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ADAPTATION FUND

CONCEPT NOTE PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project:	Integrating Community-Led Adaptation and Climate Risk Reduction for Resilience Building at Local Level in Sri Lanka
Country:	Sri Lanka
Thematic Focal Area:	Ecosystem-based adaptation, rural/urban development
Type of Implementing Entity:	Multilateral Implementing Entity
Implementing Entity:	United Nations Development Programme (UNDP)
Executing Entities:	Ministry of Rural Development, Social Security, and Community Empowerment, UNDP, UN-Habitat, and FAO
Amount of Financing Requested:	20 000 000 (in U.S Dollars Equivalent)
Project Formulation Grant Request:	Yes ☐☒ No ☐ □
Amount of Requested financing for PFG:	150 000 (in U.S Dollars Equivalent)
Letter of Endorsement (LOE) signed:	Yes ☒ ☐ No ☐ □

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

Stage of Submission:

☐☒ This concept proposal has been submitted before

☐☐ This is the first submission ever of the concept proposal

In case of a resubmission, please indicate the last submission date: 05/29/2026

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

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Project/Programme Background and Context:

1. Introduction

1.1 National Context: Geography, Topography, Demography

Sri Lanka is a 65,610 km² island nation with a population of 23.2 million. Its central highlands create three distinct climatic zones: the Wet Zone (southwest), the Dry Zone (north and east), and the Intermediate Zone. The climate is governed by a bimodal monsoon system—the Southwest (SWM) and Northeast (NEM)—resulting in high spatial and temporal rainfall variability. Hydrology is defined by radial river basins, extensive Dry Zone tank cascades, and low-lying coastal plains. Approximately 81% of the population is rural, with livelihoods predominantly dependent on climate-sensitive agriculture, fisheries, and forestry. Accelerating but unplanned urbanisation, population ageing, and persistent rural poverty create differentiated risk profiles that necessitate localised, context-specific adaptation.

1.2 Macro-economic Context

The 2022 economic crisis severely constrained Sri Lanka's fiscal space for climate investment. Following structural weaknesses and exogenous shocks, GDP contracted by 7.3% in 2022, inflation peaked at 69.8%, and public debt reached 119.2% of GDP, leading to an external debt default. Poverty surged from 11.3% in 2019 to 25.9% in 2023, with one-third of the population now living in poverty or at high risk of falling into it. Inequality widened (Gini 0.385), and malnutrition deteriorated, with child underweight prevalence rising to 17%. Despite IMF-supported stabilisation, real wages remain 14–24% below pre-crisis levels and interest payments absorb 9% of GDP, limiting public investment in resilience. Without external support, the country's recovery remains fragile and unable to fund inclusive, climate-resilient development[1].

1.3 Community Development

Approximately 16% of Sri Lankans are multidimensionally poor (81% rural). Vulnerability reflects overlapping deprivations in housing, sanitation, and income, compounded by gender inequalities and post-conflict legacies in the Northern and Eastern Provinces. Post-2022 crisis recovery remains incomplete. Climate impacts—droughts, floods, extreme weather—damage livelihoods, deplete assets, and increase food insecurity among the poorest, risking deeper poverty and negative coping strategies (asset liquidation, child labour, out-migration).

1.4. Climate Rationale[2]

Sri Lanka's climate is shaped by a bi-annual monsoon regime (SWM; NEM) producing high rainfall variability that determines freshwater distribution and Yala/Maha cultivation seasons. Climate impacts now intersect with chronic socio-economic vulnerabilities, producing compound risks. The post-2022 economic crisis has further eroded adaptive capacity, reducing access to inputs, credit, and services while limiting public resilience investment. Cyclone Ditwah (November 2025) exemplifies compound climate impacts: 2.3 million people affected, 233,000 displaced to 1,441 safety centres, 148,410 ha of cultivated land damaged during the Maha season, and livelihoods disrupted for over 200,000 agrarian and fishery households. Ditwah aligns with observed trends of intensified rainfall and multi-hazard impacts, and with projections of more frequent compound extremes under warming. In target districts, heavy rainfall, flooding, and landslides disrupted livelihoods and damaged infrastructure, compounding macroeconomic stress. With ~50,000 people in safety centres at peak and recovery needs exceeding fiscal capacity, Cyclone Ditwah underscores the urgency of anticipatory planning and climate-resilient development—the approach embedded in this project.

1.4.1. Observed Climate Trends[3]

Table 1. Summary of observed climate trends

Variable	Observed trend	Implications
Temperature	Mean annual temperature increasing ~0.13°C/decade since the 1960s; warm nights increasing at >60% of stations; cold nights decreasing at 70%; shrinking diurnal temperature range	Rising heat stress (amplified in urban/peri-urban areas), affecting health, labour productivity, and heat-sensitive crops and livestock
Rainfall variability	Strong spatial/seasonal contrasts (<1,000 mm in driest areas; >5,000 mm in wettest highlands); extreme rainfall events doubled since 1990 (notably inter-monsoons); declining NEM reliability affecting Dry Zone recharge	Greater uncertainty for farming and water management; higher flood/landslide and drought risks

[1] *World Bank. (2025). Sri Lanka Development Update: Staying on Track. In https://documents1.worldbank.org/curated/en/099416504222514112/pdf/IDU-5b9c001a-8831-43a2-92e7-71fbee0f642e.pdf.*

[2] *All climate data and projections cited in the preceding chapter are sourced from the latest available reference: Jayawardena, I. M. S. P., Darshika, D. W. T. T., Herath, H. M. R. C., & Hapuarachchi, H. A. S. U. (2024). Climate variability observed climate trends, and future climate projections for Sri Lanka. Elsevier EBooks, 77–119. https://doi.org/10.1016/b978-0-323-99519-1.00010-7*

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Variable	Observed trend	Implications
Compound extremes	Droughts (2011–2021) affected ~9.6 million; floods cause ~US$240 million/year losses; sea-level rise ~3 mm/year with surges 18–22 cm; Cyclone Ditwah affected >2.3 million	Increasing multi-hazard damage to infrastructure, livelihoods, ecosystems and services, with cascading

1.4.2. Future Climate Projections[4]

Table 2. Summary of projected climate trends

Variable	Projected change	Implications
Temperature	Warming across scenarios, with average temperatures projected to rise (including higher daytime and night-time temperatures)	Increasing heat stress for people, crops and livestock; rising pressure on health systems and energy demand
Rainfall direction – SWM intensification	SWM rainfall projected to intensify across future periods under both RCP 4.5 and RCP 8.5	Elevated flood and landslide risks, particularly in wet and intermediate zones
Rainfall direction – NEM negative anomaly	NEM rainfall expected to remain below historical average and less reliable across future periods under both RCP 4.5 and RCP 8.5	Heightened drought and water scarcity risks for Dry Zone agriculture and water systems
Compound extremes	Increasing co-occurring and cascading extremes, including intense rainfall-driven flooding, longer dry spells/seasonal drought, and cyclone-related impacts with secondary hazards such as landslides	Higher probability of simultaneous shocks and rapid erosion of livelihoods, infrastructure and basic services

1.4.2.1. Key Climate Hazards and Projected Changes by District / Landscape

The target districts of Kilinochchi, Mullaitivu, and Mannar in the Northern Province, Batticaloa and Ampara in the Eastern Province, Badulla in the Uva Province and Nuwara Eliya / Matale in Central Province, face distinct yet interconnected climate hazards. Across the Northern and Eastern districts, Northeast Monsoon (NEM) rainfall has become increasingly unreliable, coupled with rising average temperatures that now surpass the optimal range for paddy cultivation, a primary livelihood. This convergence leads to decreased paddy yields and exacerbates water scarcity, particularly impacting communities dependent on minor irrigation systems and, women-headed households. Batticaloa, situated in the Dry Zone, experiences additional challenges including floods, salinity intrusion, eutrophication, and habitat degradation within its critical lagoon ecosystem, further compounded by heat stress. In Badulla and Nuwara Eliya, increasing ambient temperatures, including higher nighttime temperatures, are reducing the diurnal temperature difference, which negatively affects tuber crop cultivation. Badulla district also contends with water scarcity. As evident by cyclone Ditwah, Badulla, Nuwara Eliya and Matale districts are affected by severe soil erosion and catastrophic landslides, with its terrain morphology and agricultural land use making it particularly vulnerable to intense rainfall events. These climate shifts are already manifesting in tangible disruptions to lives, livelihoods, food and water security, and the stability of essential services, underscoring the urgent need for targeted adaptation interventions.

1.4.3. Climate implications and no-regrets adaptation

Rising temperatures, erratic rainfall, and escalating extremes are pushing rural, urban, and coastal systems beyond coping limits. Shifting monsoons undermine Yala/Maha cultivation—Dry Zone farmers face lengthening drought and unreliable NEM onset; Wet Zone communities face intensified SWM floods and landslides. Heat stress reduces labour productivity and threatens livestock. In urban settlements, flash flooding and inadequate drainage amplify exposure. Vulnerable groups—women, smallholders, daily-wage labourers, conflict-affected populations—bear disproportionate burden with least-protected assets and most limited access to risk information and financial buffers. Without systemic integration of climate risk into local government planning and budgeting, Sri Lanka risks perpetual cycles of crisis and recovery. To address inherent uncertainties in rainfall spatial distribution, the project adopts a "no-regrets" approach. This strategy prioritises institutional strengthening, climate-responsive planning, and community-led, ecosystem-based adaptation. These measures deliver tangible development benefits and reduce vulnerability across all plausible future climate scenarios, ensuring resilience regardless of specific rainfall variability or temperature trajectories.

1.4.4. Climate Risks and Coping Ranges of Key Systems in Target Districts

The project targets four livelihood systems whose coping ranges are being exceeded by observed variability and will narrow further under projected trends.

Village irrigation tank cascades in the Dry/Intermediate Zones were designed for predictable NEM onset and moderate temperature ranges. Coping strategies (Bethma sharing, staggered planting, supplementary groundwater) function within a narrow band. Delayed/failed NEM, increased dry spells, higher peak temperatures, and rainfall concentration now regularly exceed operational limits, causing crop failure, tank breach, and livelihood disruption.

[4] All climate data and projections cited in the preceding chapter are sourced from the latest available reference: Jayawardena, I. M. S. P., Darshika, D. W. T. T., Herath, H. M. R. C., & Hapuarachchi, H. A. S. U. (2024). *Climate variability, observed climate trends, and future climate projections for Sri Lanka*. Elsevier EBooks, 77–119. https://doi.org/10.1016/b978-0-323-99519-1.00010-7

Rainfed/irrigated upland farming and home-garden systems face unreliable NEM rainfall, prolonged dry spells, rising night temperatures (reducing crop recovery), flash floods on slopes, and expanding pest ranges. Traditional coping—seasonal crop switching, home-garden diversification, micro-watershed harvesting—is approaching its limits as variability intensifies and conditions shift outside established thresholds.

Lagoon and coastal wetland systems (Batticaloa Lagoon fringe, Verugal/Mavil Aru interfaces) are losing flood and salinity buffering capacity due to recurrent flooding, saline intrusion, siltation, and mangrove/marsh loss. Traditional fisheries management and supplementary agriculture are disrupted by altered flood regimes, declining water quality, and habitat degradation, pushing households into chronic livelihood insecurity.

Peri-urban and urban settlements face intense rainfall, flash flooding, and rising temperatures, aggravated by unplanned urbanisation, inadequate drainage, and concentration of vulnerable populations in flood-prone areas. Existing coping (informal drainage, ad hoc flood barriers, community self-help) is exceeded during extreme events, leaving households and enterprises with limited risk-reduction options.

On this basis, the project will implement direct interventions in selected districts in the Dry Zone and central highlands across the Northern, Eastern, Uva and Central Provinces, targeting climate-sensitive rural landscapes and densely populated peri-urban and township areas with high exposure, sensitivity and constrained adaptive capacity. Key risks include extreme rainfall and flooding, drought and water scarcity, heat stress, soil degradation and landslides, salinity intrusion, and interacting pressures such as pest outbreaks and human–elephant conflict. District-specific parameters are presented in the following section and inform the selection of measures under Components 1–4.

District profiles

Northern districts of Kilinochchi, Mullaitivu and Mannar: Rainfall-dependent minor-tank and cascade landscapes supporting paddy, upland crops and livestock are highly exposed to unreliable NEM and rising temperatures, which are constraining water availability and reducing paddy yields. Interventions focus on ecological restoration of minor tanks/cascades, water-efficient cultivation (including Alternate Wetting and Drying), rainwater harvesting, and climate-smart, market-oriented livelihood and livestock measures.

Batticaloa: Unimodal rainfall and high dependence on an increasingly unreliable NEM heighten drought and flood risks. Lagoon and river-interface systems are affected by flooding, salinity intrusion, eutrophication and mangrove loss. Interventions include mangrove restoration and wetland management, strengthened common-property governance, improved drainage and pollution control, water-efficient irrigation to manage groundwater and salinity, and coordinated protocols for the Verugal/Mavil Aru system.

Ampara: Diverse irrigation, upland and coastal interfaces face high rainfall variability, recurrent floods, prolonged dry spells, rising temperatures and salinity intrusion, alongside pronounced human–elephant conflict pressures. Interventions include climate-informed irrigation and water management, flood- and drought-resilient farming systems, soil and land conservation, ecosystem-based adaptation in wetlands and floodplains, and livelihood diversification.

Badulla, Nuwara Eliya and Matale: Highland and intermediate-zone systems are increasingly affected by rising night-time temperatures (reduced diurnal range) that constrain tuber and vegetable performance, and by intense rainfall that accelerates erosion and landslide risk in steep terrain. Interventions include soil and slope stabilisation, protected agriculture with micro-irrigation, rainwater harvesting, land productivity improvements and climate-smart dairy measures.

The coping-range analysis provides the climate-risk basis for alignment with the Adaptation Fund Strategic Results Framework, particularly Outcome 1 on reduced exposure and strengthened adaptive capacity. Baselines and targets for Outcome 1 and related core indicators will be established using the hazard and coping-range information in Section 1.4 and linked to the measures under

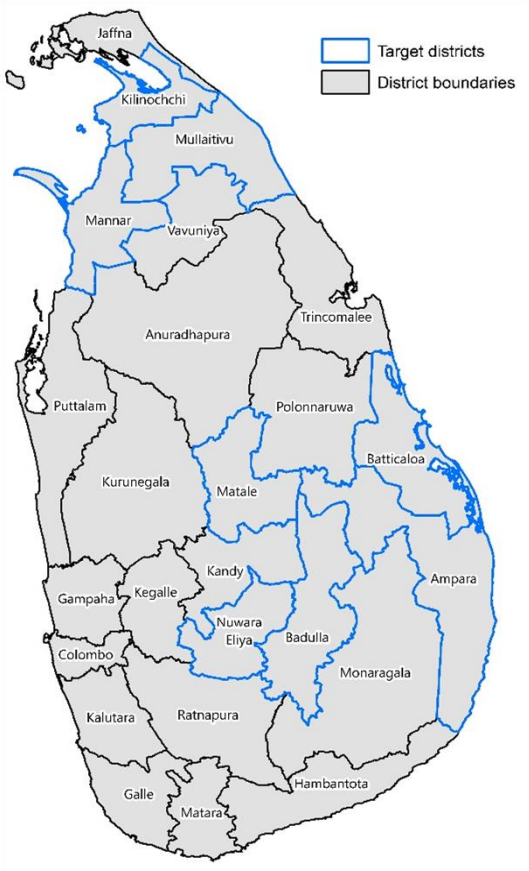


Figure 1. Location of target districts

Components 1–4 to enable traceable reporting of changes in exposure, sensitivity and adaptive capacity for identified vulnerable groups.

1.5. Problem Statement

Sri Lanka faces accelerating climate risks and disasters such as Cyclone Ditwah[5] in 2025—that intersect with persistent poverty, inequality, and institutional capacity constraints. These impacts weaken poverty alleviation efforts, disrupt rural and urban development gains, and undermine agriculture, water security, municipal services, and livelihoods. These impacts disproportionately affect smallholder farmers, women- headed households, informal workers, urban poor, youth, and persons with disabilities whose adaptive capacity is limited by overlapping social and economic deprivations and persistent economic fragility and governance gaps.

Despite these risks, development programmes are implemented with little climate consideration. Planning relies on historical assumptions, lacks forward-looking projections, and does not screen investments for climate vulnerability. Communities lack tools and institutional support to translate climate information into adaptation decisions, while GESI gaps exclude those most exposed—women, youth, PwD, and marginalised groups—from planning and benefits. The project addresses these gaps by covering incremental climate adaptation costs that domestic finance cannot meet: embedding climate data and risk screening into the VDP toolkit and digital platform (Component 1), strengthening institutional and community capacity for climate-informed planning (Component 2), demonstrating replicable adaptation measures at landscape level (Component 3), and institutionalising knowledge for national scaling (Component 4)..



Figure 2. Prajashakthi Governance Mechanism

1.5.1. *Prajashakthi*: The National Movement to Eradicate Poverty and the adaptation trajectory

Launched in June 2025, Prajashakthi is Sri Lanka's unified poverty eradication model, consolidating fragmented social protection into a participatory framework. It operates through Community Development Councils (CDCs) across all 14,008 Grama Niladhari divisions, supported by national and divisional coordination. However, Prajashakthi currently lacks climate integration; planning and budgeting rely on historical assumptions without risk-screening tools or forward-looking data. While national frameworks like the NAP and NDCs provide strategic direction, the operational tools and technical skills required to mainstream climate risk at the local level are absent.

Table 3. Baseline vs. adaptation scenario summary

Trajectory	Description	Outcomes
Baseline (no adaptation)	Prajashakthi continues with a purely socio-economic focus. Development gains remain vulnerable to climate shocks.	Reliance on marginal agriculture and vulnerable infrastructure leads to asset depletion, poverty traps, and negative coping strategies (e.g. Resource exploitation).
Adaptation scenario	Prajashakthi is systematically climate-proofed. Risk analytics, digital knowledge platforms, and screening tools inform all CDC investments.	Shift to climate-resilient village development plans (CR-VDPs), nature-based drainage, and resilient livelihoods, safeguarding development gains and food security.

The project's **additionality** lies in addressing the incremental climate-risk layer. AF financing will transform Prajashakthi from a welfare-centric programme into a climate-smart, locally led development platform, covering the costs of climate analytics, resilient design standards, and institutional capacity building that domestic fiscal resources cannot currently sustain.

1.6. Barriers to Adaptation

Sri Lanka's adaptive capacity is hindered by five interlinked barriers:

- **Institutional:** Fragmented sectoral mandates and a lack of systematic climate-risk integration in local budgeting and planning processes.
- **Technical:** Scarcity of actionable, granular climate intelligence and the absence of sector-specific resilient design standards or guidelines.
- **Social and Gender:** Unequal access to land, finance, and information for women, youth, and informal workers, compounded by high unpaid care burdens.
- **Financial:** Severe national fiscal constraints and high household debt, exacerbated by post-Cyclone Ditwah recovery demands.
- **Behavioural:** Limited awareness of practical adaptation options and institutional inertia among officials burdened by competing mandates.

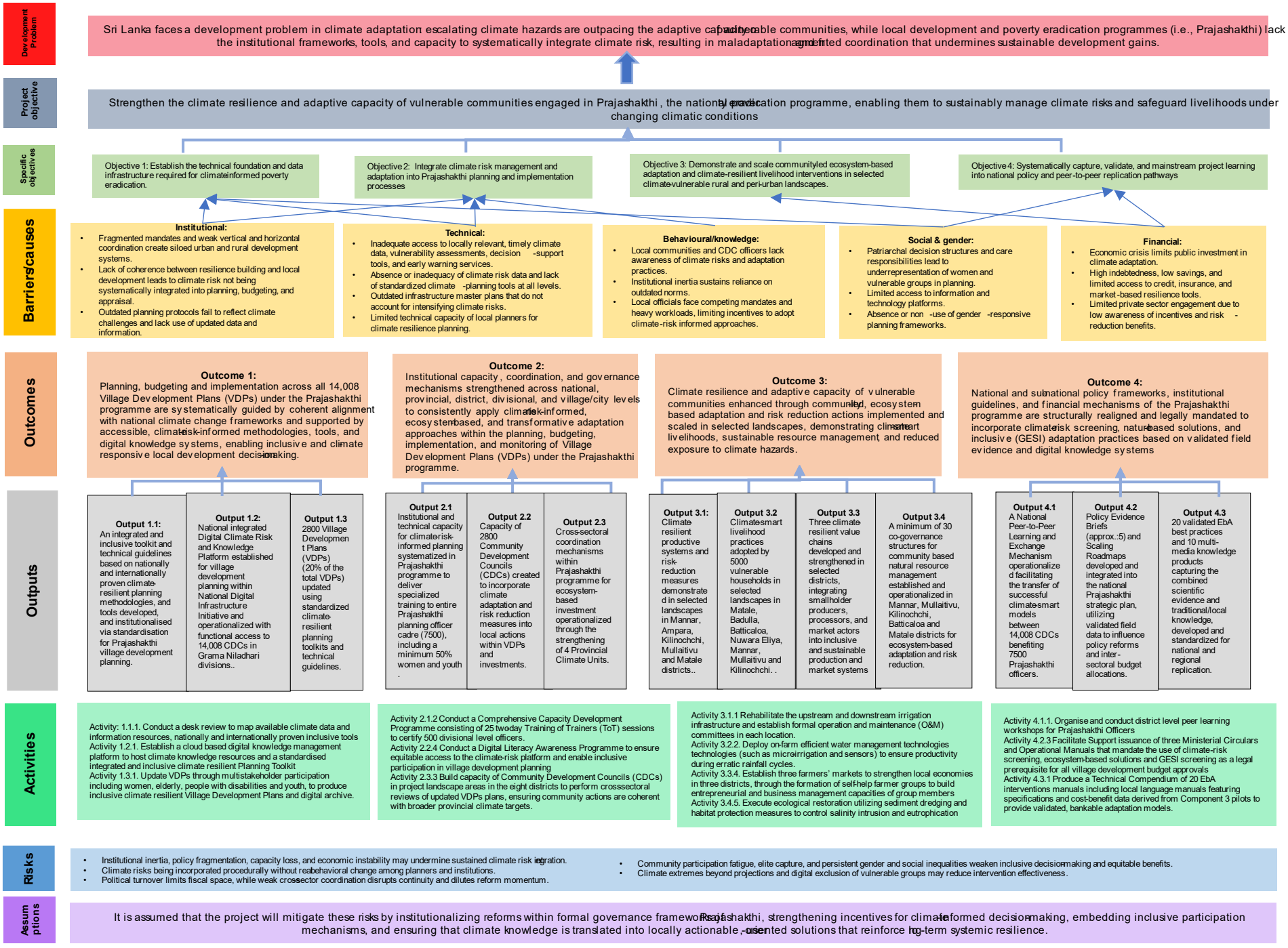
[5] Greenpeace South Asia. (2025). *WWA Study Confirms Climate Change Intensified Cyclone Ditwah's Impact in Sri Lanka: Greenpeace South Asia Calls for Urgent Action*. [Online]. Available: https://doclimate.short.gy/iGAMB8

The project aligns with and strengthens Prajashakthi through three core strategies:
i) **Strengthening climate information systems:** Developing user-friendly tools, hazard maps, and gender-responsive vulnerability assessments to ensure that granular climate data is accessible for CDC-level planning; ii) **Building technical and institutional capacity:** Training officers across all governance levels to apply risk-screening tools and climate-sensitive guidelines, ensuring coordination between Provincial Adaptation Plans and Prajashakthi committees; and iii) **Demonstrating resilient development:** Implementing community-led, ecosystem-based demonstrations in vulnerable landscapes to provide evidence for scaling up climate-smart livelihoods and resilient infrastructure nationwide. This approach shifts Prajashakthi from short-term welfare to long-term, climate-resilient development.

1.7. Theory of Change

The Problem (Baseline): Frequency and intensity of climate induced extreme events are continuously undermining the livelihoods, socio-economic wellbeing, and food security of vulnerable rural communities in Sri Lanka, actively derailing national poverty eradication efforts. When climate risk management is not adequately integrated into development and poverty alleviation programmes such as Prajashakthi, it leads to developmental setbacks, entrenched poverty, and maladaptation, which prevents sustainable human and economic development.

The Causal Pathway (Vertical Logic)
The project's Theory of Change is built on a "Knowledge-to-Institutionalization" loop. The logic starts at the landscape level (Component 3), where 50 climate-vulnerable landscapes serve as "adaptation labs" to test (or 'adaptation incubators' to demonstrate) and validate nature-based solutions and climate-smart livelihoods. This evidence is technically validated and uploaded into a knowledge platform within the National Digital Public Infrastructure (Component 1), which also helps to transform macro-level scientific/technical data into usable, local-level risk intelligence. This information then triggers a behavioural shift in the governance layer (Component 2), where 500 planners, 7500 Prajashakthi Officers and 14,008 Community Development Committees (CDCs) are trained to use this data to screen Village Development Plans (VDPs) and convert them to integrated and inclusive climate resilient VDPs. Finally, the logic culminates in policy mainstreaming (Output 4.3.), where these risk-informed processes are translated into ministerial circulars, ensuring that the approximately USD 16.6 million annual Prajashakthi budget (2026 allocation) is permanently reoriented from maladaptive projects and toward climate-resilient investments such as those demonstrated in Component 3.


