business Plans	**Assumptions:** Innovators are willing and able to adopt investment readiness standards and learnings**.** Technical assistance providers have expertise in climate

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tailored technical assistance, business development, and strategic partnerships.	O2.2. No of innovations with gender responsive business model enabled to lead adaptation for innovation (GAP indicator 2.1.1. and (GAP 2.1.2)	0	*26*	submitted to investors;Business Model Documentation showing gender-responsive strategies (e.g., inclusive hiring, women-led governance)	finance and gender-responsive business models. Adaptation finance ecosystems remain active and accessible for integration. **Risks:** Limited investor interest in adaptation innovations supported by the project. Economic or market downturns reduce financing opportunities.
Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	O3.1. No of innovation for adaptation-focused knowledge products disseminated.	0	*4 (1 per year, starting in year 2)*	Reports, technical briefs, policy briefs, factsheets and dashboards with knowledge emerging from the solutions	**Assumptions:** Evidence from supported innovations will be ready and of sufficient quality by Year 2 to inform knowledge and communication products. Grantees submit timely reports content, visuals, data and agree to share materials for dissemination. Partners and grantees remain available and willing to participate in learning and showcasing events, including virtual or hybrid formats. **Risks:**
	O3.2. No of innovation for adaptation-focused communication products disseminated.	0	*20 (4 per year, starting in year 1)*	Stories, videos, news, promotion of the innovators work and the AFCIA project in social media	

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	O3.3:No of supported innovations whose evidence products are referenced/ presented for investment proposals.	0	10	Workshop reports, news of the events, sessions concept notes and recordings, etc….	Grantees may face delays in submitting reports or providing complete data, affecting the production of knowledge and communication products. Travel and visa challenges could limit participation in in-person showcasing events, reducing diversity and regional representation. Low interest or participation from women and marginalized groups in events may undermine gender and inclusion targets.
Outputs	**Output Indicators**	**Baseline**	**Target at Project Completion**	**Means of Verification**	**Risks and Assumptions**
Corresponding Outcome (Outcome 1) **Output 1.1:** High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.	O1.1.1:Number of innovations identified through the global call for proposals, aligned with NAPs/NDCs and priority thematic areas.	0	26	Call for proposals documentation and selection criteria; Innovation application database; Screening and scoring sheets, Project Board endorsement minutes; Annex 2a/2b/2c and Annex B	**Assumptions:** Sufficient number of eligible proposals submitted globally; Gender criteria are clearly communicated and applied during selection; Gender-responsive approaches are understood and accepted by applicants. **Risks**: Low submission rates
	O1.1.2:% of innovations identified that demonstrate gender-responsive design in adaptation innovation[195]. (GAP indicator 1.1.1)	0	100%		

[195] Gender-responsive design is applied as a minimum eligibility standard at selection (screening criterion), not only as an endline performance target.

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	O1.1.3: % of LVGA that include explicit GESI criteria selection instruments (application templates, scoring rubrics, safeguards screening tools)[196] (GAP 1.1.2)	0	70%		Limited number of gender-responsive proposals submitted;
Output 1.2: Selected innovations receive catalytic grants (up to USD 200K) and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.	O1.2.1:Number of selected innovations receiving catalytic grants and tailored technical support.	0	26		
	O1.2.2: % of supported innovations that integrate gender equality and social inclusion measures in their work plans and result framework.(GAP indicator: 1.1.2)	0	100%		
	O1.2.3: % of supported innovations where GESI is a core design objective (i.e., GESI outcomes are explicit in the results framework and at least one key	0	70%		

[196] LVGA selection instruments are the official tools used to screen and score applicants, including the online application form, detailed proposal format, selection/scoring rubric, and safeguards screening template (Annex 2a/2b/2c and Annex B). Calculated as (# LVGA selection instruments with at least one explicit GESI and/or scored criterion ÷ total # official LVGA selection instruments) × 100.

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	milestone/indicator measures GESI results) (GAP 1.2.2)				
Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact.	O1.3.1:Number of high-impact adaptation innovations from AFCIA 1 that receive follow-on catalytic support and technical assistance for scaling proven models.	0	4		
Corresponding Outcome (Outcome 2) Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, gender-responsive design, MEL systems, financial planning and safeguard risk management.	O2.1.1: Percentage of supported innovators that have received tailored technical assistance across all five areas (business model refinement, gender-responsive design, MEL systems, financial planning, and safeguard risk management).	0	100%	Customized support package documentation for women-led enterprises. Post-training surveys and satisfaction scorecards. MEL system integration checklists	**Assumptions:** High level technical assistance and expertise in all five areas. Innovators are willing and able to engage in capacity-building activities. Gender-responsive design principles are accepted and integrated. **Risks:** Limited availability of qualified technical assistance providers. Innovators face time/resource constraints to participate fully.
	O2.1.2: Percentage of supported innovators that have received tailored technical assistance in gender-responsive project design and implementation. (GAP indicator 2.1.1 and 1.2.2	0	100%		