Development Problem
Sri Lanka faces a development problem in climate adaptation: escalating climate hazards are outpacing the adaptive capacity of vulnerable communities, while local development and poverty eradication programmes (i.e., Prajashakthi) lack the institutional frameworks, tools, and capacity to systematically integrate climate risk, resulting in maladaptation and limited coordination that undermines sustainable development gains.
Project objective
Strengthen the climate resilience and adaptive capacity of vulnerable communities engaged in Prajashakthi, the national poverty eradication programme, enabling them to sustainably manage climate risks and safeguard livelihoods under changing climatic conditions
Specific objectives
Objective 1: Establish the technical foundation and data infrastructure required for climate-informed poverty eradication.
Objective 2: Integrate climate risk management and adaptation into Prajashakthi planning and implementation processes
Objective 3: Demonstrate and scale community-led ecosystem-based adaptation and climate-resilient livelihood interventions in selected climate-vulnerable rural and peri-urban landscapes.
Objective 4: Systematically capture, validate, and mainstream project learning into national policy and peer-to-peer replication pathways
Barriers/causes
Institutional:
Fragmented mandates and weak vertical and horizontal coordination create siloed urban and rural development systems.
Lack of coherence between resilience building and local development leads to climate risk not being systematically integrated into planning, budgeting, and appraisal.
Outdated planning protocols fail to reflect climate challenges and lack use of updated data and information.
Technical:
Inadequate access to locally relevant, timely climate data, vulnerability assessments, decision-support tools, and early warning services.
Absence or inadequacy of climate risk data and lack of standardized climate-planning tools at all levels.
Outdated infrastructure master plans that do not account for intensifying climate risks.
Limited technical capacity of local planners for climate resilience planning.
Behavioural/knowledge:
Local communities and CDC officers lack awareness of climate risks and adaptation practices.
Institutional inertia sustains reliance on outdated norms.
Local officials face competing mandates and heavy workloads, limiting incentives to adopt climate-risk informed approaches.
Social & gender:
Patriarchal decision structures and care responsibilities lead to underrepresentation of women and vulnerable groups in planning.
Limited access to information and technology platforms.
Absence or non-use of gender-responsive planning frameworks.
Financial:
Economic crisis limits public investment in climate adaptation.
High indebtedness, low savings, and limited access to credit, insurance, and market-based resilience tools.
Limited private sector engagement due to low awareness of incentives and risk-reduction benefits.
Outcomes
Outcome 1:
Planning, budgeting and implementation across all 14,008 Village Development Plans (VDPs) under the Prajashakthi programme are systematically guided by coherent alignment with national climate change frameworks and supported by accessible, climate-risk-informed methodologies, tools, and digital knowledge systems, enabling inclusive and climate-responsive local development decision-making.
Outcome 2:
Institutional capacity, coordination, and governance mechanisms strengthened across national, provincial, district, divisional, and village/city levels to consistently apply climate-risk-informed, ecosystem-based, and transformative adaptation approaches within the planning, budgeting, implementation, and monitoring of Village Development Plans (VDPs) under the Prajashakthi programme.
Outcome 3:
Climate resilience and adaptive capacity of vulnerable communities enhanced through community-led, ecosystem-based adaptation and risk reduction actions implemented and scaled in selected landscapes, demonstrating climate-smart livelihoods, sustainable resource management, and reduced exposure to climate hazards.
Outcome 4:
National and sub-national policy frameworks, institutional guidelines, and financial mechanisms of the Prajashakthi programme are structurally realigned and legally mandated to incorporate climate-risk screening, nature-based solutions, and inclusive (GESI) adaptation practices based on validated field evidence and digital knowledge systems
Outputs
Output 1.1: An integrated and inclusive toolkit and technical guidelines based on nationally and internationally proven climate-resilient planning methodologies, and tools developed, and institutionalised via standardisation for Prajashakthi village development planning.
Output 1.2: National integrated Digital Climate Risk and Knowledge Platform established for village development planning within National Digital Infrastructure Initiative and operationalized with functional access to 14,008 CDCs in Grama Niladhari divisions..
Output 1.3 2800 Village Development Plans (VDPs) (20% of the total VDPs) updated using standardized climate-resilient planning toolkits and technical guidelines.
Output 2.1 Institutional and technical capacity for climate-risk-informed planning systematized in Prajashakthi programme to deliver specialized training to entire Prajashakthi planning officer cadre (7500), including a minimum 50% women and youth .
Output 2.2 Capacity of 2800 Community Development Councils (CDCs) created to incorporate climate adaptation and risk reduction measures into local actions within VDPs and investments.
Output 2.3 Cross-sectoral coordination mechanisms within Prajashakthi programme for ecosystem-based investment operationalized through the strengthening of 4 Provincial Climate Units.
Output 3.1: Climate-resilient productive systems and risk-reduction measures demonstrated in selected landscapes in Mannar, Ampara, Kilinochchi, Mullaitivu and Matale districts..
Output 3.2 Climate-smart livelihood practices adopted by 5000 vulnerable households in selected landscapes in Matale, Badulla, Batticaloa, Nuwara Eliya, Mannar, Mullaitivu and Kilinochchi. .
Output 3.3 Three climate-resilient value chains developed and strengthened in selected districts, integrating smallholder producers, processors, and market actors into inclusive and sustainable production and market systems
Output 3.4 A minimum of 30 co-governance structures for community based natural resource management established and operationalized in Mannar, Mullaitivu, Kilinochchi, Batticaloa and Matale districts for ecosystem-based adaptation and risk reduction.
Output 4.1 A National Peer-to-Peer Learning and Exchange Mechanism operationalized facilitating the transfer of successful climate-smart models between 14,008 CDCs benefiting 7500 Prajashakthi officers.
Output 4.2 Policy Evidence Briefs (approx.:5) and Scaling Roadmaps developed and integrated into the national Prajashakthi strategic plan, utilizing validated field data to influence policy reforms and inter-sectoral budget allocations.
Output 4.3 20 validated EbA best practices and 10 multi-media knowledge products capturing the combined scientific evidence and traditional/local knowledge, developed and standardized for national and regional replication.
Activities
Activity: 1.1.1. Conduct a desk review to map available climate data and information resources, nationally and internationally proven inclusive tools
Activity 1.2.1. Establish a cloud based digital knowledge management platform to host climate knowledge resources and a standardised integrated and inclusive climate resilient Planning Toolkit
Activity 1.3.1. Update VDPs through multistakeholder participation including women, elderly, people with disabilities and youth, to produce inclusive climate resilient Village Development Plans and digital archive.
Activity 2.1.2 Conduct a Comprehensive Capacity Development Programme consisting of 25 two-day Training of Trainers (ToT) sessions to certify 500 divisional level officers.
Activity 2.2.4 Conduct a Digital Literacy Awareness Programme to ensure equitable access to the climate-risk platform and enable inclusive participation in village development planning
Activity 2.3.3 Build capacity of Community Development Councils (CDCs) in project landscape areas in the eight districts to perform cross-sectoral reviews of updated VDPs plans, ensuring community actions are coherent with broader provincial climate targets.
Activity 3.1.1 Rehabilitate the upstream and downstream irrigation infrastructure and establish formal operation and maintenance (O&M) committees in each location.
Activity 3.2.2. Deploy on-farm efficient water management technologies technologies (such as micro-irrigation and sensors) to ensure productivity during erratic rainfall cycles.
Activity 3.3.4. Establish three farmers' markets to strengthen local economies in three districts, through the formation of self-help farmer groups to build entrepreneurial and business management capacities of group members
Activity 3.4.5. Execute ecological restoration utilizing sediment dredging and habitat protection measures to control salinity intrusion and eutrophication
Activity 4.1.1. Organise and conduct district level peer learning workshops for Prajashakthi Officers
Activity 4.2.3 Facilitate Support issuance of three Ministerial Circulars and Operational Manuals that mandate the use of climate-risk screening, ecosystem-based solutions and GESI screening as a legal prerequisite for all village development budget approvals
Activity 4.3.1 Produce a Technical Compendium of 20 EbA interventions manuals including local language manuals featuring specifications and cost-benefit data derived from Component 3 pilots to provide validated, bankable adaptation models.
Risks
Institutional inertia, policy fragmentation, capacity loss, and economic instability may undermine sustained climate risk integration.
Climate risks being incorporated procedurally without real behavioral change among planners and institutions.
Political turnover limits fiscal space, while weak cross-sector coordination disrupts continuity and dilutes reform momentum.
Community participation fatigue, elite capture, and persistent gender and social inequalities weaken inclusive decision-making and equitable benefits.
Climate extremes beyond projections and digital exclusion of vulnerable groups may reduce intervention effectiveness.
Assumptions
It is assumed that the project will mitigate these risks by institutionalizing reforms within formal governance frameworks of Prajashakthi, strengthening incentives for climate-informed decision-making, embedding inclusive participation mechanisms, and ensuring that climate knowledge is translated into locally actionable, user-oriented solutions that reinforce long-term systemic resilience.

Mechanism for Equitable Distribution of Benefits

To ensure that benefits are not captured by local elites and reach the most vulnerable, the ToC incorporates three distribution anchors:

1. Mandatory GESI Screening: All 14,008 VDPs must pass a mandatory Gender and Social Inclusion (GESI) screen within the digital toolkit introduced through project to qualify for funding in the long term (Activity 4.2.3.), specifically identifying benefits for female-headed households, people with disabilities, and the elderly.
2. Digital Inclusion Strategy: Realizing that digital tools can create a "knowledge divide," the project provides digital literacy training to 60,000 including 50% women and youth, enabling them to directly access the agro-met advisories and market data produced in Component 2 (activity 2.2.4).
3. Targeted Asset Allocation: Physical infrastructure, such as the 100 agro-processing centres (Activity 3.3.3.) and 3 Farmers' Markets, (Activity 3.3.4.) includes a legal mandate for 50% ownership or management by women-led producer groups, ensuring direct economic empowerment.

Assumptions and Resilience to Uncertainty

The ToC accounts for climate uncertainty by adopting a "No-Regrets" approach. The vertical logic holds even under varying climate scenarios because the foundational intervention; institutional capacity for risk-informed planning, improves the government's ability to channel its investments regardless of whether the primary hazard is drought, flood, landslide or cyclone.

The primary or key assumption is that the Ministry of Rural Development Social Security & Community Empowerment (MRDSS&CE) maintains its current high commitment to achieve strategic and institutional/governance objectives of the Prajashakthi programme, This risk is mitigated to a great extent, by having government commitment at the highest level based on a special cabinet approval for the Prajashakthi programme, while the pending Parliamentary Act is (currently being drafted) will formalise local development coordination by Community Development Councils (CDC) and it is being operated within government's official policy framework, as well as its strong alignment with the National Adaptation Plan (NAP) and NDC targets.

Project/Programme Objectives:

Project Objective:

To strengthen the climate resilience and adaptive capacity of vulnerable communities engaged in Prajashakthi, the national poverty eradication programme, enabling them to sustainably manage climate risks and safeguard livelihoods under changing climatic conditions.

Specific Objectives:

The project is structured around four mutually reinforcing components corresponding to four specific objectives.

1. Objective 1: To establish the technical foundation and data infrastructure required for climate-informed poverty eradication.
2. Objective 2: To integrate climate risk management and adaptation into Prajashakthi planning and implementation processes by strengthening institutional and technical capacities across national, sub-national and community levels, ensuring risk screening, inclusive planning, and climate considerations are systematically embedded in programme design, budgeting, delivery, and monitoring.
3. Objective 3: To demonstrate and scale community-led ecosystem-based adaptation and climate-resilient livelihood interventions in selected climate-vulnerable rural and peri-urban landscapes, strengthening livelihoods, food security, and sustainable natural resource management while reducing climate-related risks.
4. Objective 4: To systematically capture, validate, and mainstream project learning into national policy and peer-to-peer replication pathways, ensuring sustainability and scaled uptake of integrated and inclusive climate-resilient poverty eradication models under Prajashakthi and enabling transfer to relevant regional platforms.

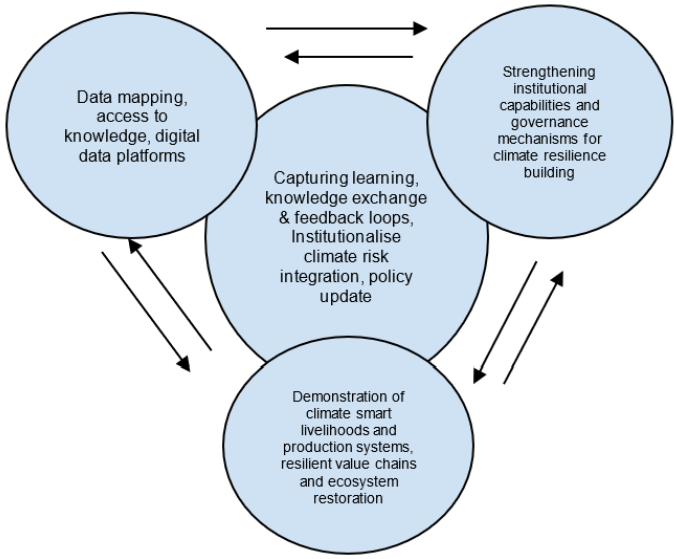


Figure 3: Interconnection of Objectives/Outputs to Create Continuous and Dynamic Learning Loops for Sustainable Policy and Practice Improvement

The objectives are designed to create continuous and dynamic learning loops that link evidence from local interventions to policy

and institutional reforms. This iterative process will foster sustainable improvements in both policy and practice, ensuring that climate resilience becomes an integral component of poverty eradication efforts.

Table 4: Project/Programme Components and Financing:

Project/Programme Components	Expected Concrete Outputs	Output Level Budget (US$)	Expected Outcomes	Amount (US$)
Component 1 Climate-Resilient Planning, Budgeting, and Implementation within the Prajashakthi poverty eradication programme **Objective:** To establish the technical foundation and data infrastructure required for climate-informed poverty eradication.	**Output 1.1:** An integrated and inclusive toolkit and technical guidelines based on nationally and internationally proven climate-resilient planning methodologies, and tools developed, and institutionalised via standardisation for Prajashakthi village development planning.	Output 1.1 250,000 (EE:UNDP)	**Expected Outcome 1:** Planning, budgeting and implementation across all 14,008 Village Development Plans (VDPs) under the Prajashakthi programme are systematically guided by coherent alignment with national climate change frameworks and supported by accessible, climate-risk-informed methodologies, tools, and digital knowledge systems, enabling inclusive and climate-responsive local development decision-making.	1,000,000
	Output 1.2: National integrated Digital Climate Risk and Knowledge Platform established for village development planning within National Digital Infrastructure Initiative and operationalized with functional access to 14,008 CDCs in Grama Niladhari divisions.	Output 1.2 350,000 (EE:UNDP)		
	Output 1.3: 2800 Village Development Plans (VDPs) (20% of the total VDPs) updated using standardized integrated and inclusive climate-resilient planning toolkits and technical guidelines.	Output 1.3 400,000 (EE:UNDP)		
Component 2: Strengthen governance and institutional capacity for climate-risk informed community development within the Prajashakthi programme. Objective 2 is to integrate climate risk management and adaptation into Prajashakthi planning and implementation processes by strengthening institutional and technical capacities across national, sub-national and community levels, ensuring risk screening, inclusive planning, and climate considerations are systematically embedded in programme design, budgeting, delivery, and monitoring.	**Output 2.1:** Institutional and technical capacity for integrated and inclusive climate-risk-informed planning systematized in Prajashakthi programme to deliver specialized training to entire Prajashakthi planning officer cadre (7500), including all women and youth.	Output 2.1 600,000 (EE:UNDP)	**Expected Outcome 2:** Institutional capacity, coordination, and governance mechanisms strengthened across national, provincial, district, divisional, and village/city levels to consistently apply climate-risk-informed, ecosystem-based, and transformative adaptation approaches within the planning, budgeting, implementation, and monitoring of Village Development Plans (VDPs) under the Prajashakthi programme.	2,300,000
	Output 2.2: Capacity of 2800 Community Development Councils (CDCs) created to incorporate integrated and inclusive climate adaptation and risk reduction measures into local actions within VDPs and investments.	Output 2.2 1,100,000 (EE: MoRDSS&CE)		
	Output 2.3: Cross-sectoral coordination mechanisms within Prajashakthi programme for ecosystem-based investment operationalized through the strengthening of 4 Provincial Climate Units.	Output 2.3 600,000 (EE:UNDP)		

Project/Programme Components	Expected Concrete Outputs	Output Level Budget (US$)	Expected Outcomes	Amount (US$)
Component 3: Demonstration and systematization of community-led transformative adaptation and resilience building for integration into Prajashakthi programme Objective 3 is to demonstrate and scale community-led ecosystem-based adaptation and climate-resilient livelihood interventions in selected climate-vulnerable rural and peri-urban landscapes, strengthening livelihoods, food security, and sustainable natural resource management while reducing climate-related risks.	**Output 3.1**: Climate-resilient productive systems and risk-reduction measures demonstrated in selected landscapes in Mannar, Ampara, Kilinochchi, Mullaitivu and Matale districts.	Output 3.1 5,500,000 (EE: MoRDSS&CE/ UNHABITAT)	**Outcome 3:** Climate resilience and adaptive capacity of vulnerable communities enhanced through community-led, ecosystem-based adaptation and risk reduction actions implemented and scaled in selected landscapes, demonstrating climate-smart livelihoods, sustainable resource management, and reduced exposure to climate hazards.	12,842,028
	Output 3.2: Climate-smart livelihood practices adopted by 5000 vulnerable households in selected landscapes in Matale, Badulla, Batticaloa, Nuwara Eliya, Mannar, Mullaitivu and Kilinochchi.	Output 3.2 2,842,028 (EE:FAO)		
	Output 3.3: Three climate-resilient value chains developed and strengthened in three selected districts, integrating smallholder producers, processors, and market actors into inclusive and sustainable production and market systems.	Output 3.3 2,750,000 (EE: FAO)		
	Output 3.4: A minimum of 25 co-governance structures for community based natural resource management established and operationalised in Mannar, Mullaitivu, Kilinochchi, Batticaloa and Matale districts for ecosystem-based adaptation and risk reduction.	Output 3.4 1,750,000 (EE: MoRDSS&CE/ UNHABITAT)		
Component 4: Knowledge Management and Evidence-Based Scaling **Objective:** To systematically capture, validate, and mainstream project learning into national policy and regional platforms, ensuring the sustainability and replication of integrated and inclusive climate-resilient poverty eradication models	**Output 4.1**: A national peer-to-peer learning and exchange mechanism operationalized facilitating the transfer of successful climate-smart models between 14,008 CDCs benefiting 7500 Prajashakthi officers.	Output 4.1 180,000 (EE:UNDP)	**Outcome 4;** National and sub-national policy frameworks, institutional guidelines, and financial mechanisms of the Prajashakthi programme are structurally realigned and legally mandated to incorporate climate-risk screening, nature-based solutions, and inclusive (GESI) adaptation practices based on validated field evidence and digital knowledge systems	540,000
	Output 4.2: Policy Evidence Briefs (approx: 5) and Scaling Roadmaps developed and integrated into the national Prajashakthi strategic plan, utilizing validated field data to influence policy reforms and inter-sectoral budget allocations.	Output 4.2 200,000 (EE:UNDP)		
	Output 4.3: 20 validated EbA best practices and 10 multi-media knowledge products capturing the combined scientific evidence and traditional/local knowledge, developed and standardized for national and regional replication.	Output 4.3 160,000 (EE:UNDP)		

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Project/Programme Components	Expected Concrete Outputs	Output Level Budget (US$)	Expected Outcomes	Amount (US$)
	6. Project/Programme Execution cost			USD 1,751,152
	7. Total Project/Programme Cost			USD 18,433,180
	8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			USD 1,566,820
	Amount of Financing Requested			USD 20,000,000

Projected Calendar:

Milestones	Expected Dates
Start of Project/Programme Implementation	01 June 2027
Mid-term Review (if planned)	December 2029
Project/Programme Closing	30 April 2032
Terminal Evaluation	October 2032

PART II: PROJECT PROGRAMME JUSTIFICATION

A. Describe the project/programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.

Component 1: Strengthen the Knowledge, Data/information Resource Base and Policy Coherence for Climate-Resilient Planning, Budgeting, and Implementation within the Prajashakthi poverty eradication programme.

Rationale and focus:

This component embeds climate risk intelligence and gender-differentiated social data into Prajashakthi's planning, budgeting, and implementation systems. It institutionalises standardised climate data, risk screening, and decision-support tools at VDP level, ensuring investments reduce climate vulnerability. Sustainability is secured through ministerial circulars and enforcement via budgeting systems. The component strengthens policy coherence with the NAP, NDC, and NBSAP, translating national commitments into measurable local adaptation outcomes.

Outputs and Activities

Output 1.1. An integrated and inclusive toolkit and technical guidelines based on nationally and internationally proven climate-resilient gender sensitive planning methodologies (at least 5), and tools (at least 5) developed, and institutionalised via standardisation for Prajashakthi village development planning

This output establishes a living repository of proven, locally appropriate adaptation models and best practices—drawing from scientific evidence, traditional and local knowledge, and pilot demonstrations—that directly inform planning, budgeting, and implementation under Prajashakthi. By embedding validated lessons into guidance materials, training curricula, knowledge management systems, and digital tools, the output ensures that successful adaptation approaches, including those led by women, youth, and local custodians of natural resources, are replicated and scaled through routine development processes. The toolkit will include specialized modules for Gender Equality and Social Inclusion (GESI), ensuring that climate-risk assessments disaggregate impacts by sex, age, and disability.

Table 5: Activity summary of output 1.1

Activity	Stakeholder	Target	Beneficiaries
Activity: 1.1.1. Conduct a desk review to map available climate data and information resources, nationally and internationally proven inclusive tools (i.e., vulnerability maps, locally customised agro-meteorological advisories, risk sharing and transfer tools, operationalising landscape approach at CDC level, resilient village development plan, etc.) and methodologies (i.e., participatory planning and budgeting, vulnerability focused planning and budgeting, gender and social inclusive planning and budgeting, anticipatory adaptation planning and implementation, blended approach to adaptation using indigenous and modern technical knowledge, landscape and ecosystem approaches, community led adaptation, etc.)etc.	Prajashakthi Secretariat, Climate Change Secretariat, and Samurdhi Department	Desk review completed	7500 Prajashakthi Officials 500 Divisional level planners 14008 CDCs
Activity 1.1.2. Formulate and validate a standardized National VDP Technical Manual that integrates gender-responsive climate-risk screening protocols and toolkit.	The National Prajashakthi Secretariat and Ministry of Planning	National VDP technical manual completed	7500 Prajashakthi Planning Officers (including all women Planning Officers) and 14,008 Grama Niladhari (GN) officials (including all women GN officers).
Activity 1.1.3. Facilitate the issuance of a formal Ministerial circular by the MRDSS&CE to mandate the adoption of the standardised integrated and (GESI) inclusive climate resilient planning toolkit in Prajashakthi village development planning process.	MRDSS&CE	Ministerial circular issued	14008 CDCs

Output 1.2: National integrated Digital Climate Risk and Knowledge Platform established for village development planning within National Digital Infrastructure Initiative and operationalized with functional access to 14,008 CDCs in Grama Niladhari divisions.

This output operationalises access to climate risk and adaptation knowledge by providing a user-friendly digital platform that translates complex climate and socio-economic data into practical decision-support for planners, CDCs and communities. The platform enables timely, risk-informed planning and budgeting decisions, supports equitable access to climate information, and strengthens the ability of local actors, particularly women, FHH, elderly and marginalised youth-led groups, to engage meaningfully in climate-resilient

development planning. By improving access to localized climate risk information and adaptation options, the platform reduces uncertainty in local decision-making and supports early, preventive adaptation action.

Table 6: Activity summary of output 1.2

Activity	Stakeholder	Target	Beneficiaries
Activity 1.2.1. Establish a cloud based digital knowledge management platform to host climate knowledge resources and a standardised integrated and inclusive climate resilient Planning Toolkit.	The ICT Agency (ICTA) and Prajashakthi Secretariats	Cloud based digital knowledge platform available	14,008 GN divisions/CDC
Activity 1.2.2. Conduct a comprehensive audit and mapping of existing climate data to identify institutional repositories, and develop interagency data sharing protocols to streamline information flow.	Climate Change Secretariat	Completed study	Prajashakthi Secretariat
Activity 1.2.3. Develop localised community-accessible Interfaces in Sinhala and Tamil, featuring simplified climate dashboards and adaptation guidance to maximize use by the CDCs.	Prajashakthi Secretariat	Community accessible interfaces available in local languages	2800 Community Development Committees (CDCs)

Output 1.3: 2800 Village Development Plans (VDPs) (20% of the total VDPs) updated using standardized climate-resilient planning toolkits and technical guidelines.

This output ensures planners at all levels apply harmonised, gender-responsive CR planning methodologies through a standardised toolkit addressing climate hazards, vulnerabilities, and adaptation options within the Prajashakthi mechanism.

Table 7: Activity summary of output 1.3

Activity	Stakeholder	Target	Beneficiaries
Activity 1.3.1. Update VDPs through multistakeholder participation including women, elderly, people with disabilities and youth, to produce inclusive climate resilient Village Development Plans.	District and Divisional Secretariats of the selected districts	2800 VDPs (20% of the total VDPs in the country)	Community members in 2800 villages including women, elderly, people with disabilities and youth, as inclusive climate resilient Village Development Plans and digital archive.
Activity 1.3.2. Facilitate the formal review and institutional approval of the climate resilient VDPs by Prajashakthi planning system	Provincial Climate Cells, and the Prajashakthi Secretariat	2800 approved inclusive climate resilient VDPs	Community members in 2800 villages including women, elderly, people with disabilities and youth, as inclusive climate resilient Village Development Plans and digital archive

Component 2: Strengthen Governance and Institutional Capacity for Climate Risk Informed Community Development within the Prajashakthi Programme.

This component strengthens institutional capacity and governance for climate-risk-informed community development within the Prajashakthi programme. It addresses fragmented coordination, limited climate literacy, and absent adaptation financing mechanisms by embedding inclusive climate risk reduction into planning, budgeting, and monitoring. During the project period, capacity development will augment ~7,000 VDPs (~50%) into climate-resilient VDPs, serving as anchors for system-wide replication. Gender equality is prioritised, recognising women, youth, and vulnerable groups as essential governance actors. Tools and processes demonstrated in selected districts will be designed for national scalability across all 14,008 GN divisions.

Output 2.1: Institutional and technical capacity for climate-risk-informed planning systematized in Prajashakthi programme to deliver specialized training to entire Prajashakthi planning officer cadre (7500), including all women and youth

Table 8: Activity summary of output 2.1

Activity	Stakeholder	Target	Beneficiaries
Activity 2.1.1. Conduct Gender and Youth Responsive Capacity Needs Assessments to validate technical gaps among national divisional and local staff, and establish baseline for the Prajashakthi climate-risk training framework.	Prajashakthi Secretariat and District and Divisional Secretariat	Gender responsive capacity needs assessment completed	National, district, divisional and CDC level planners of Prajashakthi
Activity 2.1.2 Conduct a Comprehensive Capacity Development Programme consisting of 25 two-day Training of Trainers (ToT) sessions to certify 500 divisional level officers, ensuring a minimum of 50% women and youth representation in all certified training programme.	Prajashakthi Secretariat and District and Divisional Secretariat	25 two-day ToTs conducted	500 divisional officers including minimum 50% women and youth

Activity 2.1.3. Institutionalise inclusive climate-risk management, landscape planning, and gender and social analysis by updating and formalising the curricular within the standard professional development pathways for government officials and practitioners	National Rural Development Training Institutes (RDTI), Sri Lanka Institute of Local Governance (SLILG), and Sri Lanka Institute of Development Administration (SLIDA	Revised Institutional Curricula that formally integrate inclusive climate-risk management, landscape planning, and gender and social analysis in RDTI, SLILG and SLIDA	Administrative officials, Local Government officials, and officials of Samurdhi and Rural Development Bureau

Output 2.2: Capacity of 2800 Community Development Councils (CDCs) created to incorporate climate adaptation and risk reduction measures into local actions within VDPs and investments.

This output empowers CDCs and local communities as front-line climate adaptation agents, strengthening capacity of households, women, youth, and vulnerable groups to identify risks, prioritise adaptation, and integrate resilient livelihood measures.