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	O2.1.3:Average satisfaction score of supported innovators on the relevance and quality of technical assistance received (scale 1–5)	0	**Target:** *4.0 out of 5*		Resistance to safeguard or gender-responsive measures in some contexts.
Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school partners.	O2.2.1:Number of supported innovators that have identified and initiated engagement with at least one financing pathway. (GAP 2.2.1 and (GAP 2.2.2)	0	26		
	O2.2.2:Number of supported innovators that have mobilized or unlocked external financing for scaling and replication	0	10		
Corresponding Outcome (Outcome 3) **Output 3.1:** Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting	O3.1.1:Number of knowledge products (case studies, evidence briefs, reports, factsheets) developed and disseminated.	0	*26 factsheets (7 per year, starting in year 2)* *1 knowledge product per year (starting in year 2)* *1 Dashboard (year 2)*	Published knowledge products (case studies, briefs, reports). Dissemination records (websites, mailing lists, event materials). Annual synthesis reports and	**Assumptions:** Stakeholders (policymakers, investors, practitioners) are receptive to knowledge products. Stakeholders are willing and able to participate in learning events.

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policymakers, investors, and adaptation practitioners.				documentation of lessons learned. Event reports and feedback forms. Webinar recordings and dissemination analytics.	Project generate sufficient evidence and lessons for documentation. Gender and social inclusion data is available and captured effectively. Risks: Limited uptake of knowledge products by target audiences. Inadequate documentation of lessons due to poor reporting from grantees
	O3.1.2:Percentage of knowledge and communication products incorporating gender and social inclusion lessons in adaptation innovation.(GAP indicator 3.1.1 and 3.1.2)	0	50%		
	O3.1.3:No of Reports produced summarizing insights, stories, challenges and stories of change of women and other beneficiaries with intersecting vulnerabilities. (GAP indicator 3.1.1)	0	4 (at least 1 per year, starting in year 2)		
Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organised to promote south-south collaboration, uptake of good practices, and cross-sectoral learning	O3,2,1: No of in person/online learning and showcasing events organized, supported and facilitated by the PMU; % female participants.	0	*3: At least 1 event per year (starting in year 2); with 40% women presentation*		

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among innovators, governments, investors, and UNDP partners	O3.2.2: Number of participants attending peer learning events, global webinars, and cross-country exchanges, disaggregated by gender and stakeholder group with content explicitly addressing gender and social inclusion in adaptation.(GAP indicator 3.2.1, 2.2.3 and 3.2.2)	0	60% men and 40% women participants		
	O3.2.3:Percentage of events highlighting women-led adaptation innovations facilitated.(GAP indicator 3.2.3)	0	50%		

Adaptation Fund Core Impact Indicator "Number of Beneficiaries"	
Date of Report	**Proposal submission date**
Project Title	**UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2**
Country	**Global**
Implementing Agency	**UNDP**
Project Duration	**5 years**

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	Baseline *(absolutenumber)*	Target at project approval *(absolute number)*	Adjusted target first year of implementation*(absolute number)*	Actual at completion[7] *(absolute number)*
Direct beneficiaries supported by the project	0	53,774		
Female direct beneficiaries	0	26,887		
Youth direct beneficiaries	0	16,132		
Indirect beneficiaries supported by the project	0	161,322		
Female indirect beneficiaries	0	80,661		
Youth indirect beneficiaries	0	64,528		

Adaptation Fund Impact Indicator "Increased income, or avoided decrease in income"	
Date of Report	Proposal submission date
Project Title	UNDP- Adaptation Fund Climate Innovation Accelerator Phase 2
Country	Global
Implementing Agency	UNDP

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Project Duration	5 years			
	Baseline	Target at project approval[197]	Adjusted target first year of implementation	Actual at completion
Income Source[198] *(name)*	0	10,800 (households)		
Income Source	Climate-resilient food systems livelihoods (smallholder farming, processing, storage, climate-smart inputs/services) Nature-based livelihoods (eco-restoration jobs, sustainable fisheries/aquaculture, agroforestry, ecosystem-based enterprises) DRR / risk reduction-linked livelihoods (avoided income losses through reduced disruption, resilient local services, post-disaster livelihood continuity)			
Income level *(USD)*	TBD(to be established by grantee baseline surveys in Year 1)			
Number of households *(total number in the project area)* *(report for each project component)*	TBD (to be established by grantee baseline surveys in Year 1)			

F. Demonstrate how the project / programme aligns with the Results Framework of the Adaptation Fund

[197] Households at project approval are estimated by converting the proposal's direct beneficiary target (53,774 people) into households using an assumed average household size of 5 persons/household (53,774 ÷ 5 = 10,755; rounded to 10,800). This portfolio-level assumption will be validated and revised in Year 1 once grantees/subprojects are selected and baseline household data are collected

[198] When the numbers of livelihoods go through significant changes, such as when sources of income are diversified, it may be useful to illustrate the changes by primary livelihoods.