Table 9: Activity summary of output 2.2

Activity	Stakeholder	Target	Beneficiaries
Activity 2.2.1. Provide technical backstopping through trained officials to augment 2800 VDPs, utilizing standardized risk-screening tools to ensure systemic integration of ecosystem-based and gender-responsive priorities into routine village development planning.	Trained divisional level officers and GN-level officials, officials of specialised agencies (i.e., Provincial Agriculture Department, Provincial Irrigation Department, Department of Agrarian Development)	Technical advice for climate adaption and risk reduction at village level available to 2800 CDCs	2800 CDCs
Activity 2.2.2. Develop an inclusive Community Competency Framework based on needs assessments in pilot locations to align local poverty reduction initiatives with resilient value chain requirements.	Community Development Councils (CDCs)	Community Competency Framework completed	2800 CDCs
Activity 2.2.3. Design and deliver Modular Training Packages and targeted Awareness Campaigns for community entrepreneurs and producer groups, (ensuring 50% women and youth), focusing on the practical identification and management of climate risks within local business investments.	Ministries of Industry, Agriculture, Fisheries and Livestock, Provincial Councils and private sector Chambers	150 community entrepreneurs and producer groups trained, and Awareness Campaigns conducted	150 community entrepreneurs and producer groups, (50% women and youth),
Activity 2.2.4. Conduct a Digital Literacy Awareness Programme to ensure equitable access to the climate-risk platform and enable inclusive participation in village development planning.	Ministry of Digital Economy, and Prajashakthi Secretariat	25 Digital Literacy Awareness Programme	60,000 community members including 50% Women and 20% Youth
Activity 2.2.5. Produce Technical Design Modalities for 1,500 Hectares of nature-based solutions, ensuring these scalable models including those managed by women and marginalised groups are formally documented and integrated into the VDP registry for national replication.	Ministry of Environment, Provincial Councils and Local Government Authorities	Documented technical designs for EbA integrated within VDP registry	14008 CDCs

Output 2.3: Operationalization of Prajashakthi district, divisional and village level cross-sectoral coordination mechanisms for mobilising ecosystem-based investment, supported by four strengthened Provincial Climate Units

This output enhances cross-sectoral coordination within Prajashakthi, ensuring coherent climate-responsive investment planning. It reduces fragmented interventions and institutionalises integrated, EbA responses to climate risks cutting across sectors and administrative boundaries**.**

Table 10: Activity summary of output 2.3

Activity	Stakeholder	Target	Beneficiaries
Activity 2.3.1. Establish a formal mechanism to synchronize 2800 climate-resilient VDPs with Provincial Adaptation Plans (PAPs) and Disaster Risk Reduction (DRR) strategies.	District and Divisional Coordination Committees, and Provincial Councils	8 district level mechanism available	2800 CDCs
Activity 2.3.2. Formalise the mandate of the 4 Provincial Climate Units by revising ToR to clarify	Ministry of Environment (MoE), Provincial Councils,	Revised ToR for 4 PCU	Sectoral technical officers at district and provincial levels

Activity	Stakeholder	Target	Beneficiaries
interagency responsibilities to ensure seamless technical backstopping and oversight by sectoral technical officers and relevant disaster management authority during VDP execution.	and Prajashakthi Secretariat		
Activity 2.3.3. Build capacity of Community Development Councils (CDCs) in project landscape areas in the eight districts (50% women and youth participation), to perform cross-sectoral reviews of updated VDPs plans, ensuring community actions are coherent with broader provincial climate targets.	Provincial, District, and Divisional technical officers and Prajashakthi Secretariat	CDCs in 8 districts supported	2800 CDCs
Activity 2.3.4. Conduct Periodic Joint Reviews in project locations to document coordination successes and gaps, capturing lessons learnt to inform national policy scaling.	Prajashakthi and District Secretariats	12 joint reviews completed	2800 CDCs

Component 3: Demonstration and systematization of community-led transformative adaptation and resilience building for integration into Prajashakthi programme

This component demonstrates community-led transformative climate adaptation within Prajashakthi VDPs and translates successful innovations into national programme modalities. Implementation spans climate-vulnerable landscapes in the dry zone and central highlands—VIS, tank cascades, lagoons, and urban settlements. Using a landscape approach, village clusters sharing common resources and climate risks plan collectively, addressing systemic vulnerability drivers. VDPs prioritise irrigation cascade restoration, lagoon management, climate-smart agriculture, and resilient value chains, with 50% women and youth inclusion. Evidence from demonstrations feeds into SOPs, planning templates, and cost benchmarks for system-wide scaling through Components 1–2.

Outputs and Activities

Output 3.1: Climate-resilient productive systems and risk-reduction measures (approx. 15) demonstrated in selected landscapes in Mannar, Ampara, Kilinochchi, Mullaitivu, Matale, Nuwara Eliya, Badulla, and Batticaloa districts.

This output demonstrates climate-resilient water, land, and production systems across selected landscapes by rehabilitating VIS, improving water management, and integrating risk-reduction measures anchored in CR-VDPs, using both modern science and traditional knowledge.

Table 11: Activity summary of output 3.1

Activity	Stakeholder	Target	Beneficiaries
Activity 3.1.1. Rehabilitate the upstream and downstream irrigation infrastructure and establish formal operation and maintenance (O&M) committees in each location.	Divisional Secretariats, Provincial Irrigation Department, Department of Agrarian Development and Farmer Organizations	25 Village Irrigation Systems (VIS) in Mannar (5), Ampara (5), Matale (5), Kilinochchi (5), and Mullaitivu (5)	10,000 smallholder farming communities including 50% women and youth cultivating under 25 VIS
Activity 3.1.2. Provide agricultural input packages (i.e. stress tolerant seed varieties, water efficient technologies) to downstream command areas across the 25 rehabilitated VIS and promote women engagement in Yala cultivation.	Divisional Secretariats, Provincial Irrigation Department, Department of Agrarian Development and Farmer Organizations	Increased cropping intensity from 1.0 to 1.5 on 1000 hectares	~2500 farm families.
Activity 3.1.3. Execute plot consolidation to improve mechanized efficiency and water-use productivity for smallholder producers including women and youth (minimum 50%).	Provincial Agriculture Department, Department of Agrarian Development, and Farmer Organisation	250 hectares within the three Northern Province districts	625 farm families

Output 3.2: Climate-smart livelihood practices (minimum 10) adopted by 5000 vulnerable households in selected landscapes in Matale, Badulla, Batticaloa, Ampara, Nuwara Eliya, Mannar, Mullaitivu, Ampara and Kilinochchi.

This output enables 5,000 vulnerable households—particularly women, youth, and female-headed households—to adopt climate-smart livelihoods including AWD irrigation, water-efficient cultivation, resilient livestock systems, and diversified home gardens embedded within CR-VDPs.

Table 12: Activity summary of output 3.2

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Activity	Stakeholder	Target	Beneficiaries
Activity 3.2.1. Conduct Alternate Wetting and Drying (AWD) in selected paddy lands to reduce irrigation water demand.	Provincial Agriculture Department, Department of Agrarian Development, and Farmer Organisation	460 hectares of paddy land under AWD	1,150 farmer families including women.
Activity 3.2.2. Deploy on-farm efficient water management technologies (such as micro-irrigation and sensors) to ensure productivity during erratic rainfall cycles.	Provincial Agriculture Department, Department of Agrarian Development, and Women Agriculture Production Groups	~ 320 hectares in the Northern, Eastern, and Central Highland districts	1,600 women farmers including youth
Activity 3.2.3. Provide agricultural inputs to diversify production into Other Field Crops (OFCs) in downstream plots of 15 VIS, utilizing site-specific soil drainage and water availability assessments to reduce climate-induced crop failures, prioritising women farmers.	Provincial Agriculture Department, Department of Agrarian Development, and Farmer Organisations	300 hectares in Northern districts, and Ampara	1500 farmer families including women and youth
Activity 3.2.4. Operationalise localised agro-met advisory service to disseminate customised, real time and actionable weather advisories through community radio and digital displays at Agrarian Service Centres.	The Department of Meteorology and Natural Resource Management Centre of the Department of Agriculture, Provincial Department of Agriculture, Department of Agrarian Development, Farmer Organisation, and relevant mobile service providers		11600 farmers including, 6600 women engaged in home gardening, and youth engaged in agro enterprises a minimum 500,000 farmers and agri-entrepreneurs operating outside the project landscapes
Activity 3.2.5. Implement efficient land and irrigation management and resilient agronomic practices to transform vulnerable homegardens and terraced farms into climate smart production units.	Provincial Agricultural Department, and Women Agriculture Production Groups	300 home gardens and 600 upland/terrace farms	600 women and 300 youth entrepreneurs
Activity 3.2.6. Establish climate-smart fodder and cattle management systems integrating micro-irrigation and improved sheds to maintain milk yields during heat stress.	Provincial Department Animal Production and Health and Department of Agrarian Development	75 cattle management systems	75 livestock farmers (minimum 50% women)
Activity 3.2.7. Establish resilient inland fisheries and aquaculture units in the three districts of Northern Province, providing climate-hardy fingerlings and landing site improvements.	The National Aquaculture Development Authority (NAQDA) and Fisheries Societies	80 inland fisheries and aquaculture units	80 fishers (10% women, 50% youth)

Output 3.3: Three climate-resilient value chains developed and strengthened in selected districts, integrating smallholder producers, processors, and market actors into inclusive and sustainable production and market systems

This output develops and strengthens climate-resilient value chains by linking smallholders including women and youth, processors, and market actors into more inclusive, reliable, and sustainable market systems in the selected landscapes. It helps communities transition from vulnerable primary production to competitive climate-resilient enterprises with improved market access and higher, more stable economic returns.

Table 13: Activity summary of output 3.3

Activity	Stakeholder	Target	Beneficiaries
Activity 3.3.1. Form community-based production clusters and catalyze public-private-producer-partnerships (PPPP) through contract farming arrangements to reduce market risks and incentivise climate smart production practices.	The Provincial Agriculture Department (PAD), Aggregators and local Chambers	24 livelihood-based farmer clusters including Women Self Help Groups,	2655 farmers (minimum 50% women and youth)
Activity 3.3.2. Provide exposure, training, and capacity building (minimum 50% women and youth) for approx: 100 actors in at least three priority agricultural value chains to deliver climate-smart extension services to farmers in their backward linkages.	The Provincial Agriculture Department (PAD), Aggregators and local Chambers	Training for 24 livelihood clusters delivered	2700 farmers (minimum 50% women and youth), including value chain actors
Activity 3.3.3. Establish 24 storage facilities and 24 locally operated value-added agro-processing centres in the eight districts to increase incomes, reduce post-harvest losses, and help farmers cope with weather-related production fluctuations.	Local investors with the technical support of the PMU, will	24 storage facilities and 24 locally operated value-added agro-processing centres (at least 50% women and youth led enterprises)	2655 farmers (minimum 50% women and youth),
Activity 3.3.4. Establish three farmers' markets to strengthen local economies in three of the eight	The Provincial Agriculture Department (PAD), and	Three farmers' markets. Self-help farmer groups	250 smallholder producers, (50%

Activity	Stakeholder	Target	Beneficiaries
districts, through the formation of self-help farmer groups including women led self-help farmer groups to build entrepreneurial and business management capacities of group members and introduce alternative certification methods (for example, Participatory Guarantee Systems and Good Agricultural Practices) for quality assurance of group produce.	alternative certification entities including private sector	including women led self-help farmer groups	women and youth) vendors and other value chain actors

Output 3.4: A minimum of 25 co-governance structures for community based natural resource management established and operationalised in Mannar, Mullaitivu, Kilinochchi, Batticaloa, Ampara, Badulla, Nuwara Eliya and Matale districts for ecosystem-based adaptation and risk reduction.

This output advances community-driven ecosystem restoration through practical EbA and risk-reduction actions, reinforcing NRM structures for long-term stewardship and landscape resilience across rural and peri-urban areas.

Table 14: Activity summary of output 3.4

Activity	Stakeholder	Target	Beneficiaries
Activity 3.4.1. Rehabilitate critical catchment areas through the installation of erosion control structures and the systematic planting of native species to enhance watershed infiltration.	Provincial Councils, Divisional Secretariats, CDC, Forest Department, Archaeological Department, DAD and FOs	125 hectares of critical catchment areas associated with the 25 village irrigation systems through the installation of erosion	10,000 farming communities including 50% women
Activity 3.4.2. Adapt traditional resource governance models that support climate adaptation (e.g., *Bethma* and *Kattakaduwa* management) including those led by women's and marginalised community, into modern operational models to ensure sustainable landscape stewardship.	Provincial Agriculture Department, Department of Agrarian Development, and Farmer Organisation	25 modern operational models adapted	10,000 farming communities including 50% women.
Activity 3.4.3. Install cost effective early-warning sensors, bio-fencing technologies and traditional resource partitioning approaches to reduce climate-aggravated human-wildlife conflict for vulnerable farmers.	Department Wildlife Conservation, District and Divisional Secretariat and local CDCs and FOs	5 cost effective and bio fencing and early warning technologies installed Northern districts Ampara and Matale	~2000 VIS-based communities including women and youth
Activity 3.4.4. Implement community-led nature-based infrastructure solutions, including vegetated retaining structures and managed wetlands, to provide flood and erosion protection and control of saltwater intrusion.	Local Government Authorities (LGA) and CDCs	Batticaloa lagoon fringe, Mannar and Mullaitivu towns	30,000 residents (50% women headed households and marginalised groups).
Activity 3.4.5. Execute ecological restoration utilizing sediment dredging and habitat protection measures to control salinity intrusion and eutrophication.	The Central Environmental Authority (CEA, National Aquaculture Development Authority (NAqDA) and LGAs	Ecological restoration of Batticaloa Lagoon	20,000 lagoon-dependent beneficiaries including women and marginalised
Activity 3.4.6. Establish a Formal Lagoon Management Co-Governance System based on shared-use agreements that mandate flood risk reduction and habitat protection as core functions of local livelihood management.	LGA, NAqDA, and community clusters	Formal Lagoon Management Co-Governance System established for Batticaloa lagoon	20,000 lagoon-dependent beneficiaries including women and marginalised

Component 4: Knowledge Management and Evidence-Based Scaling

This component is the project's exit mechanism, transitioning field evidence into permanent national standards. It bridges pilot demonstrations and policy architecture by documenting and legally institutionalising climate-resilient practices through a digital knowledge ecosystem and formal policy circulars, ensuring Prajashakthi continues scaling adaptation innovations post-project.

Output 4.1: A National Peer-to-Peer Learning and Exchange Mechanism operationalized facilitating the transfer of successful climate-smart models between 14,008 CDCs benefiting 7500 Prajashakthi officers.

This output creates policy evidence briefs and scaling roadmaps by transforming validated Component 3 interventions—blending scientific evidence with traditional knowledge—into standardised procedures and training curricula for immediate uptake through routine government processes.

Table 15: Activity summary of output 4.1

Activity	Stakeholder	Target	Beneficiaries
Action 4.1.1. Organise and conduct district level peer learning workshops for Prajashakthi Officers.	Prajashakthi Secretariat, and District and Divisional coordination bodies, and CDCs	24 district level peer learning workshops conducted	1500 Prajashakthi Officers in 8 project operational districts (50% women and youth participation; Leadership of elderly in peer learning initiatives)
Action 4.1.2. Organise virtual learning and knowledge exchange sessions targeting Prajashakthi Officers.	Prajashakthi Secretariat, and District and Divisional coordination bodies, and CDCs	25 virtual learning and knowledge exchange sessions	7500 Prajashakthi Officers national wide (50% women and youth participation)
Activity 4.1.3. Organise and conduct 2 (physical) national experience sharing and learning events.	Prajashakthi Secretariat, and District and Divisional coordination bodies, and CDCs	2 national events conducted	300 Prajashakthi Officers and District level planners and decision makers (50% women and youth participation)
Activity 4.1.4. Coordinate and operate knowledge generation and tracking system.	Prajashakthi Secretariat, and District and Divisional coordination bodies, and CDCs	Knowledge tracking system operationalised	7500 Prajashakthi Officers national wide National level Prajashakthi Officers and decision makers

Output 4.2. Policy Evidence Briefs and Scaling Roadmaps (approx.: 5) developed and integrated into the national Prajashakthi strategic plan, utilizing validated field data to influence policy reforms and inter-sectoral budget allocations

This output creates policy evidence briefs and scaling roadmaps by transforming validated Component 3 interventions—blending scientific evidence with traditional knowledge—into standardised procedures and training curricula for immediate uptake through routine government processes.

Table 16: Activity summary of output 4.2

Activity	Stakeholder	Target	Beneficiaries
Activity 4.2.1. Produce a Policy Evidence Report that extracts cost-benefit data, avoided losses, and resilience co-benefits from field interventions to inform the alignment of Prajashakthi guidelines with the National Adaptation Plan (NAP) and NDC priorities.	Prajashakthi Secretariat, Climate Change Secretariat, universities/research institutes, CDCs	Policy Alignment Evidence Report produced	14008 CDCs
Activity 4.2.2. Convene Structured Policy Dialogue among lead agencies for climate change, biodiversity, and subnational governance to synchronize local financing mechanisms with national biodiversity and adaptation frameworks.	MRDSS&CE, the Ministry of Environment, Ministry of Public Administration, Provincial Councils & Local Governments, and National Planning Department, Ministry of Finance, Universities financing institutions	Structured Policy Dialogue conducted	14008 CDCs
Activity 4.2.3 Facilitate issuance of three Ministerial Circulars and Operational Manuals that mandate the use of climate-risk screening, ecosystem-based solutions and GESI screening as a legal prerequisite for all village development budget approvals.	The Ministry of Finance National Planning Department, Ministry of Women, Universities, and MRDSS&CE,	Three Ministerial Circulars and relevant Operational Manuals	14008 CDCs
Activity 4.2.4. Update city development plans incorporating NbS for flood risk reduction and wetland conservation.	LGAs, Disaster Management Centre, and Prajashakthi Secretariat	City and township area within project landscape in Mannar, Mullaitivu and Batticaloa districts	Communities in city and township area within project landscape in Mannar, Mullaitivu and Batticaloa

Output 4.3: 20 validated EbA best practices, and 10 multi-media knowledge products capturing the combined scientific evidence and traditional/local knowledge, developed and standardized for national and regional replication.

This output formalises climate-risk screening as a mandatory legal requirement for all Prajashakthi investments through ministerial circulars and updated protocols, ensuring institutional coherence between community development and national climate targets (NAP, NDC, NBSAP).

Table 17: Activity summary of output 4.3

Activity	Stakeholder	Target	Beneficiaries
Activity 4.3.1. Produce a Technical Compendium of 20 EbA interventions manuals including local language manuals featuring specifications and cost-benefit data derived from Component 3 pilots to provide validated, bankable adaptation models.	PAD, DAD and Departments of Agriculture, Fisheries and Livestock Management , Universities	Technical Compendium of 20 EbA based bankable adaptation models identified	National policy makers, financing institutions, and a minimum 100 MSMEs
Activity 4.3.2 Develop Multimedia Knowledge Products, including "how-to" videos and technical briefs, to document and scale GESI climate-smart innovations led by women and youth.	Women's cooperatives and Youth Organisations	10 Multimedia Knowledge Products, including "how-to" videos and technical briefs	CDCs and communities in 14,008 GN divisions,
Activity 4.3.3. Document and integrate traditional adaptation strategies (such as Bethma) including those practiced by women and marginalised groups (~50%) into the digital VDP platform to standardize the blending of indigenous knowledge with modern water-management science.	Prajashakthi Secretariat, CDC members, Universities	10 blended adaptation strategies that build on traditional coping methods documented and uploaded into the digital VDP platform	Communities, including women youth and other marginalised groups in 14008 villages (GN divisions)

B. Describe how the project/programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project/programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

The economic, social, and environmental benefits described below are designed to directly contribute to the Adaptation Fund's Strategic Results Framework, ensuring that project investments deliver measurable adaptation outcomes consistent with the Fund's overall objectives. Specifically:

- **Contributions to AF Outcome 2 (Strengthened institutional capacity)**: The project's social benefits—including the certification of 500 divisional planning officers (50% women), capacity development for 7,500 Prajashakthi officers, and the institutionalization of climate-risk screening in Village Development Plans—directly strengthen the capacity of national and sub-national institutions to reduce risks associated with climate-induced losses. By embedding climate adaptation protocols within the Prajashakthi programme' s operational framework and formal government training curricula (SLIDA, RDTI, SLILG), the project ensures that enhanced institutional capacity becomes a permanent feature of Sri Lanka's poverty eradication and community development systems.
- **Contributions to AF Outcome 3 (Strengthened awareness and ownership)**: The establishment of the National Digital Climate Risk and Knowledge Platform (Output 1.2) and the delivery of real-time agro-meteorological advisories to 500,000 farmers represent transformative gains in climate risk awareness at the local level. Combined with Component 4's peer-to-peer learning mechanisms, multimedia knowledge products, and evidence briefs, these interventions ensure that vulnerable communities, women, youth, and the elderly have actionable, accessible information to make informed adaptation decisions. The project's participatory planning approach—mandating 50% women's representation in Community Development Councils—further institutionalizes local ownership of adaptation processes, ensuring that climate risk reduction becomes embedded in community-led development decision-making rather than remaining an external, top-down intervention.
- **Contributions to AF Outcome 4 (Increased adaptive capacity within development sector services)**: Economic and social benefits are delivered through the climate-proofing of critical development sector infrastructure, including the rehabilitation of 25 Village Irrigation Systems (VIS) serving 1,000 hectares, the construction of 50 solar-powered storage units, 100 agro-processing centers, and the upgrading of early warning systems in climate-vulnerable districts. These hard infrastructure investments ensure that agriculture, water management, and disaster risk reduction services remain functional and effective under changing and variable climate conditions, directly reducing exposure for 280,000 direct beneficiaries and enhancing the resilience of livelihoods dependent on these systems.
- **Contributions to AF Outcome 5 (Increased ecosystem resilience)**: The environmental benefits—including the restoration of 125 hectares of watershed catchments, rehabilitation of lagoon ecosystems in Batticaloa, and the establishment of co-governance structures for 1,500 hectares under nature-based solutions—are specifically designed to enhance ecosystem resilience in response to climate variability. By adopting ecosystem-based adaptation (EbA) and nature-based adaptation (NbA) approaches that integrate traditional knowledge (such as spatial and temporal resource partitioning to mitigate human-wildlife conflict), the project ensures that natural resource assets provide sustained protective and productive services for vulnerable communities even as climate stresses intensify.
- **Contributions to AF Outcome 6 (Diversified and strengthened livelihoods)**: The economic benefits described below—including the projected 50–60% increase in farmer incomes through improved cropping intensity, the 500% increase in smallholder fisher incomes, and the establishment of women-led Self-Help Groups to access value-chain

opportunities—directly contribute to livelihood diversification and income security for vulnerable households. The project's targeted support for women (enabling second-season cultivation on paddy land, extending home gardening, and providing formal recognition through Farmer Organizations) and youth (through climate-smart entrepreneurship modules and leadership roles in technology adoption) ensures that livelihood benefits reach the most marginalized groups, building asset-based resilience that can withstand future climate shocks.

- **Integrated and Transformational Impact**: These benefits are mutually reinforcing. Strengthened institutions (AF Outcome 2) create the enabling environment for sustained awareness and knowledge transfer (AF Outcome 3), which in turn informs better planning and investment decisions for infrastructure (AF Outcome 4), ecosystem restoration (AF Outcome 5), and livelihood resilience (AF Outcome 6). By embedding climate adaptation within the Prajashakthi programme—which will become a Parliamentary Act mandating all rural development to flow through its structures—the project ensures that AF investments deliver not only direct, measurable benefits in target locations, but also systemic, scalable transformation aligned with the Fund's strategic vision of increased resiliency at the community, national, and regional levels

Project Benefits

The project generates direct economic benefits including increased production and cropping cycles, higher-value crop diversification, reduced crop and post-harvest losses, improved market linkages and bargaining power, and recovery of livelihoods lost to major development impacts (e.g., Badulla) and extreme events (e.g., Ditwah).

Economic projections for paddy farming are modelled on cropping intensity (CI) improvements. Currently, 1,000 ha of paddy under 25 target Village Irrigation Systems (VIS) operate at a baseline CI of 1.0 (Department of Agrarian Development). With agricultural technology packages and rehabilitated infrastructure, CI is projected to reach 1.5—yielding a 50–60% income gain—driven by 10% increased water availability and 30% reduced water duty (4.5 to 3 acre-feet) through water-efficient irrigation and drought-resilient Other Field Crops (OFC) during Yala season.

For rain-fed systems (600 ha terraced, 1,600 ha upland), production currently limited to Maha season will extend into Yala using water-efficient techniques, yielding a 50% annual income increase. For approximately 800 upland farmers facing severe Human-Wildlife Conflict (HWC), a traditional wisdom-based Resource-Partitioning strategy will replace dual-season cultivation; these farmers will instead benefit from climate-smart intensification—optimised crop combinations and advanced soil-moisture conservation—projected to increase Maha yields and income by 25%. Technical input packages are expected to double income for 75 targeted livestock farmers (Department of Animal Production and Health) and increase smallholder fisher production 5–6 fold, yielding a 500% income increase (National Aquaculture Development Authority).

Evidence from CCAP1, CCAP2, and CRIWMP demonstrates that 50 solar-powered storage units and 100 agro-processing centres can reduce post-harvest losses by 20–30%. By monitoring market fluctuations and selling stored or processed produce at premium prices, farmers can realise a 20% income increase, with further gains from GAP-certified quality improvements (20% price increase) and reduced middleman dependency via Farmer Markets and direct value-chain engagement (30–40% higher profit margins). Consequently, 250 farmers in clusters/Self-Help Groups (50% women and youth) are projected to achieve an overall 50% income increase.

Crop failure risks from erratic rainfall and heat stress will be reduced for 2,100 farmers who are direct users of real-time agro-meteorological advisories, with an estimated 500,000 farmers benefiting from actionable last-mile climate data—preventing wasted inputs (fertilizer, seeds, labour) and crop losses for marginalised and rain-fed producers.

Gender-responsive strategies ensure engagement and benefit-sharing by women and marginalised groups currently restricted to subsistence upland rain-fed cultivation and home gardening. Production will extend into Yala season through rainwater harvesting, water-efficient practices, and high-value perennial crops, while actionable early warning and agro-met advisories enable adaptive cultivation. Based on previous experience (e.g., CRIWMP), these interventions are projected to increase women's production and household income by approximately 60%. Youth will be included through targeted strategies such as championing technology adoption in agriculture production, agri-service, value chain, and market development.

Social Benefits: Equity, Inclusion, and Women Empowerment

Social benefits are prioritised through "do good" and "transformative" approaches aligned with the AF Gender Policy, addressing structural inequalities. Women's empowerment is institutionalised by ensuring 50% of 60,000 digital literacy beneficiaries and at least 50% of 500 certified planning officers are women, enabling women to lead Village Development Planning (VDP) and mandating 50% women representation in CDCs. These leadership roles, combined with digital proficiency, strengthen economic independence and reduce vulnerability to sexual exploitation, abuse, and harassment. Additional strategies include priority access for women to second-season and mid-season paddy cultivation, extended home gardening, and formation of women's self-help groups to access entitled benefits and markets. Market development initiatives support women's transition from primary producers to higher-level value chain actors, generating secondary benefits for household nutrition and children's education.

A significant proportion of VIS (~60%), rain-dependent (~50%), and upcountry (~40%) farmers targeted by the project are elderly (>60 years). The project adopts elderly-friendly strategies: recognising their leadership in NbA and EbA, building on traditional knowledge, using local communication methods alongside digital channels for EW and agro-met advisories, and promoting peer-to-peer experience sharing on traditional adaptation practices.