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

Outcome-Level Alignment (As Per Table 2. SRF Alignment Table Template)

Project Outcomes	Project Outcome Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Outcome 1: High potential, locally led adaptation innovations, (NGOs/CSOs & SMEs) are identified and supported with catalytic finance and technical assistance, improving their readiness for scale and alignment with national adaptation priorities (NAPs/NDCs).	O1.1: Number of beneficiaries reached through supported innovations O1.2: Number of high potential, locally led innovations identified and supported O1.3) Number of supported innovations demonstrating meaningful integration of gender equality and social inclusion (GESI)…	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$7,137,709
Outcome 2: Supported adaptation innovations are strengthened to become investment-ready and integrated into national and global adaptation finance ecosystems through tailored technical assistance, business development, and strategic partnerships.	O2.1. No of supported innovations achieving investment readiness benchmarks through technical support and investment brokering packages. O2.2. No of innovations with gender responsive business model enabled to lead adaptation for innovation	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$2,987,994

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Project Outcomes	Project Outcome Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Outcome 3: Evidence and learning from supported adaptation innovations are leveraged to inform replication/scaling pathways, policy programmes, and impact investment practices through strategic partnerships, regional platforms, and global knowledge networks, accelerating inclusive and market-oriented adaptation solutions.	O3.1. No of innovation for adaptation-focused knowledge products disseminated. O3.2. No of innovation for adaptation-focused communication products disseminated. O3.3:No of supported innovations whose evidence products are referenced/ presented for investment proposals.	Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up	8A: Innovations successfully reaching scale-up that demonstrate local innovation participation and/or local innovation benefit (# of innovations) 8B: Institutions created and/or enabled that lead on innovation for adaptation to climate change (# of institutions, disaggregated by scale)	$3,101,571
Total outcome-level grant amount				**$13,227,274**

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Output-Level Alignment (As Per Table 2. SRF Alignment Table Template)

Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/NDCs) and priority thematic areas.	O1.1.1:Number of innovations identified through the global call for proposals, aligned with NAPs/NDCs and priority thematic areas. O1.1.2:% of innovations identified demonstrate gender-responsive design in adaptation innovation . (GAP indicator 1.1.1) O1.1.3: % of LVGA that include explicit GESI criteria selection instruments (application templates, scoring rubrics, safeguards screening tools) (GAP 1.1.2)	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1A: Innovations identified that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$550,083
Output 1.2: Selected innovations receive catalytic grants (up to USD 200K) and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.	O1.2.1: Number of selected innovations receiving catalytic grants and tailored technical support. O1.2.2: % of supported innovations that integrate gender equality and social inclusion measures in their work plans and result framework.(GAP indicator: 1.1.2) O1.2.3: % of supported innovations where GESI is a core design objective (i.e., GESI outcomes are explicit in the results framework and at least one key milestone/indicator measures GESI results) (GAP 1.2.2)	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$3,910,608

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Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 1.3: Selected high-impact adaptation innovations from AFCIA 1 receive follow-on catalytic support to scale proven models and demonstrate systemic impact.	O1.3.1:Number of high-impact adaptation innovations from AFCIA 1 that receive follow-on catalytic support and technical assistance for scaling proven models.	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/ or local innovation benefit [# of innovations]	$2,677,018
Output 2.1: All supported adaptation innovators receive tailored technical assistance, including business model refinement, gender-responsive design, MEL systems, financial planning and safeguard risk management.	O2.1.1: Percentage of supported innovators that have received tailored technical assistance across all five areas (business model refinement, gender-responsive design, MEL systems, financial planning, and safeguard risk management). O2.1.2: Percentage of supported innovators that have received tailored technical assistance in gender-responsive project design and implementation. (GAP indicator 2.1.1 and 1.2.2 O2.1.3:Average satisfaction score of supported innovators on the relevance and quality of technical assistance received (scale 1–5)	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience [# of institutions, disaggregated by scale, by sector, and by type of institution]	$2,223,678

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Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 2.2: Adaptation innovators are supported to identify and access suitable financing pathways, including private commercial, concessional, blended, and public-private mechanisms through leading business school partners.	O2.2.1:Number of supported innovators that have identified and initiated engagement with at least one financing pathway. (GAP 2.2.1 and (GAP 2.2.2 O2.2.2:Number of supported innovators that have mobilized or unlocked external financing for scaling and replication	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience [# of institutions, disaggregated by scale, by sector, and by type of institution]	$764,316
Output 3.1: Key lessons, success factors, and challenges from supported innovations are captured and disseminated annually through knowledge products, case studies, and evidence briefs targeting policymakers, investors, and adaptation practitioners.	O3.1.1:Number of knowledge products (case studies, evidence briefs, reports, factsheets) developed and disseminated. O3.1.2:Percentage of knowledge and communication products incorporating gender and social inclusion lessons in adaptation innovation.(GAP indicator 3.1.1 and 3.1.2) O3.1.3:No of Reports produced summarizing insights, stories, challenges and stories of change of women and other beneficiaries with intersecting vulnerabilities. (GAP indicator 3.1.1)	Output 8.2: Innovations identified and piloted which build the adaptation innovation evidence base and institutional capacity	Indicator 8.2: Innovation-focused knowledge products disseminated and/or learning events facilitated that support and enable innovation capacity at a local, national, and/or regional level [# of knowledge products disseminated and/or learning events facilitated)	$1,069,759