Youth receive special attention, particularly in strengthening semi-commercial farming including livestock, targeting those who out migrate seasonally for unsafe employment and illicit operations. A Youth Innovation Module (Component 2) featuring 10 youth-led climate solutions provides a formal pathway for green entrepreneurship, retaining youth as active agents of agricultural transformation.

Based on flood-risk mapping, the project provides direct protection for 160,000 residents along the Batticaloa lagoon fringe and other urban areas. By targeting female-headed households and the elderly, community-led NbA/EbA solutions—vegetated retaining structures and managed wetlands—mitigate flood risk and salinity intrusion, enhance groundwater recharge, and safeguard drinking water from contamination and water-borne diseases, fundamentally improving health, safety, and quality of life for the most marginalised groups.

Environmental Benefits: Ecosystem Resilience and Biodiversity

The project enhances biodiversity and water security by restoring natural protective barriers and watershed ecosystems across climate-sensitive landscapes using EbA and NbA approaches. Watershed restoration will rehabilitate 125 ha of catchments using native species—measured by vegetation survival rates and groundwater recharge levels—reducing siltation in tank cascade systems and improving water security for 120,000 people. For women who bear the burden of water collection, this translates into reduced labour and improved domestic water quality. Traditional knowledge-based Spatial and Temporal Resource Partitioning will mitigate human-wildlife conflict, protecting smallholder assets and local fauna.

In coastal areas, ecological restoration of the Batticaloa Lagoon environment will mitigate salinity intrusion and eutrophication, protecting critical breeding habitats essential for inland fisheries—a primary safety net for landless and marginalised community members dependent on common-pool resources. Integration of agroforestry and nature-based solutions across 1,500 ha (upland cultivation) will enhance carbon stocks and provide fauna refuge. Mangrove and wetland restoration will be monitored via GIS mapping to ensure natural capital—particularly non-timber forest products (NTFPs) gathered by women and those in traditional marginalised livelihoods—remains resilient to climate shocks.

The project's landscape approach ensures environmental externalities—such as upstream erosion affecting downstream irrigation—are addressed within self-contained hydrological boundaries. The "Ridge-to-Reef" continuum approach internalises these risks, building community resilience on restored ecosystem services. This integrated management strategy, monitored through community-led mechanisms using standardised checklists, ensures that socio-economic gains are sustained by healthy and resilient natural landscapes.

Table 18: Summary of Direct and Indirect Benefits

Dimension	Baseline	Direct Benefits / Beneficiaries	Indirect Benefits	Verification Source
Economic	Degraded catchments; eroded farmland; lack of year-round water; cropping intensity (CI) = 1.0. High crop failure and weak market links.	CI increased to 1.5; 50% increase in annual income for subsistence farmers under the 25 VIS. Targeted support for prioritising women to grow OFC in paddylands in Yala and mid-season and extending their home gardening from 1 to 2 seasons; Target support for ~10% marginalised tenant farmers to ensure inclusion for benefit sharing. Income growth support for 250 farmers in self-help groups (~60% women/youth, ~10% elderly) via Farmer Markets/PPPP. Equitable engagement and benefit distribution ensured by targeted inclusion and using specific women, youth and elderly friendly/responsive methodologies and tools and communication strategies	Replication of climate-resilient models via Prajashakthi and Ministerial Circulars, benefiting at least 10% of total VIS systems (approx. 1,600) in the Dry Zone outside project areas. Direct reach to 20% of poor households; indirect reach to 4.8 million through mainstreamed inclusive planning.	ASC annual reports; VDP Progress Reports; Prajashakthi monitoring records.

Dimension	Baseline	Direct Benefits / Beneficiaries	Indirect Benefits	Verification Source
Social	<15% female participation in planning. High youth unemployment, out-migration, and engagement unsustainable resource use (e.g., illicit timber felling).	50% female participation in planning and leadership. Establishment of Women-led Self-Help Groups (SHGs) to increase formal recognition and increase receipt of entitled government benefits. 30% increase in youth engagement in climate-resilient enterprises through attracting them using youth savvy modern technology-based strategies. Reduced vulnerability to GBV and SEAH and improved children's education, health and food security through increased economic independence. Recognition of a high elderly population among farmers and ensuring using 'elderly-comfortable' options alongside any new-tech options selected for improving resource management and productivity etc., as well as respecting their traditional wisdom and engaging them in promoting NbA, EbA etc.	Reduced conflict over natural resources due to decreased illicit operations by youth. Expansion of youth success stories into wider national networks. Children and other household members benefit from better household nutrition and education spending due to increased income managed by women, higher recognition of elderly and women as custodians of traditional wisdom	Training registries; Evaluation surveys; Prajashakthi monitoring; Media/Newspaper articles.
Environmental	Biodiversity loss; high Human-Wildlife Conflict (HWC); groundwater depletion; eutrophication of lagoons.	125ha catchment restoration and ~ lagoon/mangrove (2ha) rehabilitation. Reduced HWC through adopting Spatial and Temporal Resource Partitioning method, safeguarding both lives/assets and wildlife. Improved land quality and groundwater recharge, benefiting subsistence and ecological/ rainfed farmers.	Enhancement of biodiversity and ecosystem services and water security across landscapes. Improved land use in target landscapes provides water security co-benefits for multiple water users in major irrigation systems downstream. Potential for eco-tourism development via CDC promotion especially for youth	GIS/Satellite data; Field audits; Biodiversity checklists; Forest Department records.

Potential risks and negative consequences

Despite its focus on inclusive and sustainable practices, the project faces several potential risks. Social and governance risks include elite capture of benefits, exclusion of urban migrants or informal settlers and social conflict over access to land, water or drainage corridors, as well as livelihood restrictions where resource protection measures limit traditional use. These will be mitigated through transparent beneficiary selection, social audits, conflict-sensitive and participatory planning, accessible grievance mechanisms and livelihood-restoration or benefit-sharing measures that uphold a no-net-loss principle. Gender-related risks include increased unpaid care burdens and risks of sexual exploitation, abuse or harassment; these will be managed through the Gender Action Plan, GBV-sensitive protocols, strict codes of conduct and safe, confidential reporting channels. Environmental risks, such as waterlogging, invasive species, localised construction impacts and urban disruption during drainage works or waste handling, will be addressed through ESMPs, use of native species, robust engineering oversight, phased construction and advance community notification. Labour and occupational health and safety risks will be mitigated through clear OHS standards, contractor obligations, supervision and application of UNDP labour safeguards. Data-protection and digital-exclusion risks will be managed through data-governance protocols and combined digital and non-digital outreach to ensure inclusion. Institutional risks

linked to slow decision-making, staff turnover and capacity constraints will be reduced by early engagement of senior officials, embedding climate adaptation in budget and planning processes, and sustained capacity development. All risks will be screened and monitored through the Social and Environmental Screening Procedure, Environmental and Social Management Framework, site-specific ESMPs and the project grievance mechanism, overseen by a dedicated safeguards expert, with safeguards and climate-risk screening embedded directly into Prajashakthi planning and budgeting.

Alignment with the Adaptation Fund's gender policy

The project is fully aligned with the Adaptation Fund Gender Policy and its Gender Equality and Women's Empowerment Strategy. Comprehensive gender analysis and gender-responsive stakeholder engagement will be undertaken through Prajashakthi structures in the selected landscapes and will inform detailed activity design, targeting and monitoring. A standalone, costed Gender Action Plan, , developed and validated through stakeholder consultations during the PFG process, and formally endorsed prior to the submission of the full proposal, will identify context-specific barriers, define targeted measures, allocate responsibilities and establish measurable indicators and timelines, fully integrated into the work plan and Results Framework. Institutional accountability for gender mainstreaming will rest with the Project Management Unit under the Ministry of Rural Development, Social Security and Community Empowerment, with technical support from UNDP, while CDCs will appoint gender focal persons to ensure equitable participation and benefit-sharing in VDP processes and implementation. Gender-responsive budgeting will be embedded in financial management, with a commitment that at least 50% of total project expenditure is explicitly allocated to gender-responsive and women-led activities, and annual reports will track these expenditures and performance against the Gender Action Plan. Through these measures, the project will advance gender equality and women's empowerment while ensuring that climate-resilience benefits reach those facing the greatest climate-related risks and constraints.

Initial Gender Analysis

The project complies with Gender Policy of the Adaptation Fund. Women and other vulnerable social groups were engaged in concept design from the outset. An initial gender analysis was conducted based on stakeholder consultations and data and information gathered from other secondary sources. These included capturing gender-differentiated impacts and risk for women and men and differentiated gender adaptation needs, considering intersectionality issues as well. The results framework explicitly includes and prioritises gender differentiated interventions ensuring women and other vulnerable groups are prioritised in adaptation related actions.

National Context and Structural Mismatch: Sri Lanka's gender profile reveals a significant structural mismatch: despite near-universal female literacy and women comprising 51% of the population, they remain economically marginalized. Female labour force participation stands at 29.8% compared to 67.4% for men, with a persistent 27% gender pay gap. This suggests that barriers are rooted in unequal access to productive assets and institutional returns rather than a lack of skills. Female-headed households (FHHs) account for 24–25% nationally; these households face acute "adaptive poverty" due to lower labour availability, limited land ownership, and restricted access to water entitlements, finance, and technical extension services.

Landscape-Specific Constraints and Equity Risks: Consultations across the project's four target landscapes (Tank Cascades, Rainfed Uplands, Intensive Vegetable Farming, and Coastal Wetlands systems) identified specific barriers that dictate how climate benefits are accessed: (i) Asset Control & "Elite Capture": In VIS, women represent only 10% although they provide unpaid labour for paddy cultivation. Because "water rights" are traditionally tied to male-held land titles, without intervention, irrigation rehabilitation, risks reinforcing "male capture" of benefits. The project mitigates this by decoupling water access for home gardens from formal land titles, and promoting Yala/mid-season cultivation in paddy land by women despite having no land rights, through suitable co-governance agreements. (ii) The "Recognition" Gap: In Rainfed and Upland Home-Garden systems, women lead 60% of production, yet their work is largely informal. They are often excluded from Farmer Organizations (FOs), which act as gatekeepers for government subsidies and insurance. The project proposes to promote establishing and registering Women's Self-Help Groups through Provincial Departments of Agriculture to increase access to subsidies, extension and technical services (iii) Intersectionality & Mobility: In Mannar and the Eastern Province, Muslim women face specific mobility and logistical constraints. These are exacerbated by human-elephant conflict, while in Uva, water scarcity has created a documented "time poverty–GBV risk pathway," where the increasing burden of water collection exposes women to higher safety risks. (iv) Systemic Exclusion: Plantation women in the Central Province remain structurally excluded due to a combination of lack of land title, language barriers, and weak integration into local planning and extension systems.

Core Constraints to Adaptation: The analysis identifies three primary pillars of vulnerability that the project is designed to dismantle: (a) Unpaid Labour & Care Burden: Women bear a disproportionate burden of unpaid agricultural and domestic labour, which is specifically exacerbated during climate shocks (droughts and floods) and the subsequent recovery periods. (b) Livelihood Exposure: Women are concentrated in the most climate-sensitive, rainfed sectors with the least institutional support, creating a high risk of total livelihood loss during extreme weather events (c) Institutional Under-representation: Women are structurally

under-represented in the decision-making bodies, such as water governance bodies and FO leadership, that determine the allocation of critical adaptation resources.

Design Integration (The "Lock-in"): To move beyond general observations, the project directly institutionalises these requirements within Gender Action Plan (Part II.E). This includes a mandatory 50% quota for women in technical training, leadership roles in CDCs, livelihood strategies specifically engineered to bridge gender gaps through the establishment of women-led production and agro-processing clusters (Self-Help Groups) designed to increase bargaining power with traditional male-dominated market structures. Further the project aligns training schedules and infrastructure siting with the "time poverty" and mobility constraints identified during field consultations. These measures ensure that gender equality is not a secondary goal but a mandatory requirement for the project's institutional sustainability and social safeguards compliance.

Table 19: Examples of Gender and Social Inclusion Indicators

Indicator	Target	Strategic Alignment
Indicator 1: % of updated VDPs that include a dedicated budget for women-led climate-smart home gardens or agro-processing.	100% of 2,800 VDPs	Ensures financial additionality at the village level.
Indicator 2: Number of women and youth utilizing the Digital Knowledge Interface to access real-time market prices and customized weather alerts.	30,000 (disaggregated by sex/age)	Addresses digital literacy barriers and market isolation.
Indicator 3: % Increase in security of livelihood assets for Female-Headed Households (FHH) resulting from restored tank access and post-harvest technology.	25% increase in FHH income/assets	Links ecosystem restoration (EbA) directly to poverty eradication.
Indicator 4: Number of Youth-led Climate-Smart Enterprises formally integrated into the National Prajashakthi scaling repository.	At least 50 youth-led models	Positions youth as professional leaders in the green economy.
Indicator 5 : Number of elderly-inclusive Early Warning and Agro-met protocols established and tested in landscape-level	50 Landscapes	Ensures social safety and livelihood risk reduction (minimise losses) for the most vulnerable during extreme events.

Table 20: Summary Gender Analysis

Component & Action	Targeted Beneficiaries	Gender/Social Vulnerability Context	Specific Mitigation & Empowerment Measure
C1: Digital VDP Planning	14,008 GN Divisions (focusing on 5 districts)	High livelihood vulnerability; High rate of Female-Headed Households (FHH) in Northern Province due to post-conflict dynamics.	Mandating GESI screening in the Digital VDP Toolkit to ensure women, FHH other marginalised groups receives equitable project benefits and overall poverty eradication and empowerment benefits through Prajashakthi programme
C2: Training & Governance	500 Divisional Level Officers / 150 CDCs	Women often lack "formal" leadership roles in traditional water-user associations.	Quota-based certification for 250 female officers and training for female CDC members (50%) in financial management.
C3: Livelihood Assets, Value Chains	1,150 Farmers (AWD); 60,000 Digital Literacy 100 Processing Centres; 3 Markets	High livelihood vulnerability among women, youth migration is high; women have limited access to mobile-based agro-met advisories. Women are heavily involved in post-harvest work but often excluded from market negotiations	Targeting women and introducing women responsive livelihood options, Deployment of digital literacy training for 50% of 60,000 beneficiaries as women/youth to bridge the "digital divide" in accessing early warnings using mobile phones. Allocation of 50% of vendor spaces in Farmers' Markets to women-led cooperatives and youth entrepreneurs.
C4: (KM)	Beneficiary oriented (i.e. women, elderly, youth) knowledge products	Lack of access and capacity to obtain climate actionable adaptation knowledge using modern technologies as communication vehicles	Use of local and traditional communication methodologies innovatively (i.e., community networks) for increasing inclusivity of last mile dissemination alongside modern technologies

C. Describe or provide an analysis of the cost-effectiveness of the proposed project/programme.

The project demonstrates cost-effectiveness by leveraging existing national systems, institutional structures and technical

resources across rural and urban contexts. Its design ensures investments deliver maximum value by strengthening the Prajashakthi programme's nationwide planning framework and integrating climate adaptation into all 14,008 Village Development Plans (VDPs), covering all rural, urban, and peri-urban areas. The Adaptation Fund (AF) grant covers the incremental costs of embedding climate-risk analytics, climate-resilient design standards and ecosystem-based adaptation measures into this existing national poverty-eradication platform, costs not covered by baseline Prajashakthi financing. For instance, instead of creating parallel systems, this project leverages on the existing Prajashakthi programme (which has an annual budget of approx. USD 16.6M). By investing USD 2.8M in digitalization and capacity (Components 1 & 2), the project effectively climate-proofs the government's entire future poverty eradication expenditure, resulting in a high leverage ratio.

Alternatively, if the project was designed as sectoral or standalone initiative, scaling up and replicating project's direct benefits will require additional investments in the form of effort, time and cost, without a guarantee of scaling up. The strategic cost benefit of this project lies on not only because it is a part of the national poverty eradication initiative that has already formally agreed to scale up project experience through its institutional framework including introducing adjustments to its processes (methodological, capacity building, policy etc.) but also because its highly central role in local development in the future. The legal mandate that Prajashakthi has through the Cabinet Paper will be converted to an Act of the Parliament (estimated to be passed in the parliament in 2026) to mandate all local development to be channelled through Prajashakthi CDCs.

In addition, the selection of all climate resilient interventions under the project have been planned and selected considering cost effectiveness as a key criterion amongst all practical alternative options based on the recent climate change adaptation projects conducted in similar settings. In the case of Village Irrigation Systems (VIS), rehabilitation of 25 VIS (Output 3.1) is significantly more cost-effective than building new large-scale reservoirs. At an estimated cost of USD 120,000 per VIS, the project secures water for 500 ha, whereas a new reservoir would cost ten times more per hectare served based on previous projects (GCF funded Climate Resilient Integrated Water Management Project). Furthermore, nature-based lagoon restoration (Output 3.4) provides flood protection for 20,000 people at a lower price compared to hard infrastructure for flood mitigation. Similarly, cost effectiveness considerations are central to designing individual actions. For example, the project will invest in catchment protection initiatives for soil conservation and mitigate siltation of downstream irrigation reservoirs over investment heavy de-siltation operations of reservoirs to increase water holding capacity. De-siltation cost is on average one fourth of the total irrigation system rehabilitation cost. The project's use of EbA is also a strategic approach as such interventions (i.e., increasing cropping intensity building on traditional coping strategies for increasing crop production) are much more cost effective as it reduces cost by 40-50% than conventional or modern interventions such as precision agriculture using sophisticated technologies with high initial and adoption costs. The project blends high-impact demonstrations, scalable knowledge systems and institutionalised planning reforms, ensuring adaptation benefits extend beyond directly supported locations.

Demonstration investments: Rural, peri-urban and urban applications

Under Outcome 3, approximately USD 13 million will fund targeted climate-resilient demonstrations across rural villages, urban settlements and vulnerable communities in peri-urban and township areas. Concentrating investments in a limited number of Grama Niladhari (GN) divisions allows the project to test and refine solutions at a lower unit cost, generating standardised models for replication through existing Prajashakthi financing without further AF support. These interventions will focus on integrated water management, livelihood diversification, ecosystem-based adaptation and nature-based solutions to address flood and heat stress. Directly covering 150–300 GN divisions, these pilots provide evidence for replication through the Prajashakthi system, scaling to approximately 2,500 GN divisions by project end.

Knowledge products and decision-support tools: High leverage through reuse

Under Outcome 1, the project will develop and disseminate high-leverage knowledge products, including technical guidelines, adaptation menus, VDP templates, vulnerability tools and gender-responsive materials. These will be integrated into Prajashakthi's planning and training systems, ministry platforms and digital community portals. By leveraging proven models, the project avoids duplication, reduces development costs and accelerates adoption. Once developed, these tools can be reused across planning cycles and districts at negligible marginal cost, progressively reducing the cost per beneficiary and per climate-resilient investment over the lifetime of the Prajashakthi programme.

Institutional strengthening: Embedding adaptation at low incremental cost

Under Outcome 2, capacity will be built for all 331 divisional and 341 municipal planners, and 2800 Community Development Committees. Climate-risk screening, gender-responsive budgeting and Environmental and Social Management Plan safeguards will be embedded into standard operating procedures. This ensures sustainability and scale-up within existing frameworks, without new structures or long-term external funding. Embedding these functions into routine procedures avoids the recurring transaction costs associated with stand-alone adaptation projects, repeated feasibility studies and post-disaster reconstruction expenditures.

Cost-efficiency through use of existing systems and institutions, and multiplier effect

The project achieves significant savings by using established Prajashakthi governance structures, grievance redress mechanisms and community networks, eliminating the need for new institutions, large-scale baseline surveys or complex exit mechanisms. This integrated approach creates a high multiplier effect: direct resilience benefits for targeted communities, coupled with embedded tools and planning reforms that enable replication across all 14,008 VDPs. By reducing exposure to floods, droughts, heat stress and ecosystem degradation, the project lowers future public and household expenditures on emergency response, asset replacement and livelihood recovery. Nationwide scale-up will be financed through regular Prajashakthi budgeting cycles, aligning with the AF's criteria for cost-effectiveness, scalability and transformational impact.

The project's cost-effectiveness is anchored in three strategic pillars that maximize the impact of the USD 20 million investment:

Table 21: Comparison of Alternative Options

Approach	Cost Drivers	Effectiveness/Sustainability
Traditional Engineering (Hard)	High capital for concrete dams/sea walls; high maintenance.	Limited to one site; prone to failure under extreme climate shifts.
Stand-alone Pilot Projects	High overhead for temporary PMUs; lessons lost after 5 years.	No systemic change; benefits disappear when funding ends.
Proposed Integrated Model (EbA + Prajashakthi)	**Low-cost NbS** (Activity 3.4) + leveraging existing govt. staff/budgets.	**Systemic scaling** to 14,008 divisions; permanent institutional uptake.

Leveraging Existing Institutional Infrastructure

Instead of creating parallel systems, this project "piggybacks" on the existing Prajashakthi programme (which has an annual budget of approx. USD 16.6M). By investing USD 2.8M in digitalization and capacity (Components 1 & 2), the project effectively "climate-proofs" the government's entire future poverty eradication expenditure, resulting in a high leverage ratio.

Quantitative Economic Rationale

The rehabilitation of 25 Village Irrigation Systems (VIS) (Output 3.1) is significantly more cost-effective than building new large-scale reservoirs. At an estimated cost of USD 120,000 per VIS, the project secures water for 500 ha, whereas a new reservoir would cost 10x more per hectare served. Furthermore, nature-based lagoon restoration (Output 3.4) provides flood protection for 20,000 people at a fraction of the cost of concrete drainage systems.

D. Describe how the project/programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

Consistency with national and sub-national strategies

The project is a direct implementation vehicle for Sri Lanka's national, provincial and local priorities for sustainable, inclusive and climate-resilient development across rural, peri-urban and urbanising areas. It translates high-level policy into accountable local planning and investment by working through and strengthening the Prajashakthi system and its existing governance frameworks, rather than creating parallel delivery mechanisms.

Alignment with national policy frameworks

The project operationalises the national policy framework 2025–2029 ("A Thriving Nation, A Beautiful Life") and Sri Lanka's National Adaptation Plan (NAP) 2016–2025 (and NAP 2026-2035 which is being drafted) by embedding climate-risk screening, climate-informed budgeting and gender-responsive, ecosystem-based adaptation directly into Prajashakthi development cycles. Through support to Climate-Resilient Village Development Plans and related investments, it advances NAP priorities on water security, climate-resilient agriculture, biodiversity and ecosystem management, resilient infrastructure and urban resilience. Risk-informed infrastructure standards adopted under the project will be aligned with technical guidance and codes issued by the National Building Research Organisation, Central Environmental Authority and Irrigation Department. The project is also consistent with the National Disaster Management Plan (2023–2030) and sectoral disaster risk-reduction frameworks by integrating hazard mapping, climate-risk screening and early risk identification into Village Development Plans, ensuring that climate adaptation and disaster risk reduction are addressed in a coordinated manner at local level.

Support for NDCs and Paris Agreement implementation

The project directly contributes to Sri Lanka's updated Nationally Determined Contributions by closing the implementation gap between national climate commitments and local action. NDC 3.0 (2026–2035) highlights weak climate information management, inadequate decision-support systems and limited local capacity as key barriers to resilient development. The project responds by establishing and operationalising a dedicated digital climate information platform that consolidates climate-risk, hazard and vulnerability data with sector-specific guidance and tools for Community Development Committees and local planners. By enabling systematic integration of climate risks into local planning, budgeting and monitoring cycles, the project supports NDC adaptation priorities across water, infrastructure, coastal and lagoon systems, ecosystems and urban planning, and strengthens vertical integration between national strategies (NAP and NDCs), provincial adaptation priorities and locally implemented Village Development Plans.

Consistency with sustainable development and SDGs

Aligned with the Sustainable Development Act (2017) and the National Strategy for Sustainable Development, the project promotes resource-efficient, climate-resilient development, social inclusion, ecosystem protection and public health. By strengthening climate-resilient livelihoods, local governance and critical ecosystem services, it contributes to national Sustainable Development Goal (SDG) indicators monitored by the Sustainable Development Council, particularly SDG 1, SDG 2, SDG 5, SDG 11, SDG 13 and SDG 15. The project's emphasis on gender-responsive planning and women's leadership at community level is consistent with national gender equality policies and Adaptation Fund principles on equity, human rights and

environmental integrity.

Governance and accountability for safeguards

A clear, multi-tiered accountability structure ensures compliance with national strategy, standards, and Adaptation Fund policies. At national level, the Ministry of Rural Development, Social Security and Community Empowerment, the Ministry of Provincial Councils and Local Government and the Ministry of Environment and Climate Change Secretariat provide oversight and ensure alignment with the NAP, NDCs, disaster-management frameworks and technical standards. At project level, the Project Management Unit, supported by UNDP, implements Environmental and Social Management Plans, a grievance redress mechanism and safeguard reporting. At local level, Community Development Committees and divisional and provincial coordination platforms apply safeguards on the ground, maintain compliance records and report upwards. Regular joint reviews with divisional and provincial authorities and UNDP ensure adherence to national and Adaptation Fund policies and support continuous improvement, making the project a practical instrument for implementing Sri Lanka's climate and sustainable development strategies.

Sustainability and Maintenance Plan (Post-Project)

The sustainability of economic, environmental, and social benefits generated by this project is ensured through a systems-integration and institutionalization approach rather than stand-alone project activities. The core logic is that benefits are embedded within existing national programmes, governance structures, and community systems, enabling continuation without reliance on external project financing:

- First, sustainability is achieved through institutional integration within the Prajashakthi poverty eradication programme. Climate risk information, planning tools, guidelines, and community-led adaptation approaches developed under the project are formally incorporated into Prajashakthi's planning, budgeting, and implementation processes. This ensures that climate-resilient practices, financing priorities, and monitoring mechanisms continue to be applied through regular government programming.
- Second, the project strengthens local governance and institutional capacity, enabling local authorities and community institutions to independently plan, implement, and monitor climate-resilient development actions. By building the skills of government officers, community leaders, and farmer groups, the project reduces dependency on external technical support and creates enduring human and institutional capital.
- Third, sustainability is reinforced through community ownership and demonstrated value. Community-led adaptation measures are selected, implemented, and managed by communities themselves, generating tangible economic, environmental, and social benefits. Once communities experience reduced losses, improved livelihoods, and stronger resilience, these practices are more likely to be maintained and replicated.
- Finally, the project promotes knowledge systematization and learning, ensuring that evidence, lessons learned, and successful models are documented and scaled through national platforms. This creates a feedback loop where proven adaptation solutions inform future investments, policies, and programmes, sustaining benefits well beyond the project lifespan.

Table 22. Alignment with National and Subnational Strategies

Plan / Policy	Specific Action & Project Alignment	Activities & Outputs	Outputs
1. National Adaptation Plan (2025–2035) *Alignment with the objective: While focusing on 5 out of 13 climate vulnerable sectors, the proposed project will systematically integrate climate change adaptation into national plans, and investments (i.e. Poverty alleviation plan of Prajashakthi).*			
Livestock Sector	Adaptation Strategy 1. Introduce adaptation measures to address adverse impacts of climate change on ruminant livestock, including heat-tolerant breeds, improved housing, and pasture rehabilitation.	Activity 3.2.6.	Output 3.2
Agriculture Sector	Adaptation Strategy 01: Mainstreaming of climate change considerations into agriculture.	Activities 3.2.1., 3.2.3.	Output 3.2
	Adaptation Strategy 03: Strengthening of early warning and risk management mechanisms and capacity for emergency response to climate-related disasters.	Activity 3.2.4.	Output 3.2
	Adaptation Strategy 06: Strengthening of sustainable land and water management practices in areas at increased risk from climate change–induced extreme rainfall events, extended dry periods, etc.	Activity 3.1.3.	Output 3.1
Fisheries Sector	Adaptation Strategy 3. Expansion of aquaculture and culture-based fisheries to address supply challenges related to climate change.	Activity 3.2.7.	Output 3.2
	Adaptation Strategy 5. Enhancement of production capacity of fisheries and aquatic resources in lagoons that are most vulnerable to climate change.	Activities 3.4.5., 3.4.6.	Output 3.4
Water Resources Sector	Adaptation Strategy 01: Improved watershed / river basin management and augmenting storage infrastructure.	Activity 3.1.1.	Output 3.1
Biodiversity & Ecosystems Sector	Adaptation Strategy 05: Prevention of premature drying of seasonal surface water bodies.	Activity 3.1.1.	Output 3.1
	Adaptation Strategy 06: Reducing vulnerability of species and ecosystems to increased incidence of natural hazards, weather extremes, heat stress, salinity intrusions.	Activities 3.4.1., 3.4.5.	Output 3.4
2. Nationally Determined Contributions (2026–2035) *Alignment with the objective: The objective of the adaptation components of the NDCs is to ensure that resilience-building efforts are inclusive and leave no one behind, while advancing broader social and development goals. In line with this, the proposed project will integrate climate change adaptation into the national poverty-alleviation programme so that adaptation actions directly contribute to one of the country's key development priorities—poverty reduction.*			
	NDC 1: Mainstreaming climate change considerations into agriculture.	Activities 3.2.1., 3.2.3.	Output 3.2

Plan / Policy	Specific Action & Project Alignment	Activities & Outputs	Outputs
Adaptation in the Agriculture Sector	NDC 2: Develop and strengthen National Weather & Climate Platform for early warning and risk management.	Activity 3.2.4.	Output 3.2
	NDC 5: Sustainable land use and efficient resource management for improved production & productivity.	Activity 3.1.3.	Output 3.1
Adaptation in the Fisheries Sector	NDC 02: Identify and expand sustainable fisheries, aquaculture and culture-based fisheries to address food security issues relating to climate change.	Activity 3.2.7.	Output 3.2
	NDC 4: Evaluate the production capabilities of fisheries and aquatic resources in climate vulnerable lagoons to maintain sustainable and stable productivity levels.	Activity 3.4.6.	Output 3.4
	NDC 7: Introduce alternative livelihoods and strengthen capacity development to reduce climate vulnerability.	Activities 3.4.6., 3.2.7.	Outputs 3.4 and 3.2
Adaptation in the Livestock Sector	NDC 1: Introduce adaptation measures, particularly genetic improvement, disease surveillance and forage improvement strategies to address climate impacts on ruminant livestock.	Activity 3.2.6.	Output 3.2
Adaptation in Water Sector	NDC 7: Restoration, rehabilitation, and augmentation of existing irrigation systems.	Activity 3.1.1.	Output 3.1
Adaptation in Biodiversity Sector	NDC 1: Identification, mapping and management of areas that are highly vulnerable to adverse impact of climate change, including the restoration of degraded areas inside and outside of the protected areas (PAs) network to conserve habitats.	Activities 3.4.1., 3.4.5.	Output 3.4
3. National Biodiversity Strategic Action Plan (NBSAP 2016–2022) *Alignment with the Objective: As per the objectives of the NBSAP, the Project will contribute to sustainable utilization of resilient biodiversity by adapting ecosystem approach for improving human wellbeing in equitable manner.*			
	Target 8: By 2022, sustainable agriculture practices are promoted and established.	Activities 3.2.1., 3.2.5.	Output 3.2
	Target 11: By 2022, the capacity of ecosystems to deliver goods and services and provide protection from hazards is enhanced.	Activities 3.4.1., 3.4.5.	Output 3.4
4. National Disaster Management Plan (2023–2030) *Alignment with the objective: As per the national disaster management plan, this project has taken climate change adaptation and ecosystem-based approach for building resilience.*			
	Operational Strategy 2: Improving disaster risk governance at all levels through adequate legal mandates, disaster risk reduction integrated development, and meaningful participation of stakeholders.	Activities 1.1.3., 4.2.3.	Outputs 1.1 and 4.2
	Operational Strategy 4: Ensuring effective preparedness for response and sustainable recovery of all sectors and communities affected by disasters and climate change, through efficient early warnings, building community resilience and fostering national and international partnerships.	Activity 3.2.4.	Output 3.2
5. National Policy Framework 2025–2029 (“A Thriving Nation, a Beautiful Life”) *Alignment with objectives: As per this framework, the project seeks to enhance economic prosperity (poverty reduction and income increase), social inclusiveness (targeting vulnerable communities, women, youth) and green growth (use of ecosystem-based approach).*			
	Section 1.7 Sustainable Biotic World – An Evergreen Life: Balance between environment and development, Sustainable use of resources and precautionary approach, Ecosystem approach, institutional coordination and public participation, environmental good governance, and community empowerment.	Activities 1.1.3., 1.2.1., 1.2.2., 1.3.1., 1.3.2., 3.4.1., 3.4.2., 3.4.4., 3.4.5., 3.4.6., 3.1.1.	Outputs 1.1., 1.2., 1.3., 3.1 and 3.4
	Section 2.3 Impartial Human Identity – Gender Equality in Social Life: Women’s involvement in creating sustainable environment conservation strategies, Economic justice as the cornerstone for achieving gender equality.	Activities 1.1.2., 1.1.3., 1.2.3., 1.3.1., 2.1.1., 2.1.2., 2.1.3., 2.2.3., 2.2.4., 2.2.5., 3.1.3., 3.3.4., 3.4.2., 4.1.1., 4.1.2., 4.1.3., 4.1.4., 4.2.3., 4.3.1., 4.3.2., 4.3.3.	Outputs 1.1., 1.2., 1.3., 2.1., 2.2., 3.1., 3.3., 3.4., 4.2.
	Section 2.5 Contented Youth – Cultured Independent Thinkers: Youth who are actively involved in the economic process, Promoting innovation-led entrepreneurship and green jobs to reduce outmigration.	Activities 1.1.3., 1.3.1., 2.1.1., 2.1.2., 2.1.3., 2.2.2., 2.2.3., 2.2.4., 2.2.5., 3.2.4., 3.4.2., 4.1.1., 4.1.2., 4.1.3., 4.1.4., 4.3.3.	Outputs 1.1., 1.3., 2.1., 2.2., 3.2., 3.3., 3.4., 4.1., 4.3.
	Section 3.2 Higher Productivity – Nation with Food Security: High productivity and efficiency in agricultural systems, Strong agricultural entrepreneurship and sustainable markets, Correct land management, Proper management of agricultural practices, Environmentally friendly operations, Empowering the agricultural producers, Mitigation of Climate and Other Risks.	Activities 3.1.1., 3.1.2., 3.1.3., 3.2.1., 3.2.2., 3.2.3., 3.2.4., 3.2.5., 3.3.1., 3.3.3., 3.3.4., 3.4.1., 3.4.3., 3.4.4.	Outputs 3.1, 3.2, 3.3 and 3.4
	Section 3.3 High Quality Livestock Production – An Entrepreneurial Approach: High quality hygienic animal production, Youth and female participation in livestock entrepreneurship, public-private and community partnerships for livestock development.	Activity 3.2.6.	Output 3.2
	Section 3.4 Sustainable Management – Quality Fish Resources: Food and nutrition security, participatory approach and sustainable management.	Activity 3.2.7.	Output 3.2
6. National Policy on Gender Equality and Women’s Empowerment (2023–2032) *Aligned across Thematic Areas 02–05 to ensure gender-responsive implementation throughout all project components.*			
	Thematic Area 02: Economic Empowerment and Productive Employment Thematic Area 03: Social Equality and Empowerment Thematic Area 04: Environment and Disaster Management Thematic Area 05: Equality in Decision-making	Activities 1.1.2., 1.1.3., 1.2.3., 1.3.1., 2.1.1., 2.1.2., 2.1.3., 2.2.3., 2.2.4., 2.2.5., 3.1.3., 3.3.4., 3.4.2., 4.1.1., 4.1.2., 4.1.3., 4.1.4., 4.2.3., 4.3.1., 4.3.2., 4.3.3.	Outputs 1.1., 1.2., 1.3., 2.1., 2.2., 3.1., 3.3., 3.4., 4.2.
7. Prajashakthi National Programme *National poverty eradication and inclusive growth targeting poor and marginalised communities and their empowerment and ensuring the fair distribution of economic benefits across society.*			
	The project is designed to climate-proof the Prajashakthi programme and as such outputs and activities are fully aligned with it.	All activities	All outputs

Plan / Policy	Specific Action & Project Alignment	Activities & Outputs	Outputs
8. The National Youth Policy (Draft) *To ensure that the voices and aspirations of young people are at the centre of decision-making. Youth-led: driven by meaningful participation of young people themselves. Inclusive: addressing pressing realities such as unemployment, health, and the barriers faced by marginalized youth. Evidence-driven: grounded in robust data and research to ensure effective, sustainable solutions.*			
	Aligned with youth-led, inclusive and evidence-driven principles through livelihood, entrepreneurship and capacity-building activities.	Activities 1.1.3., 1.3.1., 2.1.1., 2.1.2., 2.1.3., 2.2.2., 2.2.3., 2.2.4., 2.2.5., 3.2.4., 3.4.2., 4.1.1., 4.1.2., 4.1.3., 4.1.4., 4.3.3.	Outputs 1.1., 1.3., 2.1., 2.2., 3.2., 3.3., 3.4., 4.1., 4.3
9. National Charter and Policy for Senior Citizens (2006) (being updated) *Aligned with income security and community participation strategies through livelihood and governance activities.*			
	Strategy 5: Ensure income security and promote suitable employment. Strategy 14: Encourage community participation.	Activities 1.1.3., 1.3.1., 2.1.1., 2.1.2., 2.1.3., 2.2.2., 2.2.3., 2.2.4., 2.2.5., 3.2.4., 3.4.2., 4.1.1., 4.1.2., 4.1.3., 4.1.4., 4.3.3.	Outputs 1.1., 1.3., 2.1., 2.2., 3.2., 3.3., 3.4., 4.1., 4.3
10. National Social Protection Strategy 2025–2035 *Labour Market Inclusion is a key component of the strategy to have programs linking individuals to employment and economic opportunities.*			
	Aligned with labour market inclusion through livelihood diversification, skills development and community-based economic empowerment activities.	Activities 1.1.2., 1.1.3., 1.2.3., 1.3.1., 2.1.1., 2.1.2., 2.1.3., 2.2.1., 2.2.2., 2.2.3., 2.2.4., 2.2.5.	Outputs 1.1., 1.2., 1.3., 2.1., 2.2.

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

Compliance with national technical, legal and institutional standards

The project will be implemented in full compliance with Sri Lanka's technical, legal, and institutional frameworks for environmental management, land use, infrastructure, labour, public health and data governance. Climate and environmental data systems will follow National Spatial Data Infrastructure requirements, Survey Department and Central Environmental Authority quality standards, ISO 19115/19152 and Open Geospatial Consortium protocols, with urban datasets aligned to Urban Development Authority and National Physical Planning Department specifications. Institutional strengthening and service delivery interventions will be consistent with the National Climate Change Policy, the National Adaptation Plans 2016–2025, /2026-2035 national and local disaster risk management standards and municipal regulations for solid waste, drainage, sanitation and public safety.

All physical works under Component 3 in rural and urban areas, including water-management assets, slope stabilisation, drainage improvements and ecosystem restoration, will comply with applicable sectoral standards. In rural and agricultural settings, this includes technical prescriptions and guidelines of the Irrigation Department, Agrarian Development Department, Construction Industry Development Authority and National Building Research Organisation. In urban and municipal areas, interventions will follow Urban Development Authority zoning and drainage guidelines, the National Building Code, municipal by-laws on waste, stormwater and public health, and Central Environmental Authority pollution-control standards. These requirements will be incorporated in designs, tender documents, contractor contracts, supervision protocols and community maintenance arrangements so that compliance is enforced throughout the project cycle.

All activities will adhere to Sri Lanka's core environmental and heritage legislation, including the National Environmental Act and relevant provincial environmental acts, the Fauna and Flora Protection Ordinance, the Forest Ordinance, the Antiquities Ordinance, municipal by-laws and the Disaster Management Act for work in flood- and landslide-prone areas. Environmental impact assessments or initial environmental examinations will be undertaken where regulatory thresholds are triggered and necessary clearances obtained before implementation.

Compliance with the Adaptation Fund ESP and Gender Policy

The project is fully aligned with all 15 principles of the Adaptation Fund Environmental and Social Policy and with the AF Gender Policy. It will safeguard biodiversity and ecosystem integrity by protecting and restoring wetlands, riparian buffers and peri-urban ecosystems and by avoiding significant conversion or degradation of natural habitats. All investments will be screened for climate risk to prevent maladaptation in both rural and urban infrastructure. Pollution prevention and resource efficiency will be ensured through strict adherence to Central Environmental Authority and municipal standards for effluents, solid waste and construction practices.

Equity and non-discrimination will be promoted by prioritising underserved rural GN divisions and urban settlements, low-income households, informal workers, women, youth, elderly persons and persons with disabilities in targeting and decision-making. A standalone, costed Gender Action Plan, aligned with national gender policies and the AF Gender Policy, will guide gender analysis, participation, benefit-sharing, capacity development and monitoring. Labour and working-conditions standards will be upheld by requiring compliance with national labour law and relevant ILO conventions, including safe working conditions, non-discrimination and equal pay for workers engaged through contractors, municipalities and community-based arrangements. Public health and safety, protection of cultural heritage, information disclosure and accessible grievance channels will be

integrated into project design and implementation in line with ESP requirements.

Table 23: Project Alignment with Relevant National Technical Standards

Standard / Regulation	Scope & Relevance	Project Linkages (Outputs/Activities)	Compliance Status & Steps	Competent Authority
National Environmental Act (NEA)	Core environmental legislation governing EIAs, pollution control, and environmental clearances.	Activity 3.1.1, Output 3.1: All physical works (catchment restoration, slope stabilization, drainage, restoration).	EIAs/IEEs conducted where thresholds triggered; clearances obtained before implementation; mitigation measures integrated into designs.	Central Environmental Authority (CEA)
Fauna and Flora Protection Ordinance	Protection of biodiversity and ecosystems.	Activity 3.2.7 and 3.4.1, Output 3.2 and 3.4: VIS ecosystem restoration, land use near protected areas, Aquaculture in tanks if– endangered are reported.	Avoidance of sensitive habitats; permits for interventions; biodiversity safeguards in VIS restoration plans.	Department of Wildlife Conservation
Forest Ordinance	Regulation of forest use and conservation.	Activity 3.4.1, Output 3.4: Afforestation, slope stabilization, watershed management.	No encroachment: reforestation aligned with Forest Department guidelines.	Forest Department
Antiquities Ordinance	Safeguards cultural heritage sites.	Activity 3.1.1, Output 3.1: Construction near heritage sites.	Archaeological clearance obtained for VIS rehabilitation;	Department of Archaeology
Urban Development Authority (UDA) Zoning & Drainage Guidelines	Urban planning and infrastructure standards.	Activity 3.4.4, 3.4.5, 3.4.6, Output 3.4: Urban drainage, lagoon and urban wetland management compliance.	Designs reviewed by UDA; approvals secured.	Urban Development Authority
National Physical Planning Department Specifications	National-level urban and spatial planning.	Activity 1.1.1 and 1.2.1, Output 1.1 and 1.2: Urban datasets, infrastructure siting.	Compliance with spatial planning frameworks; integration into project GIS.	National Physical Planning Department
Irrigation Department Guidelines	Standards for VIS construction, irrigation and water management.	Activity 3.1.1, Output 3.1: Rural water-management assets including VISs.	Designs reviewed by Irrigation Department; compliance enforced in contracts.	Irrigation Department
Agrarian Development Department Guidelines	Standards for rural/agricultural land use and– resource management.	Activity 3.4.1, Output 3.4: VIS ecosystem restoration, water assets, agrarian services.	Compliance with agrarian prescriptions; Farmer Organizations' consultations integrated.	Agrarian Development Department

Safeguard instruments and implementation arrangements

A harmonised Environmental and Social Management Framework (based on the initial Social and Environmental Screening Procedure, Annex 1), consistent with national law, UNDP's Social and Environmental Standards and the Adaptation Fund ESP, will govern safeguard management. It will define procedures for screening and categorising all rural and urban interventions against National Environmental Act, provincial or municipal requirements and AF principles, and will specify when site-specific Environmental and Social Management Plans are required. ESMPs will be prepared and implemented for moderate-risk activities such as urban drainage works, riverbank reinforcement and larger ecosystem-restoration schemes, with clear mitigation, monitoring and institutional responsibilities.

The Project Management Unit will maintain a safeguard compliance log, consolidate monitoring inputs from national and local partners and submit regular reports to the Ministry of Rural Development, Social Security and Community Empowerment, the Ministry of Environment and UNDP. The UNDP Country Office will provide quality assurance and technical support, with additional oversight available through UNDP's Social and Environmental Compliance Unit. At local level, Community Development Committees and divisional and provincial coordination platforms will apply screening tools, implement agreed mitigation measures and maintain basic records, reporting upwards to the Project Management Unit and relevant line agencies.

A multi-tier grievance redress mechanism, from community to district and national levels, will allow project-affected people and stakeholders to raise concerns, consistent with UNDP's Social and Environmental Compliance procedures. Safeguard information, eligibility criteria and grievance channels will be disclosed through Prajashakthi structures and community meetings. Through this integrated system of standards, instruments and accountability, the project will meet relevant national technical standards and ensure robust compliance with the Adaptation Fund's Environmental and Social Policy and Gender Policy.

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

No material duplication exists with other climate or development investments in Sri Lanka. The project operates through the Prajashakthi programme, focusing on systemic institutionalisation and planning reform at sub-national level—an approach fundamentally distinct from the sector-specific or geographically bounded interventions of existing projects. Where district-level geographic overlap exists, the project targets different Divisional Secretariat divisions and coordinates through the Climate Change Secretariat to avoid duplication. Lessons from four AF projects in Sri Lanka and other relevant investments are systematically incorporated into the design.

Table 24: Synergy and Complementarity of Climate Adaptation and Environmental Investments in Sri Lanka

Target Group/Geographic Scope	No-Duplication Justification & Lessons Applied
GCF & World Bank Investments	

Target Group/Geographic Scope	No-Duplication Justification & Lessons Applied
Project Title: Climate Resilient Integrated Water Management Project (CRIWMP) GCF FP016 **IE/Duration:** Ministry of Mahaweli Development and Environment (MoMDE) / 2017–2025 **Objective:** Improved water management (irrigation and drinking water) and access to timely weather and agro-met advisories	
Smallholder farmers and vulnerable groups in 7 Dry Zone districts (Anuradhapura, Polonnaruwa, Kurunegala, Puttalam, Mannar, Vavuniya, Trincomalee)	Complementary: CRIWMP focuses on integrated water management in river basins; this project targets Prajashakthi institutionalisation. No geographic duplication in target DS divisions. Lessons applied: infrastructure alone insufficient without O&M frameworks; women-targeted interventions increase efficiency; cross-sectoral planning essential.
Project Title: Knuckles Mountain Range Project (GCF FP 124) **IE/Duration:** MoMDE-ICRAF-IUCN / 2020–2026 **Objective:** Strengthen the adaptive capacity vulnerable communities by improving the resilience of farm- and land-management practices, and by climate proofing the underlying ecosystems in the Knuckles/Amban Ganga highlands and lowlands.	
Subsistence farmers and agriculture plantation communities residing in vulnerable areas in Knuckles highland catchment (different districts)	No overlap: operates in different districts/ecosystems. Lessons applied: upstream-downstream coordination; tailored livelihood packages; EbA linked to local institutions.
Project Title: CSIAP - Climate Smart Agriculture Project (World Bank) **IE/Duration:** Ministry of Agriculture, Livestock and Irrigation 2019-2025 **Objective:** Resilience Building of Famers and Productivity of Irrigated Agriculture (1700 irrigation schemes) and Food Security	
Farmer families (>60,000) 11 Dry Zone districts incl. Ampara, Batticaloa, Kilinochchi, Mullaitivu	Complementary: CSIAP rehabilitates irrigation schemes; this project targets different VIS and adds institutional/planning dimension. Lessons applied: extension support must accompany infrastructure; productivity gains sustained with market linkages.
Adaptation Fund Projects	
Project Title: Addressing climate change impact on marginalized agricultural communities living in the Mahaweli river basin **IE/Duration: MoMDE** /WFP -UNDP / 2013–2016 **Objective:** Livelihood Diversification and Building Resilience; Improving Water and Food Security of Famers	
Vulnerable communities to climate impacts Nuwara Eliya, Polonnaruwa (completed)	No overlap: completed project in different divisions in Nuwara Elliya. Lessons applied: livelihood diversification effective for VIS communities facing rainfall variability; shaped Component 3 design.
Project Title: Build Resilience to Climate Change and Climate Variability of Vulnerable Communities in Mullaitivu District **IE/Duration**: MoE / UN-Habitat- 2023–2027 (AF) **Objective:** Community-based adaptation solutions and capacity strengthening for climate resilient development in targeted fishing and agricultural communities	
Direct: 12,096 (3,024 families in 3 DS divisions (Puthukkudiyiruppu, Maritimepattu, Welioya) Mullaitivu:	No duplication at GN level: this project targets alternative DS divisions. Lessons applied: local EEs improve responsiveness; community-based organisation involvement enhances ownership.
Project Title: Empowering Coastal Sri Lanka: Livelihoods and Preparedness for a Climate-resilient Future (E-COAST) **IE/Duration:** MoE /WFP-/ 2027–2032 (AF Pipeline) **Objective:** Develop/Test holistic, spatial, and temporal methodologies for managing coastal fisheries/ aquaculture	
Policy planners, researchers, Fishery and Aquaculture stakeholders 7 coastal districts incl. Mullaitivu, Trincomalee, Batticaloa	No duplication: E-COAST targets coastal belts; this project works inland/peri-urban. Coordination via Climate Change Secretariat ensures complementarity.
Project Title: Integrated Drought Management (IDM) South Asia **IE/Duration:** MoE - ADPC-GWP-SA /TBD (AF Pipeline) **Objective:** IDM approach aligned with the Regional Drought Risk Management and Mitigation Strategy for South Asia; strengthening early warning pillars; regional collaboration; community drought resilience	
Sri Lanka scope undefined	No duplication: concept stage, no defined geography. Potential synergy on drought-risk analytics and planning tools.
Project Title: Strengthening Resilience of Vulnerable Communities to Increased Impacts of Climate Change (ADAPT4R) **IE/Duration:** MoE/WFP 2024-2029 **Objective:** Last Mile Climate Services (LMCS)-co-production/dissemination of agromet advisories; local adaptation planning, livelihood diversification	
Women and other vulnerable communities/groups Monaragala, Mullaitivu, Vavuniya, Mannar, Kurunegala, Trincomalee	Potential overlap in 2 districts. Mullaitivu (only one —Maritimepattu —out of the five DS divisions), , Mannar (Only two— Mannar Town and Madhu —out of the five DS divisions), districts. In the two overlapping districts, the project will focus on alternative DS divisions, landscapes and GN divisions. A joint review prior to inception will be conducted for cross learning and geographical targeting for livelihood- and ecosystem-based interventions to ensure the complementary. This project emphasizing Prajashakthi integration of community-led climate resilient planning, will assist scaling up the ADAPT4R project's site-based results.
GEF & Other Investments	
Project Title: Natural Capital Values of Coastal/Marine Ecosystems Integrated into Sustainable Development Planning (GEF) **IE/Duration:** MoE /IUCN 2023–2026 **Objective:** Strengthen biodiversity mainstreaming, implement landscape/seascape planning with sustainable financing, and use Natural Capital Assessment (NCA) for conservation targeting.	
Coastal: Galle, Puttalam, Mannar, Trincomalee	No overlap: marine/coastal natural capital focus. This project does not work in marine/nearshore environments. Relevant NCA data may inform VDP risk screening
Title: Innovative Financing to Mainstream Biodiversity (BD) and Sustainable Land Management (SLM) in the Wet Zone (GEF**)** **IE/Duration:** MoE /UNDP 2024–2029 **Objective:** Integrate BD conservation and sustainable land management practices within the private sector tea/rubber plantations	
Nuwara Eliya, Rathnapura, Kegalle, Kalutara, Galle and Matara	No overlap in focus. Relevant BD mainstreaming and SLM tools and methodologies may be considered inform resilience VDP
Title: Sustainable economic benefits via conservation of critical biodiversity/ecosystem services in the Eastern Coastal Region (GEF) **IE/Duration:**MoE /UNDP 2026–2030	

Target Group/Geographic Scope		No-Duplication Justification & Lessons Applied	
Objective: To conserve biodiversity and critical ecosystem services through an integrated and inclusive climate-resilient terrestrial, coastal and marine resource management approach that generates commensurate benefits to the local economy and communities			
Local communities Hambantota, Batticaloa, Ampara (national parks/sanctuaries)		No overlap: biodiversity conservation in protected areas. Potential synergy on community-based NRM training materials.	
Project	IE/Time frame	Geographical Scope	No Duplication Justification & Lessons Applied
UN-Habitat COVID Resilience (KOICA); GFCR (GCF-IUCN 2024–2030); IFAD SARP (2021–2027); Govt women's resilience initiatives	Various IEs / 2021–2030	Nuwara Eliya, Badulla (KOICA); marine reefs (GFCR); 6 districts (SARP); national (Govt)	No duplication: different sectors (WASH/health, marine reefs, river-basin agribusiness, women's protection). Lessons applied: local ownership ensures sustainability; cluster-based implementation improves efficiency; value-chain linkages sustain productivity gains.

Key lessons incorporated from completed and ongoing investments: (i) infrastructure rehabilitation must be accompanied by O&M frameworks, community ownership, and extension support to sustain resilience gains (CRIWMP, CSIAP); (ii) women-targeted interventions measurably increase resource-use efficiency and adoption rates of climate-smart practices (CRIWMP, AF Mullaitivu); (iii) localised, simplified climate advisories delivered through trusted community channels achieve higher impact than top-down dissemination (ADAPT4R); (iv) livelihood diversification is most effective as a core adaptation strategy paired with market linkages, not as an ancillary benefit (AF Mahaweli, IFAD SARP); and (v) cluster-based implementation and local executing entity engagement improve responsiveness and reduce delays (UN-Habitat, KOICA). These lessons are operationalised primarily through Components 1 and 2 (institutionalisation of proven tools and training curricula) and Component 3 (demonstration design). Duplication is avoided through: (i) distinct geographic targeting at DS-division level; (ii) reuse and scaling of existing technical products rather than parallel development; and (iii) formal coordination with executing entities via the Climate Change Secretariat. The project complements all listed investments, using Prajashakthi as the institutional vehicle to extend adaptation lessons across 14,008 GN divisions.