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Project Outputs(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Output 3.2: Annual peer learning events, global webinars, and cross-country exchanges are organised to promote south-south collaboration, uptake of good practices, and cross-sectoral learning among innovators, governments, investors, and UNDP partners	O3.2.1: No of in person/online learning and showcasing events organized, supported and facilitated by the PMU; % female participants. O3.2.2: Number of participants attending peer learning events, global webinars, and cross-country exchanges, disaggregated by gender and stakeholder group with content explicitly addressing gender and social inclusion in adaptation.(GAP indicator 3.2.1, 2.2.3 and 3.2.2) O3.2.3:Percentage of events highlighting women-led adaptation innovations facilitated.(GAP indicator 3.2.3)	Output 8.2: Innovations identified and piloted which build the adaptation innovation evidence base and institutional capacity	Indicator 8.2: Innovation-focused knowledge products disseminated and/or learning events facilitated that support and enable innovation capacity at a local, national, and/or regional level [# of knowledge products disseminated and/or learning events facilitated)	$2,031,812
Total output-level grant amount				**$13,227,274**

G. Include a detailed budget with budget notes, broken down by country as applicable, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

Detailed Budget Breakdown

The detailed budget breakdown and the IE fee, is presented as a separate file in **Annex 8** (as an Excel file). The same budget tables are found below in this proposal.

Budget for the Project

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Quantum Outcome (AF Component)	Quantum Output (AF Outcome)	Quantum Activity (AF Output)		Quantum Responsible Party	Quantum Fund ID	Quantum Donor ID	Quantum Budgetary Account Code	Quantum Budget Account Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)	Budget Note No.
Component 1. Catalytic grants to implement and accelerate innovative adaptation solutions with potential to scale	*Outcome 1: High potential, locally led adaptation innovations, including non for-profit entities and micro, small and medium enterprises (MSMEs), are identified and supported with catalytic finance and technical assistance,*	*Output 1.1: High potential, locally led adaptation innovations are identified through a global call for proposals, aligned with national adaptation priorities (NAPs/ NDCs) and priority thematic areas.*	*Activity 1.1.1 Design and launch inclusive and competitive global calls for proposals*	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	2,618	2,945	3,004	3,064	3,125	**14,756**	**1**
							71400	*Contractual Services-Individuals*	12,752	21,548	21,548	21,548	21,548	**98,944**	**3**
							72100	*Contractual Services-Companies*	50,000	0	0	0	0	**50,000**	**5**
							73100	*Rental & Maintenance-Premises*	264	264	264	264	264	**1,320**	**7**
			Activity 1.1.2: Screen, select, and contract high-potential adaptation innovations	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	8,766	9,858	10,055	10,257	10,462	**49,398**	**1**
							71400	*Contractual Services-Individuals*	42,690	72,138	72,138	72,138	72,138	**331,242**	**3**
							73100	*Rental & Maintenance-Premises*	885	885	885	884	884	**4,423**	**7**
		Total Output 1.1							**117,975**	**107,638**	**107,894**	**108,155**	**108,421**	**550,083**	
		Output 1.2:	*Activity 1.2.1:*	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	4,379	4,924	5,023	5,123	5,226	**24,675**	**1**

	improving their readiness for scale and alignment with natio@al adaptation priorities (NAPs/ NDCs).	*Selected innovations receive catalytic grants and tailored technical support to strengthen operational, financial, and impact readiness, with a focus on gender equality and social inclusion.*	*Establish and manage performance-based grant agreements*				*71200*	*International Consultants*	6,563	13,125	13,125	13,125	13,125	**59,063**	**2**
							71400	*Contractual Services-Individuals*	21,324	36,033	36,033	36,033	36,033	**165,456**	**3**
							72600	*Grants*	0	700,000	700,000	700,000	700,000	**2,800,000**	**6**
							73100	*Rental & Maintenance-Premises*	440	442	442	442	442	**2,208**	**7**
			Activity 1.2.2: Disburse and manage performance-based grant tranches, monitor performance, and implementation progress	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,135	14,773	15,069	15,370	15,677	**74,024**	**1**
							71200	*International Consultants*	19,688	39,375	39,375	39,375	39,375	**177,188**	**2**
							71400	*Contractual Services-Individuals*	63,972	108,100	108,099	108,099	108,099	**496,369**	**3**
							71600	*Travel*	0	26,250	26,250	26,250	26,250	**105,000**	**4**
							73100	*Rental & Maintenance-Premises*	1,325	1,325	1,325	1,325	1,325	**6,625**	**7**
		Total Output 1.2							**130,826**	**944,347**	**944,741**	**945,142**	**945,552**	**3,910,608**	
			Activity 1.3.1: Identify and select high-performing AFCIA 1 innovations for follow-on support	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	1,708	1,920	1,959	1,998	2,038	**9,623**	**1**
							71400	*Contractual Services-Individuals*	8,316	14,053	14,053	14,053	14,053	**64,528**	**3**
							72600	*Grants*	0	68,250	68,250	68,250	68,250	**273,000**	**6**
							73100	*Rental & Maintenance-Premises*	172	172	172	172	172	**860**	**7**