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

The project implements a systematic Knowledge Management (KM) strategy designed to transform national poverty eradication and inclusive growth policy standards based on grassroots adaptation evidence and synergising sectoral adaptation lessons. This strategy is anchored in the Prajashakthi National Movement to ensure that learning is institutionalized beyond the project's lifespan.

Integrated learning and knowledge management approach

A dedicated component on knowledge management has been included in the TOC to ensure that project learning is systematically captured, validated, and mainstreamed into national policy and implementation pathways. As such, the project integrates a structured learning and knowledge management approach to translate evidence from interventions into scalable policy, planning tools and institutional practice. A national learning framework will foster cross-sectoral and territorial exchange, supporting the replication of Climate-Resilient VDP and Urban Resilience Action Plans within Prajashakthi. Learning processes are embedded in Prajashakthi's routine planning and budgeting tools and frameworks and review cycles, ensuring lessons directly inform subsequent investment and implementation decisions.

Dissemination of operational learning and feedback loops

Demonstration interventions across rural, peri-urban and urbanising landscapes will serve as learning laboratories, generating evidence on cost-effectiveness, gender and social outcomes, ecosystem performance and resilience benefits. Dissemination will occur through a multi-tiered pathway: (i) Local Level: peer-to-peer Farmer-to-Farmer exchanges and Community Development Council (CDC) sessions; (ii) Sub-National Level: integration of successful pilots into District/Divisional Planning Committees; and (iii) National Level: submission of technical briefs to the National Adaptation Plan (NAP) Steering Committee**.**

A dedicated Learning and Knowledge Management Officer (KMO), supported by the Monitoring, Evaluation and Learning (MEL) team, will be responsible for tracking experience and synthesizing data into actionable recommendations. In addition, undergraduate and graduate researchers and interns will also get opportunities to use data for scientific and technical analysis. Feedback from CDCs and local structures will be consolidated -via the Learning and Knowledge Coordination Mechanism chaired by the National Project Director, to the National Prajashakthi Coordination Body, Climate Change Secretariat and line ministries. This will inform iterative adjustments to Prajashakthi procedures, technical standards, planning templates and revisions to the -NAP. National learning events (including the end-project) will review evidence, with a special focus on synergies and cross learning from national adaptation projects and initiatives, in participation of external stakeholders and document at for wider use.

The project's KM and dissemination strategies may seem highly internally focused, but since it uses the Prajashakthi institutional structure and governance mechanism ensures knowledge reaching and use by all public sector planners, sectoral officers and communities at all levels.

Knowledge products, digital integration and dissemination

Project-generated evidence will be translated into user-oriented knowledge products for planners, technical officers, CDCs and community groups. These include technical briefs, field manuals, climate- and gender-responsive planning tools, training modules, case studies and multimedia materials. A digital platform, will host these resources, To ensure sustainability, all digital assets and training modules will be integrated into the Prajashakthi Management Information System (MIS) supported by the GOSL's digitalisation of public service initiative and the Sri Lanka Institute of Development Administration (SLIDA) and other related institutes' curriculum, supported by a dedicated exit-phase for institutional handover of monitoring, evaluation and learning. In addition, rich knowledge contained in data system, technical compendiums, related knowledge products, findings from research, and messages of media interventions are expected to create wider discussion and feedback.

Monitoring Evaluation and Learning

The MEL framework will track outputs, outcomes and the utilisation of evidence in planning, uptake of resilience tools, coordination improvements and institutional behaviour change. Annual learning reports, validated by the Project Steering Committee, will be shared through national adaptation and urban resilience networks. Integration with the Prajashakthi Programme is secured through a formal ministerial circular and joint governance, ensuring project-generated knowledge informs planning and implementation of the national poverty eradication during and beyond the project duration. This integrated approach creates an adaptive knowledge loop connecting community experience with policy reform and public investment, strengthening the sustainability and scalability of climate-resilient development beyond Adaptation Fund support.

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

A multi-level, inclusive, and gender-responsive consultation process has been conducted to ensure alignment with national priorities and local needs, in line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy. The process specifically targeted marginalised groups to ensure the project design included addressing the adaptation deficit (in poverty eradication) faced by these communities with climate-exposed assets.

National-Level Consultations

Strategically, national engagement ensured that the project is not a stand-alone pilot but a systemic upgrade to the Prajashakthi framework. Following initial engagement with the Ministry of Environment (MoE, the Designated Authority) on 26 May 2025 (5 participants: 3M, 2F), discussions progressed with the Ministry of Rural Development, Social Security and Community Empowerment (MoRDSS&CE) on 6 June 2025 (12 participants: 7M, 5F), leading to an agreement to formulate a project transforming existing social safety net structures to deliver climate-risk reduction, confirmed by MoRDSS&CE letter to MoE in June 2025. A joint MoE-MoRDSS&CE meeting on 7 July 2025 (6 participants: 5M, 1F) confirmed funding allocation, enabling concept progression.

Technical inputs from the Prajashakthi Secretariat (Presidential Secretariat) on 13 August 2025 (8 participants: 8M, 0F) strengthened institutional integration within Prajashakthi systems. A meeting with the Hon. Minister of Rural Development on 10 September 2025 (6 participants: 5M, 1F) aligned the project with Prajashakthi programming cycles and the March/April 2026 AF Board submission timeline.

A National Stakeholder Workshop co-led by MoRDSS&CE and UNDP on 3 October 2025 (21 participants: 12M, 9F) established a Technical Working Committee (TWC) for governance and technical oversight. The TWC's first meeting on 14 November 2025 (30 participants: 10M, 20F) reviewed the draft concept and refined approaches, target locations, and linkages between climate information services, VDP processes, and social protection delivery. Crucially, national stakeholders reiterated that a lack of mandates and capacity for climate screening—considering gender and social issues at the village level—was a primary barrier; consequently, the project now includes issuance of Ministerial circulars and development of inclusive planning guidelines for resilience building under Component 2. The need for institutionalised solutions beyond project boundaries to address knowledge gaps and weak technical skills was strongly acknowledged, prompting development of a knowledge repository (Activity 1.2.1) underpinned by the national digitalisation initiative, and revision of planning manuals, guidelines (Activity 1.1.2), and training (Activity 2.1.3) to include inclusive climate adaptation.

Subnational and Programme-Level Consultations

District-level consultations in Batticaloa on 6 June 2025 (26 participants: 14M, 12F) with the District Secretary and Prajashakthi officials identified institutional silos and capacity gaps as key risks. Virtual technical consultation with district and divisional officials on 12 December 2025 (31 participants: 18M, 13F) led to agreement that existing siloed knowledge essential for climate screening—considering local gender and social issues—must be integrated into existing Prajashakthi planning protocols and its MIS rather than creating new or parallel systems. This ensures divisional officers can use risk and vulnerability maps within routine workflows (Activity 1.1.3). Gaps linking NAP/PAP directly with Prajashakthi institutional structure suggested coordination arrangements (Activity 2.1.3), while bridging skill gaps was identified as a prerequisite for transforming Prajashakthi to resilient planning (Activity 2.1.2).

Community-Level and Gender-Responsive Consultations

To comply with the AF Gender Policy, field missions and community consultations in Kilinochchi and Mannar from 14-16 August 2025 (73 participants: 21M, 52F) included gender-segregated focus groups to capture issues often silenced in plenary sessions. Women identified "time poverty" and post-harvest heat spoilage as their primary climate risks. In response, the project shifted to decentralised solar-powered storage units that Women's Federations can establish and manage (Activity 3.2.2). Women

highlighted water scarcity as a major burden, endorsed at farmer consultations that also noted crop failure; actions were incorporated to minimise these risks (Activities 3.1.2, 3.1.3, 3.2.1, 3.2.2, 3.2.3).
Site visits with farmer organisations confirmed that individual tank repairs often fail due to upstream degradation, resulting in a focus on tank cascade landscapes and holistic ecosystem-based adaptation strategies (Activity 3.1.1) to restore entire hydrological systems rather than isolated tanks. Particular attention was given to elderly persons—demographically ~60% of farmers are >60 years—who requested "last mile" early warning systems using community communication channels (temple bells, SMS) in addition to smartphone apps (Activity 1.2.4). In response to climate-induced feeding issues and yield drops affecting livestock farmers, risk reduction solutions identified collectively involve the Department of Veterinary Health and Animal Production (Activity 3.2.6). Inland fishers raised reduced catch due to worsening seasonal drying of tanks, prompting risk reduction measures (Activity 3.2.7).
Consultation with youth showed their primary interest in entrepreneurship opportunities with higher returns than farming. In response, off-farm employment opportunities were discussed and incorporated (Activities 3.3.1, 3.3.3, 3.3.4), including skills development opportunities (Activity 3.3.2).
Additional consultations included a provincial-level meeting in Jaffna on 18 December 2025 (14 participants: 8M, 6F) to align provincial adaptation planning with the project, and a validation workshop in Colombo on 20 January 2026 (52 participants: 28M, 24F) where stakeholders validated the final concept design and confirmed readiness for submission.
In total, 12 consultation events engaged 314 participants (165M, 149F) across national, provincial, district, divisional, and community levels from May 2025 to January 2026, ensuring inclusive participation with near gender parity (47.5% women).

ESP and Gender Policy Compliance and Next Steps

The consultation process is consistent with Adaptation Fund ESP and Gender Policy requirements for the concept note stage. Early Environmental and Social Safeguards Screening (ESSS) has been conducted, and findings have informed project design. During full proposal development, consultations will be expanded to all targeted districts, specific landscapes, and vulnerable groups; consultation findings will be systematically documented; a stakeholder engagement plan will be prepared; and linkages between project-level and government grievance mechanisms will be clarified.

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

Sri Lanka's fiscal space for climate adaptation has been severely constrained following the 2022 economic crisis, sovereign debt restructuring, and ongoing recovery efforts. The national budget for FY2025/26 prioritizes debt servicing (40% of revenues), essential services, and social protection, leaving limited headroom for incremental climate-specific investments. The Prajashakthi National Programme, with an annual budget envelope of approximately LKR 15 billion (USD 45 million), is designed to address poverty reduction through community-driven development, but does not include allocations for climate risk analytics, ecosystem-based adaptation, or climate-proofing of village infrastructure—investments that are essential to safeguard development gains under changing climatic conditions.
Private sector finance is not a viable alternative for these interventions, as climate adaptation in rural poverty contexts generates avoided losses and non-monetizable resilience dividends rather than direct financial returns. Core public goods—such as climate information systems, participatory adaptation planning, and capacity development for climate-responsive governance—cannot be financed through market mechanisms. The Adaptation Fund is therefore essential to meet the full cost of adaptation required to transform Prajashakthi from a poverty-reduction platform into a climate-resilient national development architecture.

The Prajashakthi National Programme, Sri Lanka's flagship mechanism for poverty eradication and inclusive growth, is mandated to channel around LKR 25 billion (~USD 83.3 million) annually into community-led development and poverty eradication. While these domestic resources finance the essential infrastructure, and livelihoods, they constitute a "business as usual" baseline planned according to historical climate patterns. Without AF interventions these investments remain highly exposed to increasing climate hazards and ecosystem thresholds, leading to recurrent asset damage and diminished return on public expenditure. Adaptation Fund support is requested on full cost of adaptation basis to provide the incremental resources necessary to transform the 'business as usual' baseline into a climate resilient delivery mechanism. By integrating climate-risk information and specialized EbA /NbA engineering, the AF grant will, taken solely to ensure the delivery of concrete adaptation outcomes that the domestic budget cannot currently support. While the project aligns with Prajashakthi for scaling, no co-financing is required or anticipated to achieve the specific adaptation objectives defined**.** The project achieves its objective by addressing the climate-driven water deficit in the Dry Zone through a three-pronged adaptation strategy. This moves the community from "reactive coping" to "proactive resilience.

Component 1: Strengthen the Knowledge, Data/information Resource Base and Policy Coherence for Climate-Resilient Planning, Budgeting, and Implementation within the Prajashakthi poverty eradication programme.

Baseline (without AF): Under the National Policy Framework 2025-2029 ("A Thriving Nation, a Beautiful Life"), the Prajashakthi Project is mandated to provide standard village-level poverty alleviation and basic infrastructure support. Under this baseline, development planning remains focused on immediate socio-economic needs and does not incorporate longer-term climate risk modelling or 30-year projections which require specialised technical and scientific analysis. Data systems remain fragmented and oriented towards administrative and sectoral planning, with limited integration of climate risk information and almost no tailored decision-support tools for GN-level planning. Planners and Community Development Committees lack reliable, localised climate and hazard data, , design standards, etc., and skills, to prioritise sustainable investments. Without AF intervention, the 14,008 VDPs would remain climate-blind, leading to investments that are vulnerable to rapid degradation from climate variability and extreme weather events. Under the baseline, Prajashakthi's 14,008 Village Development Plans (VDPs) continue to be prepared using socio-economic vulnerability criteria that do not incorporate climate risk screening. Planning officers at district and divisional levels lack

access to downscaled climate projections, hazard maps, and climate-risk assessment tools. As a result, community infrastructure investments—such as village tanks, irrigation systems, and access roads—remain vulnerable to floods, droughts, and landslides. The Climate Change Secretariat and line ministries operate with fragmented data systems and limited coordination mechanisms for adaptation planning. Provincial and local governments lack the technical capacity to integrate climate criteria into budget appraisals, leading to continued maladaptation through climate-blind investments that will require costly retrofitting or replacement within 10-15 years.

Adaptation Fund Scenario (Additionality): The Adaptation Fund will finance the incremental costs of climate analytics and decision-support infrastructure that Prajashakthi cannot provide from its baseline budget. This includes: (i) downscaled climate projections and risk assessment tools for all target districts; (ii) training for 840 planning officers on climate-risk screening methodologies; (iii) development and rollout of a Climate Risk Screening Toolkit integrated into the Prajashakthi MIS; (iv) establishment of inter-ministerial coordination mechanisms; and (v) alignment of VDP criteria with NAP priorities. These investments enable 14,008 VDPs to become climate-responsive, reducing future losses from infrastructure damage and ensuring that poverty-reduction investments are climate-proofed from the outset.

Component 2: Strengthen Governance and Institutional Capacity for Climate Risk Informed Community Development within the Prajashakthi Programme.

Baseline (without AF): Prajashakthi's governance architecture—including Community Development Councils (CDCs), Divisional and District Coordination Committees—currently operates without climate adaptation mandates or capacities. CDC members receive training on participatory planning, financial management, and social inclusion, but not on climate risk assessment, ecosystem-based adaptation, or resilience monitoring. The 2,100 CDCs in target areas lack the knowledge and tools to identify climate vulnerabilities in their communities, prioritize adaptation actions, or monitor the effectiveness of resilience-building investments. Without targeted capacity development, local governance structures remain climate-blind, perpetuating the adaptation planning-implementation gap observed in Sri Lanka's first NDC evaluation (2023).

Adaptation Fund Scenario (Additionality): Adaptation Fund resources will finance: (i) climate adaptation modules integrated into CDC training curricula; (ii) capacity development for 2,100 CDCs on participatory climate risk assessment; (iii) establishment of Climate Adaptation Sub-Committees within CDC structures; (iv) training for local government officials on climate-responsive budgeting; and (v) development of community-based monitoring systems for adaptation effectiveness. These investments embed climate governance capacities into existing Prajashakthi structures, ensuring sustainability beyond project closure and enabling communities to proactively manage climate risks rather than reactively cope with climate shocks.

Component 3: Demonstration and systematization of community-led transformative adaptation and resilience building for integration into Prajashakthi programme

Baseline (without AF): Under the baseline scenario, Prajashakthi's existing infrastructure grants focus on climate-neutral community assets—village halls, sanitation facilities, access roads—designed to development standards that do not account for projected increases in rainfall intensity (+15-25% by 2050), extended dry spells (3-5 months in dry zone), or sea-level rise impacts on coastal villages. Agricultural extension services promote productivity gains through conventional inputs but lack climate-resilient varieties, water-efficient technologies, or ecosystem-based approaches (e.g., agroforestry, soil conservation). Livelihood support is confined to skills training and microcredit, with no linkage to climate-adaptive value chains or climate-indexed risk transfer. As a result, vulnerable households remain locked in climate-sensitive livelihoods with no buffers against recurrent shocks—75% of beneficiary households in the dry zone report crop losses every 2-3 years, yet have no access to weather index insurance, climate-resilient seed systems, or alternative income sources that can withstand climate variability.

Adaptation Fund scenario (Additionality): AF support The AF grant will finance the incremental costs of climate-proofing community investments, including: (i) upgraded engineering standards for 200+ small-scale infrastructure assets (spillway capacity, drainage design, erosion protection); (ii) rollout of climate-resilient agricultural packages (drought-tolerant varieties, drip irrigation, integrated pest management) reaching 50,000 farming households; (iii) establishment of climate-adaptive value chains (solar drying, cold storage, agro-processing) for 15 priority commodities; (iv) piloting weather index insurance linked to climate-smart practices; (v) ecosystem restoration of 5,000 ha (tank cascade rehabilitation, coastal buffer zones); and (vi) diversified, climate-resilient livelihoods for 20,000 households (eco-tourism, renewable energy enterprises, non-timber forest products). Without AF financing, these adaptation-specific incremental costs—estimated at 40-50% above baseline development costs—cannot be met from Prajashakthi's poverty-focused budget.

Several examples of cost comparison of a key activity under Component 3 are given below to illustrate the above rationale.

Table 25: Estimated Cost Comparison of Conventional vs. Proposed Adaptation Scenarios

Activity 3.1.1 Rehabilitate the upstream and downstream irrigation infrastructure and establish formal operation and maintenance (O&M) committees in each location.							
VIS restoration	**Method**	**Total Cost/ VIS (LKR)**	**De-siltation**	**Catchment and ecological**	**Downstream development**	**Bund forming**	**canals and other infra-structure**

				system restoration			
Conventional (Without AF) Scenario	VIS infrastructure restoration (i.e. tank and canals)	35,000,000	20,000,000 (20% added capacity)	0	0	4,000,000	11,000,000
AF approach	Climate resilient VIS restoration	30,000,000	10,000,000 (10% added capacity)	3,000,000	4,000,000	5,000,000	8,000,000
The AF approach is not just less expensive, but also yields more economic, social and environmental benefits. Conventional de-silting although targets higher capacity restoration of VIS, but current climate context does not allow sustaining this capacity and it gets silted back in 3 years. The AF approach uses reduced desiltation expenditure to invest in catchment and ecological system restoration; it extends VIS capacity sustainably by 5 times (15 years). Further investing in water use efficiency through downstream development, the AF approach ensures increased no. of annual cultivation cycles. While climate resilient bund restoration is costlier than the conventional, it ensures substantial reduction in water seepage losses from the tank. Including the fish ladder within the spill design improvement in VIS rehabilitation with insignificant additional cost in AF approach will ensure improved fish production. Disposal of silt; a key environmental issue created in conventional VIS rehabilitation is converted to a solution creating sustainable benefits in AF approach by using it to form upstream bund which is not part of the conventional rehabilitation. This results in strengthened biodiversity and ecosystem services.							
Activity 3.2.1 Conduct Alternate Wetting and Drying (AWD) in selected paddy lands to reduce irrigation water demand							
	Method	(a)Total cost/ /acre (b)Cost/kg of paddy LKR	Land preparation	Planting	Fertiliser application	Weed & pest Management	Labour	Harvesting and threshing
Conventional (Without AF) Scenario	Basin irrigation	(a) 151,000 (b) 75.50	18,000	16,000	35,000	21,000	35,000	26,000
AF approach	AWD+laser levelling	(a) 135,500 (b) 61.50	27,000	16,000	28,000	15,000	23,500	26,000
Estimates based on CRIWMP show the comparative lower cost of adoption of the proposed approach. While its land preparation costs are higher, this investment is made to reduce fertilizer, weed & pest management, and labour costs, resulting in reduced overall cost by about 10%. Yield increase achieved through the AF method is 10%; increasing yield to 2200 kg/acre from 2000 kg/acre, while reducing water duty from 4.5 acre-ft to 3 acre-ft helping farmers have an additional cropping cycle supplemented by rain.							

Component 4: Knowledge Management and Evidence-Based Scaling

Baseline without AF: Prajashakthi's existing monitoring and evaluation system tracks poverty-reduction indicators (income, employment, asset ownership) but does not capture adaptation effectiveness metrics such as reduced climate vulnerability, enhanced adaptive capacity, or avoided losses. Lessons learned from community-level adaptation actions are not systematically documented, analyzed, or disseminated, limiting evidence-based scaling and replication

Adaptation Fund scenario (Additionality): Adaptation Fund resources will finance a structured national learning and knowledge management mechanism, underpinned by digital platforms and institutional focal points, to ensure that lessons from demonstration sites, inform national, provincial and local planning processes, This investment covers the "full cost" of creating the architecture required to translate demonstration site data into national policy adjustments, and future public investment standards. These functions are adaptation-specific and create enduring institutional capacity and reduce the need for repeated project-based experimentation. The AF grant provides the vital link between grassroots evidence and national-scale implementation, ensuring the long-term sustainability of the country's climate-resilient poverty eradication and development pathways.

Analysis of alternative options

The project design reflects a strategic choice among several alternative adaptation pathways, each assessed for sustainability, reach, and fiscal appropriateness in the Sri Lankan context. The first alternative considered was a standalone climate adaptation project with a parallel Project Management Unit. This option was rejected because it creates sustainability risks once Adaptation Fund financing ends, requires building entirely new institutional structures from scratch, and typically achieves limited geographic reach of only five to ten districts. The selected approach of embedding climate adaptation within the existing Prajashakthi programme ensures long-term sustainability, leverages the established governance architecture spanning 14,008 villages and 2,100 Community Development Councils, and achieves national scale from day one of implementation.

The second alternative examined was a top-down, sector-specific adaptation program focusing exclusively on either agriculture, disaster management, or ecosystems. This pathway was rejected because it fragments adaptation responses across ministries and misses the critical household-level interconnections between different climate risks that vulnerable families experience simultaneously. The selected community-led, multi-sectoral approach addresses compound climate risks holistically, empowers local decision-making through

participatory planning processes, and ensures that adaptation solutions are tailored to the specific vulnerabilities and priorities of each community context.

The third alternative assessed was loan-based financing from multilateral development banks. This option was rejected because it would add to Sri Lanka's debt burden following the 2022 economic crisis, requires future repayment that would divert national budgets away from essential social protection programs, and places fiscal strain on a country still undergoing economic recovery. The selected grant-based Adaptation Fund financing aligns with the polluter pays principle, recognizing that Sri Lanka contributes less than 0.1 percent of global greenhouse gas emissions while bearing disproportionate climate impacts. Grant financing enables investments in non-revenue-generating public goods such as ecosystem restoration and community awareness, and protects the most vulnerable populations without imposing additional fiscal burden on national resources.

Full cost of adaptation

The project does not require or expect co-financing and has been designed to deliver its outcomes and outputs independently, in accordance with Adaptation Fund full-cost-of-adaptation principles. While the project is embedded within the Prajashakthi institutional architecture for sustainability and scale, the AF grant finances 100% of the full cost of all climate-specific adaptation components including climate risk analytics, adaptation governance capacities, climate-proofing of infrastructure, and resilience-building investments—that cannot be financed from Prajashakthi's baseline poverty-reduction budget or other sources. The AF component can achieve its adaptation objectives regardless of the success or continuation of parallel development activities.

J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project/programme

Institutional and policy sustainability

The project's core exit strategy is to institutionalise climate resilience within Sri Lanka's existing Prajashakthi architecture, rather than creating parallel structures. By Month 6-12 the Ministry of Rural Development through the Prajashakthi National Coordination Mechanism will formalise (i.e., MoU, Circular) alignment of Line Ministries' engagement in adaptive development By embedding adaptation functions into the Prajashakthi Programme and aligning them with formal policy instruments such as the National Adaptation Plan, Provincial Adaptation Plans and Nationally Determined Contributions. and incorporating lesson learnt into revisions of these plans, the project ensures that climate-risk-informed planning becomes part of policy cycles, standards and guidance used by the authorities. To "lock in" these outcomes, the project will utilize specific Ministry Circulars to mandate that Climate-Resilient VDPs are a prerequisite for treasury disbursements (Output 4.2) A Cabinet Paper No: date mandating all investments on rural development to channel through CDCs is already approved and the project will support its transition into a Parliamentary Act by the month 24).

Financial sustainability

Financial sustainability is reinforced by redirecting and conditioning existing domestic finance flows. Beyond initial capital, the project addresses Operations, Maintenance, and Replacement (OM&R) costs through a tiered model**.** By integrating climate-resilience criteria into the appraisal of Prajashakthi-funded investments, the project ensures that a substantial, predictable annual budget envelope (captured in National Budget) is progressively steered towards climate-resilient infrastructure and ecosystem management. For community assets, A Funds will be established within Farmer Organizations/Agriculture Production Group to cover the replacement costs of high-wear components (e.g., solar inverters). Climate-resilient livelihood support will create resilient income generation, improving the ability of communities to maintain assets via 'user fee' models and practices beyond the project period.

Social and gender sustainability

Long-term social sustainability is supported through strong local ownership. CDCs lead participatory planning governed by the upcoming Parliamentary Act ensuring that priorities reflect the needs of vulnerable groups. A dedicated Gender Action Plan promotes equitable participation, leadership for benefit-sharing, supported by transparent governance arrangements and grievance and redress mechanisms. Long-term "social locking," CDCs will be ensured, backed by its legal recognition to be the primary custodians of local climate assets, established through formal handover by Month 48. with appropriate documentation.

Environmental sustainability

Environmental sustainability is ensured by prioritising NbA and EbA interventions. Catchment restoration, and bioengineering systems are designed to regenerate ecosystem services s with limited recurrent costs. All interventions will be screened and aligned with national environmental legislation and formal clearances from the Central Environmental Authority (CEA).

Knowledge, learning and institutional memory

The project will put in place durable mechanisms for knowledge retention. A digital knowledge platform, will be officially handed over to the ICT Agency (ICTA) through Prajashakthi Secretariat as a "Core National Asset," ensuring its hosting and maintenance are covered under the ICTA's national digitalisation recurrent budget by month 54. Training-of-trainers approaches will build a cadre of practitioners within government structures, preserving technical capacity and ensuring institutional memory is not lost at project closure.

The project is designed for systemic scaling and geographical replication through three primary pathways. First, scaling is achieved by integrating the Climate-Resilient Village Development Plan (VDP) toolkit into the statutory operations of the Prajashakthi National

Programme; this mandates that the 15000+ villages within the national programme's pipeline adopt these resilience standards to access treasury funding. Second, replication is facilitated by the Training-of-Trainers (ToT) model, which creates a cadre of "Resilience Officers" within Prajashakthi a supported by Climate Cells in Provincial Councils, capable of deploying the methodology in non-project districts. Finally, the "Digital Climate Knowledge Platform" acts as an open-source blueprint, allowing other climate-vulnerable sectors such as tea and rubber smallholders, to replicate the data-driven planning model using their own institutional budgets.
Specific examples of some initiatives are listed in the table below to improve clarity.

Table 26. Sustainability strategies

Asset/Infrastructure	Primary Custodian	Maintenance Funding Mechanism	Sustainability Strategy
25 Village Irrigation Systems (VIS)	Farmer Organizations (FOs) & Dept. of Agrarian Development	Tank O&M Fund: A portion of the 1.5 cropping intensity revenue is pooled by FOs for routine repairs.	Formalized O&M manuals and annual technical audits by the Department.
100 Agro-processing & 50 Storage Facilities	Women-led Clusters & Private Sector Partners	User-Fee Model: Processing fees charged to non-cluster members create a reserve for solar battery/machinery replacement.	At least 15 forward sales agreement embedding fair trade principle signed between farmer clusters (Self-Help Groups) including women led clusters and private sector value chain actors by month 36. Integration into the national "Prajashakthi" supply chain for guaranteed market volume.
Digital Risk Platform & VDP Toolkit	ICT Agency (ICTA) & Ministry of Rural Development	National Budget (Recurrent): Integrated into the ICTA's centralized cloud maintenance budget as a "Core National Asset."	Mandatory use of the toolkit for all annual VDP updates ensures the data stays relevant.
Batticaloa Lagoon NbS & Bioengineering	Lagoon Management Co-Governance Council set up by project and formalised through circular issued by Department of Fisheries (by month 48)	Ecological Service Levy: Local government allocations for flood protection + community labour contributions.	Legal status as a "Co-managed Resource," preventing privatization or neglect.

K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project/programme.

The initial environmental and social screening process has classified the proposed project as **Category B (moderate risk)**, reflecting that activities are expected to generate predominantly localised, site-specific risks that are manageable through standard mitigation measures and proportionate safeguard instruments. The project includes small-scale civil works (for example, village irrigation system rehabilitation, nature-based drainage and bioengineering), ecosystem restoration (for example, catchment rehabilitation, wetland and lagoon restoration), and extensive capacity development and digital systems that may create risks relating to occupational health and safety, community health and safety, natural habitats and biodiversity, access and equity, and digital inclusion and data governance. No Category A activities are envisaged. The table below presents the Adaptation Fund Environmental and Social Policy checklist, indicating where **no further assessment is required for compliance** (marked with an x) and where **additional assessments are required** (blank). For each principle, the table describes potential **direct, indirect, cumulative and, where relevant, transboundary** impacts and risks, specifies the **magnitude** (no/low/medium/high), and sets out mitigation measures in the required format. Principles **1 (compliance with the law), 4 (human rights), and 6 (gender equality and women's empowerment)** are treated as applicable across the project, consistent with Adaptation Fund requirements.

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Table 27. Alignment with AF Social and Environmental Policy

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		**There is a risk (low)** of non-compliance with national environmental, labour, land-use, municipal by-laws, and permitting requirements during implementation of small-scale works and ecosystem restoration, particularly where site selection and designs are finalised during implementation. **The mitigation plan for this risk is** to apply mandatory legal and regulatory screening for each site and activity under the ESMF, secure all required approvals (for example, National Environmental Act triggers, provincial/municipal clearances, Irrigation Department and local authority technical standards), incorporate compliance clauses in procurement and contracts, and maintain a compliance log overseen by the PMU with UNDP quality assurance.
Access and Equity		**There is a risk (medium)** of unequal access to project benefits, particularly for poorer households, informal settlers in peri-urban areas, women-headed households, persons with disabilities, and groups with limited digital access, due to elite capture, exclusionary targeting, or digital barriers in the Prajashakthi-linked platform. **To mitigate this risk, the project will** undertake social screening and inclusion analysis during project preparation, apply transparent and publicly disclosed beneficiary selection criteria through CDC processes, combine digital and non-digital information channels, introduce minimum inclusion targets and monitoring indicators, and operationalise accessible grievance channels through Prajashakthi structures and UNDP accountability mechanisms.
Marginalized and Vulnerable Groups		**There is a risk (medium)** that marginalised groups (including women, youth, persons with disabilities, elderly persons, conflict-affected households, and informal workers) are under-represented in decision-making and benefit-sharing, and that livelihood support packages do not adequately reflect differentiated constraints. **The mitigation plan for this risk is** to conduct a targeted vulnerability and inclusion assessment during project preparation, integrate tailored measures in the ESMF and Gender Action Plan (including outreach, facilitation support, accessible meeting formats, and differentiated livelihood options), and track participation and benefits through sex-, age- and vulnerability-disaggregated monitoring.
Human Rights		**There is a risk (low–medium)** of inadequate consultation, uneven access to information, or discriminatory practices in local planning and implementation, particularly in contested resource settings (for example, land, water, drainage corridors) and in low-income settlements. **To mitigate this risk, the project will** implement a Stakeholder Engagement Plan, ensure meaningful participation and information disclosure in accessible formats and local languages, operationalise a multi-tier grievance redress mechanism, and apply conflict-sensitive facilitation and monitoring to detect and address exclusion or coercion.
Gender Equality and Women's Empowerment		**There is a risk (medium)** that existing gender norms limit women's leadership and decision-making in CDCs and value chain activities, and that project interventions increase unpaid care burdens or expose women and girls to sexual exploitation, abuse or harassment. **The mitigation plan for this risk is** to complete a gender assessment during project preparation, develop and implement a costed Gender Action Plan with gender-responsive budgeting, set minimum targets for women's participation and leadership, apply GBV/SEAH-sensitive codes of conduct and reporting channels, and integrate gender-responsive measures into site-specific ESMPs where relevant.
Core Labour Rights		**There is a risk (medium)** of unsafe working conditions and non-compliance with labour standards during rehabilitation works, drainage improvements, restoration activities, and operation of local facilities (for example, storage and agro-processing), including risks of child labour in informal supply chains. **To mitigate this risk, the project will** adopt Labour Management Procedures and OHS requirements consistent with national law and UNDP/AF standards, require contractor codes of conduct, provide worker induction and PPE, conduct routine supervision and reporting, and apply corrective actions through contract management.
Indigenous Peoples	X	**No risk identified** because project locations are not expected to be in areas inhabited or traditionally used by Indigenous Peoples. **The mitigation plan for this risk is** to maintain verification through site validation and stakeholder mapping at inception; if Indigenous Peoples are identified, the project will apply FPIC and prepare proportionate measures consistent with the AF ESP.
Involuntary Resettlement	X	**No risk identified** because the project does not finance land acquisition or activities requiring physical displacement. **The mitigation plan for this risk is** to screen all sub-activities to avoid

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Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		physical displacement and to manage any potential restrictions of access through site-specific measures and agreed community protocols consistent with the ESMF.
Protection of Natural Habitats		**There is a risk (medium)** of habitat disturbance from ecosystem restoration and small-scale works (for example, drainage works, riverbank reinforcement, lagoon interventions, catchment rehabilitation), including indirect and cumulative impacts if multiple sites are implemented without consistent screening. **To mitigate this risk, the project will** apply biodiversity and habitat screening, establish exclusion and avoidance criteria, prioritise degraded areas, use native species, and prepare site-specific ESMPs for moderate-risk activities with monitoring responsibilities and ecological supervision.
Conservation of Biological Diversity		**There is a risk (medium)** of adverse effects on sensitive species or ecosystem functions (including lagoon and wetland systems) through poor siting, introduction of invasive species, or inadequate restoration design. **The mitigation plan for this risk is** to undertake biodiversity assessment inputs during project preparation for high-sensitivity landscapes, include invasive-species prevention and restoration standards in the ESMF/ESMP templates, engage technical agencies for ecological design, and monitor biodiversity outcomes within the MEL system.
Climate Change		**There is a risk (low–medium)** of maladaptation if climate-risk information is misapplied in planning, or if designs rely on historical assumptions rather than forward-looking hazard profiles, with cumulative effects were replicated through Prajashakthi. **To mitigate this risk, the project will** validate climate datasets and decision-support tools, embed mandatory climate-risk screening in CR-VDP processes, train planners and CDCs, and apply technical review and quality assurance for climate-resilient design standards.
Pollution Prevention and Resource Efficiency		**There is a risk (low–medium)** of localised pollution and inefficient resource use from construction waste, debris, spoil, and hazardous materials handling during works, and from poor waste management in peri-urban interventions. **The mitigation plan for this risk is** to include waste management and pollution control measures in ESMP templates (segregation, safe disposal, spill prevention, hazardous materials protocols), require contractor compliance, and coordinate with municipal systems for disposal and recycling where applicable.
Public Health		**There is a risk (medium)** of community health and safety impacts from construction activities (traffic, dust/noise, temporary access disruption), water contamination risks in flood-prone settlements, and vector-breeding risks where drainage is poorly managed, with potential cumulative impacts across multiple sites. **To mitigate this risk, the project will** integrate community health and safety measures into the ESMF/ESMPs (site management, traffic safety, dust/noise control, safe water measures, worker-community interaction protocols), apply phased works and advance notice, and monitor incidents and grievances through the GRM.
Physical and Cultural Heritage		**There is a risk (low)** of chance finds during excavation or earthworks (for example, drainage works, VIS rehabilitation). **The mitigation plan for this risk is** to apply Chance Find Procedures within the ESMF, train contractors and site supervisors, and coordinate with relevant authorities under the Antiquities Ordinance where required.
Lands and Soil Conservation		**There is a risk (medium)** of soil instability, erosion, sedimentation, and localised slope failure if restoration and small-scale works are poorly designed or implemented, particularly in hill country districts (for example, Badulla, Nuwara Eliya, Matale) where landslide risk is heightened, and with downstream cumulative impacts on waterways and irrigation assets. **To mitigate this risk, the project will** apply soil and slope screening, integrate soil conservation and bioengineering standards into designs and ESMPs, phase works seasonally where appropriate, and monitor soil and drainage performance with corrective maintenance arrangements.

PART III: IMPLEMENTATION ARRANGEMENTS

A. Demonstrate how the project/programme aligns with the Results Framework of the Adaptation Fund

The proposed project's objective aligns well with AF Fund Outcomes 2, 3, 5 and 6, as well as with Fund Outputs 2.1, 3.1, 3.3, 5.1, and 6.1. This alignment is demonstrated in the table below.

Table 28. Alignment with Results Framework of the Adaptation Fund

Project Objective(s)[1]	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
1. To establish the technical foundation and data infrastructure required for climate-informed poverty eradication.	% of VDPs that explicitly integrate climate risk reduction and resilience investments using climate risk approved tools. by the year 4	**Fund Outcome 2:** Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	**Indicator 2.2.** Number of targeted institutions with increased capacity to minimize exposure to climate variability risks**.** **Indicator 2.1**. Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased	600,000 400,000
2. To integrate climate risk management and adaptation into Prajashakthi planning and implementation processes by strengthening institutional and technical capacities across national, sub-national and community levels, ensuring risk screening, inclusive planning, and climate considerations are systematically embedded in programme design, budgeting, delivery, and monitoring.	Number of national, provincial, district, and local institutions with increased capacity, coordination and applying climate-risk-informed planning, budgeting, or implementation practices under Prajashakthi by the end of year 3	**Fund Outcome 2** Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	**Indicator 2.1.** Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased **Indicator 2.1.2:** Number of staff trained to respond to, and mitigate impacts of, climate-related events **(disaggregated by gender**	2,300,000
3. To demonstrate and scale community-led ecosystem-based adaptation and climate-resilient livelihood interventions in selected climate-vulnerable rural and peri-urban landscapes, strengthening livelihoods, food security, and sustainable natural resource management while reducing climate-related risks.	Number of direct beneficiaries (disaggregated by sex, age, and vulnerability group) with reduced vulnerability to climate-related hazards as a result of climate-informed VDP by the end of year 6	**Fund Outcome 5:** Increased ecosystem resilience in response to climate change and variability-induced stress **Fund Outcome 6:** Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	**Indicator 5**. Ecosystem services and natural resource assets maintained or improved under climate change and variability-induced stress **Indicator 6.1** Percentage of households and communities having more secure access to livelihood assets **Indicator 6.2.** Percentage of targeted population with sustained climate-resilient alternative livelihoods	6,000,000 2,842,028 4,000,000
4.Systematically capture, validate, and mainstream project learning into national policy and peer-to-peer replication pathways, ensuring	Institutionalized mechanism established and operational for the continuous integration of climate risk	**Fund Outcome 3**: Strengthened awareness and ownership of adaptation and climate risk reduction processes at	**Indicator 3.2**. Percentage of targeted population applying appropriate adaptation responses **Indicator 3.1.1**: No. and	240,000 300,000

sustainability and scaled uptake of integrated and inclusive climate-resilient poverty eradication models under Prajashakthi and enabling transfer to relevant regional platforms**.**	information into Prajashakthi annual planning and budgeting processes. During year 5 and 6	local level	type of risk reduction actions or strategies introduced at local level.	
			Total outcome level grant amount	16,682,028
Project Outcome(s)	**Project Outcome Indicator(s)**	**Fund Output**	**Fund Output Indicator**	**Grant Amount (USD)**
Outcome 1 Planning, budgeting and implementation across all 14,008 Village Development Plans (VDPs) under the Prajashakthi programme are systematically guided by coherent alignment with national climate change frameworks and supported by accessible, climate-risk-informed methodologies, tools, and digital knowledge systems, enabling inclusive and climate-responsive local development decision-making.	1.1. Number of national and sub-national institutions that formally apply climate-resilient planning methodologies and tools in the preparation or review of VDPs under *Prajashakthi* programme by end of the year 2 1.2. Number of climate-resilient and inclusive planning and budgeting tools, guidelines, methodologies, or knowledge platforms developed or updated and formally adopted for use under the *Prajashakthi, by end of the year 1*	**Output 3.2**: Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning.	**Indicator 3.2.2** No. of tools and guidelines developed (thematic, sectoral, institutional) and shared with relevant stakeholders	1,000,000
Outcome 2: Institutional capacity, coordination, and governance mechanisms strengthened across national, provincial, district, divisional, and village/city levels to consistently apply climate-risk-informed, ecosystem-based, and transformative adaptation approaches within the planning, budgeting, implementation, and monitoring of Village Development Plans (VDPs) under the Prajashakthi programme.	2.1. Number of national, provincial, district, divisional, and local institutions with capacity to integrate climate-risk-informed, ecosystem-based, and transformative adaptation measures into VDP planning, budgeting, and implementation processes *(disaggregated by administrative level)* by end of year 4 2.2 Number of functional multi-level coordination mechanisms established or strengthened to support climate-resilient VDP planning and implementation by end of year 2 2.3. Number of officials	**Output 2.1:** Strengthened capacity of national and sub-national centres and networks to respond rapidly to extreme weather events.	**Indicator 2.1.1:** No. of staff trained to respond to, and mitigate impacts of, climate-related events (by gender)	2,300,000

	(male/female) across all administrative levels trained and demonstrating improved capacity in climate-risk-informed, ecosystem-based planning and budgeting for VDPs, by end of year 4			
Outcome 3: Climate resilience and adaptive capacity of vulnerable communities enhanced through community-led, ecosystem-based adaptation and risk reduction actions implemented and scaled in selected landscapes, demonstrating climate-smart livelihoods, sustainable resource management, and reduced exposure to climate hazards.	3.1 Number of people implementing new or improved ecosystem-based adaptation and climate-resilient livelihood practices *(disaggregated by sex and vulnerable groups) by end of year 6* 3.2 Number of households with increased income or avoided loss due to climate-resilient livelihood, enterprise, or value chain interventions *by end of year 6* 3.3 Area of ecosystems restored, protected, or brought under improved climate-resilient management through community-led ecosystem-based adaptation actions *(hectares, disaggregated by ecosystem type) by end of year 6* 3.4 Number of local institutions or communities actively responsible for planning and implementing ecosystem-based adaptation and livelihood actions under CR-VDPs *by end of year 6*	**Output 5:** Vulnerable ecosystem services and natural resource assets strengthened in response to climate change impacts, including variability. **Output 6:** Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability.	**Indicator 5.1.** No. of natural resource assets created, maintained or improved to withstand conditions resulting from climate variability and change (by type and scale) **Indicator 6.2.1.** Type of income sources for households generated under climate change scenario	10,000,000 2,842,028
Outcome 4 National and sub-national policy frameworks, institutional guidelines, and financial mechanisms of the Prajashakthi programme are structurally realigned and legally mandated to incorporate climate-risk screening, nature-based solutions, and inclusive	4.1 Number of district and national learning and knowledge sharing events held by end of year 6 4.2. Number of knowledge products (case studies, policy briefs, manuals) documenting local, gender-responsive adaptation practices developed and	**Output 3.2.** Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning.	**Indicator 3.2.2** No. of tools and guidelines developed (thematic, sectoral, institutional) and shared with relevant stakeholders	540,000

(GESI) adaptation practices based on validated field evidence and digital knowledge systems	disseminated through *Prajashakthi* platforms, by end of year 6 4.3. Existence and operationalization of an institutional mechanism within Prajashakthi for continuous integration of climate risk information into annual planning and budgeting cycles. by end of year 6			
			Total output level grant amount	16,682,028

Management Arrangements

Implementing Entity (IE): UNDP
UNDP, as the accredited Multilateral Implementing Entity to the Adaptation Fund, will ensure overall oversight, quality assurance, and full compliance with Adaptation Fund policies and procedures, including fiduciary standards and the Environmental and Social, Gender, and Monitoring and Evaluation policies. It will provide technical backstopping on project design, risk management, and performance, conduct audits as required, and commission mid-term and terminal evaluations in line with Adaptation Fund and UNDP requirements.

Executing Entities (EEs): Ministry of Rural Development, Social Security and Community Empowerment (MoRDSS&CE); UNDP; FAO; and UN-Habitat
MoRDSS&CE, UNDP, FAO and UN-Habitat will jointly serve as Executing Entities, each with clearly defined role and responsibility for designated outputs. The project will be implemented as Country Office Support to Nationally Implementation Modality (CO-support to NIM) where MORD will serve as the lead executing entity and will be engaged through a signed project document. FAO and UN-Habitat will be engaged through UN2UN agreements and will serve as responsible parties to UNDP in the project document.

Ministry of Rural Development, Social Security and Community Empowerment (MoRDSS&CE) – Lead Executing Entity. Acting through the National Prajashakthi Secretariat and relevant technical departments, MoRDSS&CE will: i) lead detailed annual work planning and budgeting; ii) coordinate with line ministries (iii) host and supervise the Project Management Unit and district-level implementation structures; and iv) ensure that project activities are aligned with national policies. The Secretary of MoRDSS&CE, or a designated senior official, will co-chair the Project Board together with the Resident Representative-UNDP.

UNDP – In addition to its Implementing Entity role, UNDP will serve as an Executing Entity for defined outputs requiring its specific technical or operational capabilities, with internal firewalls clearly separating execution responsibilities from its Implementing Entity oversight role. UNDP will execute activities related to climate information systems, capacity development, gender and social inclusion, monitoring, evaluation and learning, and knowledge management under Components 1, 2 and 4.

FAO – Executing Entity for climate-resilient agriculture, ecosystem-based adaptation and rural livelihood resilience. FAO will execute activities related to climate-resilient productive systems, ecosystem-based adaptation in agricultural and production landscapes, community-based livelihood resilience, sustainable natural resource management, and climate-smart value chain development, primarily under output 3.2 and 3.3.

UN-Habitat – Executing Entity for climate-resilient urban, peri-urban and rural development. UN-Habitat will execute activities related to climate-resilient urban and peri-urban planning, resilient infrastructure design and settlement upgrading, primarily under output 3.1 and Output 3.4 jointly with MoRDSS&CE. UN-Habitat will provide specialised technical support and quality assurance for urban, per-urban, and rural adaptation measures, contribute to training and knowledge products on resilient urban development, and provide backstopping to local authorities and field teams in urban, peri-urban and rural target areas.

The Ministry of Environment will additionally provide technical guidance, quality assurance and monitoring support to ensure alignment with national climate policies, standards and reporting frameworks across all Executing Entities. All Executing Entities will be represented on the Project Board and relevant technical working groups to ensure coherence of approaches and effective coordination.

National governance and coordination structures
A Project Board chaired by MoRDSS&CE with UNDP as Implementing Entity, will provide strategic guidance and oversight. Its membership will include senior representatives of key line ministries, The Ministry of environment, the Ministry of Finance or National Planning Department, FAO and UN-Habitat, and selected representatives of provincial authorities and civil society, as appropriate. The Project Board will meet at least twice per year to: i) review and approve annual workplans and budgets; ii) consider progress reports, audit findings and evaluation recommendations; iii) endorse major adjustments in project strategy or

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resource allocation; and iv) ensure adherence to Adaptation Fund policies, including environmental and social safeguards and gender requirements.

Project Management Unit and national-level operations

A Project Management Unit (PMU) will be established within MoRDSS&CE, reporting to the National Project Director and accountable to the Project Board. The PMU will be led by a full-time Project Manager and will include specialists in financial management, procurement, monitoring, evaluation and learning, environmental and social safeguards, gender, climate information and knowledge management, as well as administrative and logistics staff. The PMU will: i) manage day-to-day implementation of activities at national and subnational levels; ii) oversee preparation and consolidation of annual workplans, budgets and procurement plans; iii) manage contracts and agreements with Implementing Partners, service providers and grantees; iv) ensure application of environmental, social and gender safeguards screening and management measures; v) coordinate monitoring, reporting and learning across components and districts; and vi) serve as the main operational interface between MoRDSS&CE, UNDP, FAO, UN-Habitat, the Climate Change Secretariat and subnational authorities.

Subnational implementation and field coordination

At provincial and district levels, implementation will be anchored in existing government structures to support sustainability. Provincial Councils and relevant sector departments will participate in planning and oversight of adaptation activities in their jurisdictions, ensuring coherence with Provincial Adaptation Plans and development strategies. District Secretariats will lead field implementation, working through designated District Coordinators funded by the project, who will liaise with sectoral agencies, local authorities and Community Development Councils.

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Annexe 01: UNDP Offline SESP Tool (Abridged version for Adaptation Fund)

Project Information

Information	
Title	Integrating Community-Led Adaptation and Climate Risk Reduction for Resilience Building at Local Level in Sri Lanka
Number	
Location	Sri Lanka
Project stage	Concept
Date	December 2025

Social and Environmental Risk Rating of the Project

Overall Social and Environmental risk categorization		
S&E Risk rating		Comments
Low Risk	☐	
Moderate Risk	X	
Substantial Risk	☐	
High Risk	☐	

Social and Environmental Risk Management Instruments

Assessment or management measures required to address the identified S&E risks and impacts		
Further assessment or management measures	Check if applicable	Comments: indicate scope of measures (e.g. outputs/activities to be addressed) as well as timing (e.g. completed, planned in design, or planned in implementation prior to initiation of certain activities)
ESMF (Environmental and Social Management Framework)	✓	ESMF may be prepared during Programme Formulation Grant (PFG) stage if/where the nature, location and scale of activities is insufficiently detailed for ESMP preparation (see below).
Targeted assessment(s)	✓	To be confirmed during PFG stage but ESMF/ESMP may specify further targeted assessments to be carried out during implementation if/where needed e.g. Cultural Heritage, OHS risks.
ESIA (Environmental and Social Impact Assessment)	X	To be confirmed during PFG stage but activities are unlikely to require ESIA.
SESA (Strategic Environmental and Social Assessment)	X	N/A. Not required for programme of this nature (no upstream policy, programme, plan development)
ESMP (Environmental and Social Management Plan)	✓	ESMP may be prepared during PFG stage if/where nature, location and scale of activities are sufficiently detailed and where there is adequate time for consultation.
Targeted management plans	✓	Indigenous Peoples Plan(s) (IPPs) to be developed during PFG stage where project activities affect IPs Gender Action Plan (GAP) to be developed during PFG stage To be confirmed during PFG stage but ESMF/ESMP may specify further targeted management plans e.g. OHS Management Plan, Cultural Heritage Management Plan etc.
Other instruments (please specify)	✓	Stakeholder Engagement Plan (SEP) including Grievance Redress Mechanism (GRM) to be developed during PFG stage

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Additional Measures to Integrate the Programming Principles to Strengthen Social and Environmental Sustainability

Measures to further mainstream the UNDP Programming Principles into the project
Mainstreaming the human rights-based approach
Participatory project formulation process engaging a wide range of stakeholders, emphasizing consultation and co-design with, subnational agencies, CDC, local communities, women and youth, as well as MRDSS&CE and other relevant government agencies at national level, academia and civil society. The project design itself will be socially-inclusive and seek to strengthen accessibility and equitable distribution of project benefits and services to marginalised and vulnerable groups. The project includes activities aiming to enhance the capacity of Prajashakthi coordination mechanism at subnational and local levels to realise human rights under international law and to implement human rights-related standards in national law (particularly vis-à-vis women, elderly, youth, and other marginalised groups that are especially vulnerable to climate change).
Improving gender equality and women's empowerment
Comprehensive Gender Analysis will be conducted during project design with formulation of a Gender Action Plan (GAP) with strict participation targets and budget tracking to ensure gender equality and women's empowerment. The GAP will be implemented as part of the programme and include a project-specific gender baseline using DCS, sub-national data, and indicators to track impacts of livelihoods and knowledge improvement (e.g., assets in women-led livelihood, women digital literacy and in CDCs (decision-making)). Further, the GAP will integrate mandatory procedures and mitigation measures for the Prevention of Sexual Exploitation and Abuse (PSEA) and Gender-Based Violence (GBV), in strict adherence to the UNDP Gender Policy and PSEA requirements
Mainstreaming sustainability and resilience
The project's interventions as a whole aim to reduce vulnerabilities and strengthens resilience of communities to anticipated impacts of climate change and associated disaster risks in line with Sri Lanka's stated national climate adaptation commitments and policies. The detailed design of project components and activities will consider relevant climate projections and hazard modelling, considers environment-development linkages and promotes Nature-based Solutions (NbS) as a key strategic adaptation response.
Strengthening accountability to stakeholders
Stakeholder mapping and analysis will be conducted during project formulation and a Stakeholder Engagement Plan (SEP) prepared providing strategic approaches towards supporting the meaningful participation and inclusion of all stakeholders, in particular marginalized individuals and groups in project implementation and monitoring. The SEP shall also include means for local communities and affected populations to raise concerns and/or grievances including a Grievance Redress Mechanism (GRM) for local communities when activities may adversely impact them. Project stakeholders shall also have access to UNDP's Accountability Mechanism.