			Activity 1.3.2: Establish and manage performance-based grant agreements for AFCIA 1 grantees, which provide follow-on catalytic grants to consolidate and scale proven adaptation models	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	2,627	2,955	3,014	3,074	3,135	**14,805**	**1**
							71400	*Contractual Services-Individuals*	12,794	21,620	21,620	21,620	21,620	**99,274**	**3**
							72600	*Grants*	0	105,000	105,000	105,000	105,000	**420,000**	**6**
							73100	*Rental & Maintenance-Premises*	265	265	265	265	265	**1,325**	**7**
			Activity 1.3.3: Disburse and manage performance-based grant tranches for AFCIA 1 grantees, monitor performance, and implementation progress	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	8,801	9,898	10,096	10,298	10,504	**49,597**	**1**
							71400	*Contractual Services-Individuals*	42,861	72,426	72,426	72,427	72,427	**332,567**	**3**
							72600	*Grants*	0	351,750	351,750	351,750	351,750	**1,407,000**	**6**
							73100	*Rental & Maintenance-Premises*	888	888	888	887	888	**4,439**	**7**
		Total Output 1.3							**78,432**	**649,197**	**649,493**	**649,794**	**650,102**	**2,677,018**	

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	Total Outcome 1							**327,233**	**1,701,182**	**1,702,128**	**1,703,091**	**1,704,075**	**7,137,709**	
Total Component 1								**327,233**	**1,701,182**	**1,702,128**	**1,703,091**	**1,704,075**	**7,137,709**	
			Activity 2.1.1: Deliver an 8–10-week onboarding sprint for selected innovators	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	31,946	35,928	36,646	37,380	38,127	**180,027**	**8**
							71200	*International Consultants*	0	25,935	25,935	0	0	**51,870**	**9**
							71400	*Contractual Services-Individuals*	15,738	26,034	26,233	26,434	26,638	**121,077**	**10**
							71600	*Travel*	270	1,122	1,077	1,078	1,078	**4,625**	**11**
							72100	*Contractual Services-Companies*	0	0	25,881	25,881	9,705	**61,467**	**12**
							73100	*Rental & Maintenance-Premises*	686	686	686	686	686	**3,430**	**13**
			Activity 2.1.2: Provide integrated, ongoing technical assistance, advisory support, leadership coaching, and peer-to-peer learning	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	119,377	134,258	136,943	139,681	142,475	**672,734**	**8**
							71200	*International Consultants*	0	96,915	96,915	0	0	**193,830**	**9**
							71400	*Contractual Services-Individuals*	58,811	97,287	98,028	98,780	99,543	**452,449**	**10**
							71600	*Travel*	1,149	4,783	4,597	4,597	4,597	**19,723**	**11**
							72100	*Contractual Services-Companies*	0	0	96,714	96,714	36,268	**229,696**	**12**
							73100	*Rental & Maintenance-Premises*	2,563	2,563	2,563	2,563	2,563	**12,815**	**13**
			Activity 2.1.3: Assist selected grantees to prepare Gender Action	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	16,814	18,910	19,288	19,673	20,067	**94,752**	**8**
							71200	*International Consultants*	0	13,650	13,650	0	0	**27,300**	**9**
							71400	*Contractual Services-Individuals*	8,283	13,702	13,807	13,913	14,020	**63,725**	**10**
							72100	*Contractual Services-Companies*	0	0	13,622	13,622	5,108	**32,352**	**12**

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			Plans and ESMPs				*73100*	*Rental & Maintenance-Premises*	361	361	361	361	362	**1,806**	**13**
		Total Output 2.1							**255,998**	**472,134**	**612,946**	**481,363**	**401,237**	**2,223,678**	
			Activity 2.2.1: Support innovators to identify and access appropriate financing pathways	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*	31,555	52,199	52,598	53,001	53,410	**242,763**	**10**
							71600	*Travel*	541	2,250	2,162	2,162	2,162	**9,277**	**11**
							72100	*Contractual Services-Companies*	0	0	103,784	103,784	38,918	246,486	**12**
							73100	*Rental & Maintenance-Premises*	2,750	2,750	2,750	2,750	2,751	13,751	**13**
			Activity 2.2.2: Generate and consolidate evidence of impact, scale, and systemic influence	*UNDP*	*62040*	*011602*	*71400*	*Contractual Services-Individuals*	31,555	52,199	52,597	53,001	53,410	**242,762**	**10**
							71600	*Travel*	541	2,250	2,162	2,162	2,162	**9,277**	**11**
									66,942	**111,648**	**216,053**	**216,860**	**152,813**	**764,316**	
	Total Outcome 2								**322,940**	**583,782**	**828,999**	**698,223**	**554,050**	**2,987,994**	
Total Component 2									**322,940**	**583,782**	**828,999**	**698,223**	**554,050**	**2,987,994**	
			Activity 3.1.1: Design and implement a structured learning and knowledg	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	9,022	10,147	10,350	10,556	10,768	**50,843**	**14**
							71400	*Contractual Services-Individuals*	8,607	16,365	16,436	16,508	16,581	**74,497**	**15**
							73100	*Rental & Maintenance-Premises*	232	232	232	232	232	**1,160**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	1,805	1,805	1,805	1,805	**7,220**	**19**

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			e management architecture												
			Activity 3.1.2: Develop, maintain, and operationalise a digital knowledge platform	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	9,022	10,147	10,350	10,556	10,768	**50,843**	**14**
							71400	*Contractual Services-Individuals*	8,607	16,365	16,436	16,508	16,581	**74,497**	**15**
							73100	*Rental & Maintenance-Premises*	232	232	232	232	232	**1,160**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	1,805	1,805	1,805	1,805	**7,220**	**19**
			Activity 3.1.3: Produce, quality-assure, and disseminate innovation-focused knowledge products	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	18,044	20,293	20,699	21,113	21,535	**101,684**	**14**
							71400	*Contractual Services-Individuals*	17,213	32,731	32,872	33,016	33,163	**148,995**	**15**
							73100	*Rental & Maintenance-Premises*	464	464	464	464	464	**2,320**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	3,610	3,610	3,610	3,610	**14,440**	**19**
			Activity 3.1.4: Operationalize the MBA Fellowship Programme and failure-learning protocol	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	36,088	40,586	41,398	42,226	43,070	**203,368**	**14**
							71400	*Contractual Services-Individuals*	34,426	65,461	65,745	66,034	66,326	**297,992**	**15**
							73100	*Rental & Maintenance-Premises*	928	928	928	928	928	**4,640**	**17**
							74200	*Audio Visual&Print Prod Costs*	0	7,220	7,220	7,220	7,220	**28,880**	**19**
		Total Output 3.1							**142,885**	**228,391**	**230,582**	**232,813**	**235,088**	**1,069,759**	
			Activity 3.2.1:	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	27,548	28,099	28,661	29,234	**127,105**	**14**

			Organise and facilitate structured peer-learning and knowledge exchange activities				*71400*	*Contractual Services-Individuals*	17,540	40,913	41,090	41,270	41,454	**182,267**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.2: Deliver targeted learning modules and peer exchanges to strengthen grantee capacities	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	25,366	30,325	30,931	31,549	**131,734**	**14**
							71400	*Contractual Services-Individuals*	17,540	40,913	41,090	41,270	41,454	**182,267**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.3: Facilitate cross-country and cross-regional learning exchanges	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	13,563	29,730	25,874	26,391	26,919	**122,477**	**14**
							71400	*Contractual Services-Individuals*	25,494	40,913	41,090	41,270	41,454	**190,221**	**15**
							71600	*Travel*	1,400	5,000	5,003	5,269	5,292	**21,964**	**16**
							74200	*Translation Costs*	1,000	0	0	0	0	**1,000**	**19**
							75700	*Training, Workshops and Confer*	0	26,000	0	0	26,000	**52,000**	**20**
			Activity 3.2.4: Implement coordinated communi	*UNDP*	*62040*	*011602*	*61300*	*Salary & Post Adj Cst-IP Staff*	34,777	50,733	51,748	52,782	53,838	**243,878**	**14**
							71400	*Contractual Services-Individuals*	47,010	84,410	84,764	85,124	85,490	**386,798**	**15**
							71600	*Travel*	2,800	10,000	10,007	10,538	10,583	**43,928**	**16**

			cation, visibility, and dissemination activities				74200	Audio Visual&Print Prod Costs	0	22,561	22,561	22,561	22,562	**90,245**	**18**
							74200	Translation Costs	2,000	0	0	0	0	**2,000**	**19**
							75700	Training, Workshops and Confer	0	52,000	0	0	52,000	**104,000**	**20**
		Total Output 3.2							**195,050**	**518,087**	**391,657**	**396,605**	**530,413**	**2,031,812**	
	Total Outcome 3								**337,935**	**746,478**	**622,239**	**629,418**	**765,501**	**3,101,571**	
Total Component 3									**337,935**	**746,478**	**622,239**	**629,418**	**765,501**	**3,101,571**	
Project Execution Costs	*Project Management Cost (PMC)*		*PMC*	*UNDP*	*62040*	*011602*	61300	Salary & Post Adj Cst-IP Staff	19,400	21,819	22,256	22,701	23,155	**109,331**	**21**
							71400	Contractual Services-Individuals	2,172	17,178	17,339	17,505	17,677	**71,871**	**22**
							71600	Travel	0	3,512	5,200	5,200	5,200	**19,112**	**23**
							72800	Information Technology Equipmt	8,000					**8,000**	**24**
							73100	Rental & Maintenance-Premises	8,743	8,743	8,743	8,743	8,743	**43,715**	**25**
							71200	International Consultants	0	23,750	23,750	23,750	23,750	**95,000**	**26**
							64300	Direct Project Cost-Staff	2,061	15,000	15,000	15,000	15,000	**62,061**	**27**
Total Project Management Cost (3%)									**40,376**	**90,002**	**92,288**	**92,899**	**93,525**	**409,090**	
Total Project Cost									**1,028,484**	**3,121,444**	**3,245,654**	**3,123,631**	**3,117,151**	**13,636,364**	
Implementing Entity Fee (10%)									**102,848**	**312,144**	**324,565**	**312,363**	**311,715**	**1,363,636**	
Total Project Grant									**1,131,332**	**3,433,588**	**3,570,219**	**3,435,995**	**3,428,866**	**15,000,000**	

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Executing Entity (EE) cost breakdown

Cost Item	Description / Basis of Calculation	Total Cost (USD)
Salary & Post Adj Cst-IP Staff	6% Project Manager (P3) (part of the PMU): 1 person @ $1,065.25/month for 60 months	63,915.00
Salary & Post Adj Cst-IP Staff	6% Procurement Analyst (P2) (part of the PMU): 50% time 1 person @ $351.18/month for 60 months	21,071.00
Salary & Post Adj Cst-IP Staff	6% Finance and Operations Analyst (P2) (part of the PMU): (1 person @ $450.85/month for 54 months)	24,345.00
Contractual Services-Individuals	15% Project Analyst (IPSA 9) (part of the PMU): 1 person @ $1,197.85/month for 60 months	71,871.00
Travel	1 Grantee Site Visit per year: $3,822.40 per trip x 5 years	19,112.00
Rental & Maintenance-Premises	41.24% Rental and Maintenance: Office space for PMU @ $728.58/month for 60 months	43,715.00
Equipment	Laptops, Monitors, Software: For Project Manager, Finance Analyst, Procurement Analyst, and Project Analyst @ $2,000	8,000.00
International Consultant	Impact and knowledge Reporting Consultant(including consultancy honoraries)	95,000.00
Direct Project Cost-Staff	UNDP Operational Support Services: Recruitment, contract management, travel, approvals, and grants management @ $ 13,791.23 per year for 4.5 years	62,061.00
TOTAL EE COSTS		**409,090.00**

Justification: AFCIA Phase 2 has higher execution costs cover essential administrative and project management support personnel needed to administer a large-scale, global project, with multiple grants and transactional services across numerous small organizations (NGOs/CSOs and MSMEs). Operational demands are further heightened by the project's design, which necessitates the provision of support at both global, regional and national levels, as well as sustained engagement with community organizations across multiple countries. To ensure effective implementation, this structure requires operational and administrative implementation support for each grantee, and real-time, in-country problem-solving all requiring a significant operational budget.

The higher execution costs of 3% ensure that project activities are implemented efficiently and accurately, while remaining responsive to the specific needs of each grantee and maintaining sufficient flexibility to provide tailored support which may have greater implications for administrative and project management costs. This one-on-one dedicated administrative and operational support was one of the most valued characteristics during the implementation of UNDP-AFCIA Phase 1 as expressed by the participating grantees, because it allowed them to conclude their LVGA´s implementation with following an adaptative management process throughout the process.

The additional 1.5% requested relates exclusively to execution-level responsibilities that UNDP will deliver as an Executing Entity (EE), more specifically:

- Global grant administration.

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- Management of specific project components;
- Managing two competitive grant windows and administering at least 26 LVGAs issued to NGOs/CSOs and MSMEs;
- Providing direct operational support to grantees;
- Carrying out the due diligence before by the PMU before signing the LVGAs with grantees;
- Engaging/procuring consultants or companies to deliver technical assistance.
- Undertaking travel directly related to execution-level functions.
- Setting up an online platform/website for data collection linked to specific performance indicators;

The above costs are demonstrably distinct from IE oversight or corporate functions which are itemized and costed under the "IE fee breakdown" table below – and clearly separated.

Implementing Entity (IE) fee breakdown

Category	Services Provided by UNDP	IE fee (USD) AFCIA 2
Identification, Sourcing and Screening of Ideas	Provide information on substantive issues in adaptation and innovation associated with the purpose of the Adaptation Fund (AF).	68,182
	Engage in upstream policy dialogue related to a potential application to the AF.	
	Verify soundness & potential eligibility of identified ideas for AF.	
Feasibility Assessment / Due Diligence Review	Provide up-front guidance on converting general idea into a feasible project/programme.	204,545
	Source technical expertise in line with the scope of the project/programme.	
	Verify technical reports and project conceptualization.	
	Provide detailed screening against technical, financial, social and risk criteria and provide statement of likely eligibility against AF requirements.	
	Determination of execution modality and local capacity assessment of the executing entity.	
	Assist in identifying technical partners. Validate partner technical abilities. Obtain clearances from AF.	

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Development & Preparation	Provide technical support, backstopping and troubleshooting to convert the idea into a technically feasible and operationally viable project/programme.	272,727
	Source technical expertise in line with the scope of the project/programme needs.	
	Verify technical reports and project conceptualization.	
	Verify technical soundness, quality of preparation, and match with AF expectations.	
	Negotiate and obtain clearances by AF. Respond to information requests, arrange revisions etc.	
Implementation	Technical support in preparing TORs and verifying expertise for technical positions.	613,637
	Provide technical and operational guidance to project team. - Verification of technical validity / match with AF expectations of inception report/baseline report.	
	Provide technical information as needed to facilitate implementation of the project activities.	
	Prepare Project Baseline Report	
	Provide advisory services as required.	

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	Provide technical support, participation as necessary during project activities.	
	Provide troubleshooting support if needed. Provide support and oversight missions as necessary.	
	Provide technical monitoring, progress monitoring, validation and quality assurance throughout.	
	Allocate and monitor Annual Spending Limits based on agreed work plans.	
	Receipt, allocation and reporting to the AFB of financial resources.	
	Oversight and monitoring of AF funds, including audit.	
	Return unspent funds to AF.	
Evaluation and Reporting	Provide technical support in preparing TOR and verify expertise for technical positions involving evaluation and reporting (including for the Mid-Term- and Terminal Evaluations).	204,545
	Participate in briefing / debriefing (including for the Mid-Term and Terminal Evaluations).	
	Verify technical validity / match with AF expectations of all evaluation and other reports (including supervision/development of the Baseline Data Report, Project Performance Report, and Project Completion Report, the Mid-Term and Terminal Evaluations).	
	Undertake technical analysis and validate results.	

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	Disseminate technical findings	
Total		**1,363,636**

H.Include a disbursement schedule with time-bound milestones.

Disbursement Schedule with Time-Bound Milestones

	Upon Agreement signature (Year 1)	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Total**
Scheduled Date	1-Jan-2027	1-Jan-2028	1-Jan-2029	1-Jan-2030	1-Jan-2031	
Project Funds	1,089,482	6,808,130	2,303,778	1,839,350	1,595,624	13,636,364
Implementing Entity Fees	610,823	408,488	138,227	110,361	95,737	1,363,636
Total	1,700,305	7,216,618	2,442,005	1,949,711	1,691,361	15,000,000

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

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

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
Implementing Entity Coordinator DocuSigned by: Nancy Bennet 4EEADA5A5FE9433... *Nancy Bennet* *Director, Quality and Impact Hub and* *Executive Coordinator, Vertical Funds* *Bureau for Policy and Programme Support (BPPS)* *United Nations Development Programme*	
Date: 19-Aug-2026	Tel. and email: nancy.bennet@undp.org
Project Contact Person: Radhika Dave, Senior Technical Advisor, Climate Change Adaptation, BPPS	
Tel. And Email: Radhika.dave@undp.org	

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PART V: ANNEXES

Annex 1: Lessons Learnt compilation from AFCIA 1

Included as a separate file in this proposal.

Annex 2a: Preliminary online application format
Included as a separate file in this proposal.

Annex 2b. Preliminary Detailed Proposal Application Format
Included as a separate file in this proposal.

Annex 2c. Selection Process and Evaluation Criteria
Included as a separate file in this proposal

Annex 3: Social and Environmental Screening Procedure (SESP)
Included as a separate file in this proposal.

Annex 4. Social and Environmental Management Framework (ESFM)
Included as a separate file in this proposal.

Annex 5: Gender Assessment and Action Plan
Included as a separate file in this proposal.

Annex 5a. GAP and Results Framework Crosswalk Indicator Table
Included as a separate file in this proposal.

Annex 6a: Stakeholder Consultations and Engagement during the Design Phase
Included as a separate file in this proposal.

Annex 6b: Stakeholder Engagement Plan during the Implementation Phase
Included as a separate file in this proposal.

Annex 7: Minutes from the Stakeholder Consultations
Included as a separate file in this proposal.

Annex 8: Detailed Budget and Breakdown of the IE Management Fee
Included as a separate file in this proposal.

Annex 9: Detailed Multi Annual Workplan
Included as a separate file in this proposal.

Annex 10: Organigram
Included as a separate file in this proposal.

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Annex 11: Communications and visibility strategy
Included as a separate file in this proposal.

Annex 12: Detailed background information
Included as a separate file in this proposal.

Annex 13: Methodology for estimating the AFCIA 2 beneficiaries
Included as a separate file in this proposal.