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UNDP SES Principles & Standards	S&E Risk Events	Causes	Impacts	Risk Significance (Impact/ Likelihood)	Treatment Measures
Human Rights Principle	Risk associated with the limited capacities of duty bearers to meet human rights obligations (P1.2)	General/all outputs	Affected stakeholders may be excluded from decision-making or benefits or rights to access basic services/resources may be affected	I: 3 L: 2	Capacity needs assessment to be conducted during project preparation Capacity-building activities included in project design, including on relevant human rights and Social & Environmental safeguards.
Gender Equality & Women's Empowerment Principle	Risk of discrimination against women (P2.10)	General/all outputs	Ongoing or worsening of gender inequalities and injustices	I: 3 L: 3	Gender assessment to be conducted during project preparation and Gender Action Plan (GAP) prepared Mainstreaming gender equality and women's empowerment in project activities and indicators
Accountability Principle	Risks of potential exclusion of affected stakeholders (P3.13) Risks of stakeholder grievances (P3.14)	General/all outputs	Exclusion of affected stakeholders could affect project results and sustainability, enhance inequity or even have adverse impacts on livelihoods, leading to potential grievances	I: 3 L: 3	Stakeholder mapping and analysis to be conducted during project preparation and Stakeholder Engagement Plan (SEP) prepared SEP to outline participatory and socially-inclusive approaches to ensure comprehensive stakeholder engagement during implementation SEP to include design of a Grievance Redress Mechanism (GRM) for the programme with stakeholders also able to access UNDP's Accountability Mechanism
Sustainability and Resilience Principle	Generic sustainability and resilience risks associated with activities with unknown design parameters (P4.16)	General/all components	Unknown but general nature and scale of activities indicate only low/moderate impacts	I: 3 L: 3	Activities to be developed in greater detail during project preparation. Sustainability risks considered in relation to project-level Standards (as below)
1. Biodiversity Cons. & Sust. Nat. Resource Mgmt.	Risks to habitats and/or ecosystems and their services (S1.1) Risks to critical habitats (S1.2) Forestry/plantation-related risks to biodiversity (S1.8)	VIS restoration, Upland cultivation, Upcountry terrace farming and Lagoon restoration, and related NbS activities (C3)	Biodiversity loss, ecosystem degradation and loss of ecosystem service values	I: 3 L: 2	Environmental & Social Assessment (ESA) during project preparation to identify critical habitats and consult experts on detailed design of restoration activities. ESMP/ESMF to include standard requirements for restoration activities re; use of native species, buffers, stand design, fire breaks etc.
2. Climate Change and Disaster Risks	Hazard/disaster-related risks (S2.1) Risks due to sensitivity to climate change or disasters (S2.2) Maladaptation risks (S2.3)	Sri Lanka and sites are exposed to climate related risks and hazards. VIS restoration , Upland and upcountry terrace cultivation and lagoon restoration and NbS activities (C3) and outcomes may be susceptible to climate/hazards	Project activities aim to have a positive impact on enhancing climate resilience but adverse impacts if they fail are not expected to be significantly additional to the baseline.	I: 2 L: 4	Detailed technical designs to consider climate projections e.g. in selection of hardy or climate resilient traditional and improved species
3. Community Health, Safety and Security	Construction-related risks (S3.1)	VIS construction activities (C3)	Potential drowning risks associated with tanks	I: 4 L: 2	Safety measures for tanks to be included in detailed designs and ESMF/ESMP Stakeholder engagement and awareness-raising with local communities and relevant government agencies on safety risks associated with drowning in tanks
4. Cultural Heritage	Standardized climate resilient infrastructure facilities, digital interventions and livelihood diversifications may conflict with long standing cultural values and traditional practices	Standardized climate resilient infrastructure facilities, digital interventions and livelihood diversifications proposed under component 3	Social cohesion shocks, continuity of the Sri Lankan traditional village-based ideology (village-tank- temple)	I: 2 L:2	Participatory planning, cultural practices that have meaning in climate change and modern technological context will be promoted as adaptation practices.
5. Displacement and Resettlement	Economic displacement risks (S5.2)	VIS restoration, Upland and upcountry terrace farming activities (C3) could lead to	Economic losses or livelihood impacts (inconvenience, loss of access to lands/resources	I: 3 L: 2	Participatory consultations and surveys with communities during project preparation to understand localized land tenure issues, natural resource

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UNDP SES Principles & Standards	S&E Risk Events	Causes	Impacts	Risk Significance (Impact/ Likelihood)	Treatment Measures
		restricted access to lands/resources or transport routes customarily used by local communities and have adverse economic or livelihood impacts	used for subsistence purposes)		dependency and impacts/risks of proposed activities to livelihoods Siting of restoration activities to avoid areas where there could be risks of economic displacement.
6. Indigenous Peoples	Risks associated with activities taking place where indigenous peoples are present (S6.1) Risks associated with activities taking place on lands, territories claimed by indigenous peoples (S6.2) Risk that activities will take place without meaningful, effective informed participation of indigenous peoples (S6.4) Risk of economic displacement of indigenous peoples (S6.6)	VIS restoration, Upland and upcountry terrace restoration and lagoon restoration activities are not implemented at sites with IP populations. However, as some districts i.e., Batticaloa, Ampara, Badulla have IP population, Project activities may affect these communities.	Activities that affect IP customary access and land tenure rights can be sensitive and lead to negative outcomes for the project and impacts on the IP communities	I: 3 L: 3	ESA to identify affected IP groups and assess the likely impact of proposed activities on their livelihoods Participatory consultations and surveys with affected IP communities during project preparation to understand localized land tenure issues, natural resource dependency and impacts/risks of proposed activities to traditional livelihoods Confirmation of broad support for proposed activities by IP communities during project preparation Indigenous Peoples Plan(s) to be prepared to ensure adequate Free, Prior and Informed Consent (FPIC), inclusion of IPs and/or their representatives in programme decision-making, avoid/manage any possible adverse impacts on IP communities, ensure appropriate livelihood benefits, equitable benefit-distribution
7. Labour and Working Conditions	Occupational health and safety (OHS) risks (S7.6)	There are low/moderate OHS risks associated with VIS rand lagoon restoration	Likely relatively minor injuries or impacts on health of workers or hired labour for project activities.	I: 3 L: 3	ESA to assess potential labour/OHS impacts/risks of proposed activities. ESMP/ESMF to outline standard protocols (e.g. Environmental and Social Codes of Practice) based on existing laws/guidelines for specific activities such as tree-planting, small-scale construction, tree nurseries etc.
8. Pollution Prevention and Resource Efficiency	Possibility of localized pollution through improper waste disposal, Construction and material-based pollution through irrigation rehabilitation	Construction of small-scale infrastructure and technology-based agricultural livelihoods and use of weedicides	Damage to human health and ecosystems including soil and water	I: 3 L:2	Build awareness, introduce proper waste disposal mechanisms (proper disposal of micro-irrigation systems), promote proper application of weedicides used under the Alternate Wetting and Drying method, National and UNDP construction standards to be adhered to.

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

A. Record of endorsement on behalf of the government[2] *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

K R Uduwawala *Secretary* *Ministry of Environment*	Date*: January 09th , 2026.*

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

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

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (……list here…..) and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender 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.

Name & Signature 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: 03-Jul-2026	Tel. and email: nancy.bennet@undp.org
Project Contact Person: Aishath Azza, Regional Technical Specialist	
Tel. And Email: aishath.azza@undp.org	

පරිසර අමාත්‍යාංශය
சுற்றாடல் அமைச்சு
Ministry of Environment

"සොබාදම් පියස", අංක 416/සී/1, රොබට් ගුණවර්ධන මාවත, බත්තරමුල්ල, ශ්‍රී ලංකාව.
"சோபாதம் பியச", இல. 416/சி/1, ரொபர்ட் குணவர்தன மாவத்தை, பத்தரமுல்லை, இலங்கை.
"Sobadam Piyasa", No. 416/C/1, Robert Gunawardana Mawatha, Battaramulla, Sri Lanka.

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මගේ අංකය / எனது இல / My No: Env/CC/04/04/02/01 - JP

ඔබේ අංකය / உமது இல / Your No:

දිනය / திகதி / Date: 09.01.2026

The Chairman
The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat

Dear Sir,

Endorsement for Concept Note Proposal on "Integrating Community-Led Adaptation and Climate Risk Reduction for Resilience Building at Local Level in Sri Lanka"

In my capacity as designated authority for the Adaptation Fund in Sri Lanka, I confirm that the above Concept Note Proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Sri Lanka.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by United Nations Development Programme (UNDP) and executed by the Ministry of Rural Development, Social Security and Community Empowerment and Ministry of Environment of Sri Lanka.

Thank you

Yours sincerely

K. R. Uduwawala
Secretary

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ADAPTATION FUND

Revised PFG Submission Form[1] (additions in red)

Project Formulation Grant (PFG)

Submission Date:

Adaptation Fund Project ID:
Country/ies: Sri Lanka
Title of Project/Programme: Integrating Community-Led Adaptation and Climate Risk Reduction for Resilience Building at Local Level in Sri Lanka
Type of IE (NIE/RIE/MIE): Multilateral Implementing Entity
Implementing Entity: United Nations Development Programme (UNDP)
Executing Entity/ies: United Nations Development Programme (UNDP)

A. Project Preparation Timeframe

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

B. Proposed Project Preparation Activities ($)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US$ Amount	Budget note[2]
1. Cross-sectoral consultations with communities, provincial, district and divisional authorities, local governments and other stakeholders	• Consolidated stakeholder mapping report listing all consulted authorities, CSOs, private-sector and community institutions/actors per target district, with agreed roles and contact points. • Consultation summary reports capturing climate-risk priorities, institutional mandates, existing plans and confirmed entry points for CR-VDP integration. • Co-designed governance framework outlining decision-making structures, coordination mechanisms and risk-management arrangements for	45,000	Hiring of a consultancy firm for cross-sectoral consultations with communities, provincial, district and divisional authorities, local governments and other stakeholders

[1] As presented in AFB/PPRC.33/40 Annex 1.
[2] The proposal should include a detailed budget with budget notes indicating the break- down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

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	devolved project implementation at district/divisional and CDC level (through subnational structures of Prajashakthi). • Set of endorsed recommendations on integrating Adaptation Fund compliant climate-risk screening and safeguards into Prajashakthi planning, budgeting and approval workflows. • Community consultation tools (gender-responsive, inclusive sampling, safeguarding measures) approved and ready for use in project implementation. • Community co-design workshop reports with locally ranked adaptation options, implementation arrangements and agreed monitoring indicators.		for project development – (within 04 months)
2. Gender and environmental and social risk analysis and formulation of Social and Environmental Management Plan and Gender Action Plan	• Gender analysis report (quantitative + qualitative) with sex-disaggregated vulnerability profiles and entry points for each target landscape. • Environmental & Social Management Plan (SEMP) including risk register, mitigation measures and monitoring indicators for full-proposal interventions. • Stand-alone Gender Action Plan (GAP) with budgeted actions, targets, roles and alignment with AF Gender Policy.	10,000	Hiring a National Consultant on Gender and Social and Environment Safeguards- (USD 200/day for 50 days (within 40 weeks)
3. Location-specific climate risk and vulnerability assessments, baseline studies, and geospatial analysis	• District hazard–vulnerability–risk (HVR) profiles with maps and climate-change scenarios for each target landscape. • Prioritized list of location-specific adaptation/ climate risk-reduction options with preliminary cost–benefit and feasibility notes	16,250	Hiring of a consultancy firm to conduct a study on location-specific climate risk and vulnerability assessments,

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	• Baseline assessment report documenting socio-economic, environmental, and institutional conditions to inform project results frameworks and future impact measurement		baseline studies, and geospatial analysis – (within 04 months)
4. International consultant	High-quality project proposal which meets all AF guidelines	35,000	Hiring an International Consultant for Project Development (AF PPG Team Leader) (USD 700/day for 50 days (within 40 weeks)
5.)National Coordinator	All project annexes for the full project proposal	16,000	Hiring a National Team Coordinator for Project Development - (USD 200/day for 80 days (within 40 weeks)
6. Travel		14,999	Cost of in-country travel to proposed project locations for site verification and stakeholder consultations related to the project document development process -
7. Micro Assessment for the Ministry of Rural Development, Social Security, and Community Empowerment		1,000	Conducting a HACT Micro Assessment to assess capacity of the executing partner, Ministry of

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			Rural Development, Social Security, and Community Empowerment
Implementing Entity's Management Fee		11,751	8.5% of total PFG budget
Total Project Formulation Grant		150,000	

Please describe below each of the PFG activities and provide justifications for their need and for the amount of funding required:

Activity 01 - The objective of this activity is to generate robust, participatory, and geo-referenced socio-economic and institutional evidence to inform the design of a community-led Adaptation Fund proposal, ensuring strong sub-national ownership, coherent governance arrangements, and alignment with Prajashakthi planning systems; complementing but not duplicating the work of the Social, Environmental and Gender Safeguards Specialist.

The requested USD 45,000 covers specialist days, travel, workshops, transcription and rapid report production—costs not covered by routine government staff budgets—while generating the evidence base required for the full-proposal results framework and ensuring that the full proposal demonstrates clear sub-national/local institutional ownership, and readiness for effective implementation at scale.

UNDP will hire a company with the above expertise

Activity 02 – UNDP will engage a national Social, Gender and Environmental Screening Expert to support the project formulation process by: (i) conducting social and environmental screening in line with UNDP SESP and Adaptation Fund ESP requirements; (ii) identifying potential risks, impacts, and mitigation measures and supporting the preparation of relevant management frameworks, as required; and (iii) ensuring that gender equality and women's empowerment are meaningfully integrated into project design through a robust gender analysis and framework

The requested USD 10,000 covers the cost of 50 days of the consultant (USD 200 per day)

Activity 03 - This activity will generate robust, location-specific evidence on climate vulnerability and the feasibility of a landscape-based approach to inform the design, prioritization, and costing of adaptation interventions under the proposed Adaptation Fund project aligned with the Prajashakthi programme. This includes :
Vulnerability Assessment: Assess the location specific climate vulnerabilities of the six selected landscapes in six districts by analyzing exposure, sensitivity, and adaptive capacity of key soci- ecological systems and livelihood categories/groups, and identify, prioritize context-appropriate adaptation actions.
Feasibility and Stakeholder Buy-in Assessment: Assess the level of stakeholder buy-in and technical, institutional, socio-economic, environmental, and governance feasibility of applying a landscape based approach for rural and urban community development, and make recommendations to apply it within the proposed project and provide actionable recommendations for its operationalization.

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The requested USD 20,000 will cover 83 working days over 4 months (three consultants – Vulnerability Expert (team lead), Climate Adaptation Expert, and GIS Expert). A company with above expertise is hired. Activity 04 – UNDP will hire a international consultant as the Adaptation Fund Project Preparation Grant (PPG) Team Leader. S/he will provide overall technical leadership, coordination, and quality assurance for the PPG process and will be responsible for the timely preparation, integration, and finalization of the UNDP-Adaptation Fund Project Document (ProDoc), including all mandatory and project-specific annexes. The Team Leader will ensure methodological rigor, technical coherence, policy compliance, and alignment across all PPG components, including technical studies, stakeholder consultations, environmental and social safeguards instruments, gender analysis, financial planning, and results frameworks. The PPG Team Leader will retain responsibility for: (1) Overall technical integrity and consistency of all PPG outputs; (2) Integration of inputs across consultants and components; and (3) Final technical validation of all deliverables prior to submission to UNDP and the Adaptation Fund Secretariat.

The estimated cost of USD 35,000 will cover 50 days of the consultant. (USD 700/day within 40 weeks)

Activity 05: UNDP will hire a local consultant to work with the international consultant on the project proposal development processes. S/he will support the preparation of the full Adaptation Fund project proposal by coordinating national-level inputs, consolidating technical and consultation outputs, and drafting designated sections of the UNDP-AF Project Document and annexes under the direction of the International PPG Team Leader. The consultant acts as the national focal point for information management and inter-consultant coordination, ensuring that inputs from stakeholder consultations, technical studies, safeguards and gender analyses are systematically integrated into the project design, results framework, and supporting documentation.

The estimated cost of USD 16,000 will cover 80 days of the consultant within 40 weeks(USD 200 per day)

Activity 06 : Estimated cost of USD 14,999 will cover the cost of in-country travel for local consultant and experts in the PPG team and CO staff related to project document development and related meetings and stakeholder consultations. This will include hiring of transportation services – USD 10,000 for 12 months, and DSA and other related payments of USD 4,999.

Activity 07: UNDP will carry out a Micro Assessment for the Ministry of Rural Development, Social Security, and Community Empowerment. The estimated cost is USD 1,000.

C. Implementing Entity

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

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Nancy Bennet *Director, Quality and Impact Hub and Executive Coordinator,*	DocuSigned by: Nancy Bennet 4EEADA5A5FE9433...	04-Aug-2026	Aishath Azza Regional Technical Specialist		aishath.azza@undp.org

Docusign Envelope ID: 309CA69B-31B1-8988-80C1-1B847D73B936

Vertical Funds *Bureau for Policy and Programme Support (BPPS)* *United Nations Development Programme*					

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

A multi-level, inclusive, and gender-responsive consultation process has been conducted to ensure alignment with national priorities and local needs, in line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy. The process specifically targeted marginalised groups to ensure the project design included addressing the adaptation deficit (in poverty eradication) faced by these communities with climate-exposed assets.

National-Level Consultations

Strategically, national engagement ensured that the project is not a stand-alone pilot but a systemic upgrade to the Prajashakthi framework. Following initial engagement with the Ministry of Environment (MoE, the Designated Authority) on 26 May 2025 (5 participants: 3M, 2F), discussions progressed with the Ministry of Rural Development, Social Security and Community Empowerment (MoRDSS&CE) on 6 June 2025 (12 participants: 7M, 5F), leading to an agreement to formulate a project transforming existing social safety net structures to deliver climate-risk reduction, confirmed by MoRDSS&CE letter to MoE in June 2025. A joint MoE-MoRDSS&CE meeting on 7 July 2025 (6 participants: 5M, 1F) confirmed funding allocation, enabling concept progression.

Technical inputs from the Prajashakthi Secretariat (Presidential Secretariat) on 13 August 2025 (8 participants: 8M, 0F) strengthened institutional integration within Prajashakthi systems. A meeting with the Hon. Minister of Rural Development on 10 September 2025 (6 participants: 5M, 1F) aligned the project with Prajashakthi programming cycles and the March/April 2026 AF Board submission timeline.

A National Stakeholder Workshop co-led by MoRDSS&CE and UNDP on 3 October 2025 (21 participants: 12M, 9F) established a Technical Working Committee (TWC) for governance and technical oversight. The TWC's first meeting on 14 November 2025 (30 participants: 10M, 20F) reviewed the draft concept and refined approaches, target locations, and linkages between climate information services, VDP processes, and social protection delivery. Crucially, national stakeholders reiterated that a lack of mandates and capacity for climate screening—considering gender and social issues at the village level—was a primary barrier; consequently, the project now includes issuance of Ministerial circulars and development of inclusive planning guidelines for resilience building under Component 2. The need for institutionalised solutions beyond project boundaries to address knowledge gaps and weak technical skills was strongly acknowledged, prompting development of a knowledge repository (Activity 1.2.1) underpinned by the national digitalisation initiative, and revision of planning manuals, guidelines (Activity 1.1.2), and training (Activity 2.1.3) to include inclusive climate adaptation.

Subnational and Programme-Level Consultations

District-level consultations in Batticaloa on 6 June 2025 (26 participants: 14M, 12F) with the District Secretary and Prajashakthi officials identified institutional silos and capacity gaps as key risks. Virtual technical consultation with district and divisional officials on 12 December 2025 (31 participants: 18M, 13F) led to agreement that existing siloed knowledge essential for climate screening—considering local gender and social issues—must be integrated into existing Prajashakthi planning protocols and its MIS rather than creating new or parallel systems. This ensures divisional officers can use risk and vulnerability maps within routine workflows (Activity 1.1.3). Gaps linking NAP/PAP directly with Prajashakthi institutional structure suggested coordination arrangements (Activity 2.1.3), while bridging skill gaps was identified as a prerequisite for transforming Prajashakthi to resilient planning (Activity 2.1.2).

Community-Level and Gender-Responsive Consultations

To comply with the AF Gender Policy, field missions and community consultations in Kilinochchi and Mannar from 14-16 August 2025 (73 participants: 21M, 52F) included gender-segregated focus groups to capture issues often silenced in plenary sessions. Women identified "time poverty" and post-harvest heat spoilage as their primary climate risks. In response, the project shifted to decentralised solar-powered storage units that Women's Federations can establish and manage (Activity 3.2.2). Women highlighted water scarcity as a major burden, endorsed at farmer consultations that also noted crop failure; actions were incorporated to minimise these risks (Activities 3.1.2, 3.1.3, 3.2.1, 3.2.2, 3.2.3).

Site visits with farmer organisations confirmed that individual tank repairs often fail due to upstream

degradation, resulting in a focus on tank cascade landscapes and holistic ecosystem-based adaptation strategies (Activity 3.1.1) to restore entire hydrological systems rather than isolated tanks. Particular attention was given to elderly persons—demographically ~60% of farmers are >60 years—who requested "last mile" early warning systems using community communication channels (temple bells, SMS) in addition to smartphone apps (Activity 1.2.4). In response to climate-induced feeding issues and yield drops affecting livestock farmers, risk reduction solutions identified collectively involve the Department of Veterinary Health and Animal Production (Activity 3.2.6). Inland fishers raised reduced catch due to worsening seasonal drying of tanks, prompting risk reduction measures (Activity 3.2.7).

Consultation with youth showed their primary interest in entrepreneurship opportunities with higher returns than farming. In response, off-farm employment opportunities were discussed and incorporated (Activities 3.3.1, 3.3.3, 3.3.4), including skills development opportunities (Activity 3.3.2).

Additional consultations included a provincial-level meeting in Jaffna on 18 December 2025 (14 participants: 8M, 6F) to align provincial adaptation planning with the project, and a validation workshop in Colombo on 20 January 2026 (52 participants: 28M, 24F) where stakeholders validated the final concept design and confirmed readiness for submission.

In total, 12 consultation events engaged 314 participants (165M, 149F) across national, provincial, district, divisional, and community levels from May 2025 to January 2026, ensuring inclusive participation with near gender parity (47.5% women).

ESP and Gender Policy Compliance and Next Steps

The consultation process is consistent with Adaptation Fund ESP and Gender Policy requirements for the concept note stage. Early Environmental and Social Safeguards Screening (ESSS) has been conducted, and findings have informed project design. During full proposal development, consultations will be expanded to all targeted districts, specific landscapes, and vulnerable groups; consultation findings will be systematically documented; a stakeholder engagement plan will be prepared; and linkages between project-level and government grievance mechanisms will be clarified.

Alignment with the Adaptation Fund's gender policy

The project is fully aligned with the Adaptation Fund Gender Policy and its Gender Equality and Women's Empowerment Strategy. Comprehensive gender analysis and gender-responsive stakeholder engagement will be undertaken through Prajashakthi structures in the selected landscapes and will inform detailed activity design, targeting and monitoring. A standalone, costed Gender Action Plan, developed and validated through stakeholder consultations during the PFG process, and formally endorsed prior to the submission of the full proposal, will identify context-specific barriers, define targeted measures, allocate responsibilities and establish measurable indicators and timelines, fully integrated into the work plan and Results Framework. Institutional accountability for gender mainstreaming will rest with the Project Management Unit under the Ministry of Rural Development, Social Security and Community Empowerment, with technical support from UNDP, while CDCs will appoint gender focal persons to ensure equitable participation and benefit-sharing in VDP processes and implementation. Gender-responsive budgeting will be embedded in financial management, with a commitment that at least 50% of total project expenditure is explicitly allocated to gender-responsive and women-led activities, and annual reports will track these expenditures and performance against the Gender Action Plan. Through these measures, the project will advance gender equality and women's empowerment while ensuring that climate-resilience benefits reach those facing the greatest climate-related risks and constraints.

Initial Gender Analysis

The project complies with Gender Policy of the Adaptation Fund. Women and other vulnerable social groups were engaged in concept design from the outset. An initial gender analysis was conducted based on stakeholder consultations and data and information gathered from other secondary sources. These included capturing gender-differentiated impacts and risk for women and men and differentiated gender adaptation needs, considering intersectionality issues as well. The results framework explicitly includes and prioritises gender differentiated interventions ensuring women and other vulnerable groups are prioritised in adaptation related actions.

National Context and Structural Mismatch: Sri Lanka's gender profile reveals a significant structural mismatch: despite near-universal female literacy and women comprising 51% of the population, they remain economically marginalized. Female labour force participation stands at 29.8% compared to 67.4% for men, with a persistent 27% gender pay gap. This suggests that barriers are rooted in unequal access to productive assets and institutional returns rather than a lack of skills. Female-headed households (FHHs) account for 24–25% nationally; these households face acute "adaptive poverty" due to lower labour availability, limited land ownership, and restricted access to water entitlements, finance, and technical extension services.

Landscape-Specific Constraints and Equity Risks: Consultations across the project's four target landscapes (Tank Cascades, Rainfed Uplands, Intensive Vegetable Farming, and Coastal Wetlands systems) identified specific barriers that dictate how climate benefits are accessed: (i) Asset Control & "Elite Capture": In VIS, women represent only 10% although they provide unpaid labour for paddy cultivation. Because "water rights" are traditionally tied to male-held land titles, without intervention, irrigation rehabilitation, risks reinforcing "male capture" of benefits. The project mitigates this by decoupling water access for home gardens from formal land titles, and promoting Yala/mid-season cultivation in paddy land by women despite having no land rights, through suitable co-governance agreements. (ii) The "Recognition" Gap: In Rainfed and Upland Home-Garden systems, women lead 60% of production, yet their work is largely informal. They are often excluded from Farmer Organizations (FOs), which act as gatekeepers for government subsidies and insurance. The project proposes to promote establishing and registering Women's Self-Help Groups through Provincial Departments of Agriculture to increase access to subsidies, extension and technical services (iii) Intersectionality & Mobility: In Mannar and the Eastern Province, Muslim women face specific mobility and logistical constraints. These are exacerbated by human-elephant conflict, while in Uva, water scarcity has created a documented "time poverty–GBV risk pathway," where the increasing

burden of water collection exposes women to higher safety risks. (iv) Systemic Exclusion: Plantation women in the Central Province remain structurally excluded due to a combination of lack of land title, language barriers, and weak integration into local planning and extension systems.

Core Constraints to Adaptation: The analysis identifies three primary pillars of vulnerability that the project is designed to dismantle: (a) Unpaid Labour & Care Burden: Women bear a disproportionate burden of unpaid agricultural and domestic labour, which is specifically exacerbated during climate shocks (droughts and floods) and the subsequent recovery periods. (b) Livelihood Exposure: Women are concentrated in the most climate-sensitive, rainfed sectors with the least institutional support, creating a high risk of total livelihood loss during extreme weather events (c) Institutional Under-representation: Women are structurally under-represented in the decision-making bodies, such as water governance bodies and FO leadership, that determine the allocation of critical adaptation resources.

Design Integration (The "Lock-in"): To move beyond general observations, the project directly institutionalises these requirements within Gender Action Plan (Part II.E). This includes a mandatory 50% quota for women in technical training, leadership roles in CDCs, livelihood strategies specifically engineered to bridge gender gaps through the establishment of women-led production and agro-processing clusters (Self-Help Groups) designed to increase bargaining power with traditional male-dominated market structures. Further the project aligns training schedules and infrastructure siting with the "time poverty" and mobility constraints identified during field consultations. These measures ensure that gender equality is not a secondary goal but a mandatory requirement for the project's institutional sustainability and social safeguards compliance.

Table 19: Examples of Gender and Social Inclusion Indicators

Indicator	Target	Strategic Alignment
Indicator 1: % of updated VDPs that include a dedicated budget for women-led climate-smart home gardens or agro-processing.	100% of 2,800 VDPs	Ensures financial additionality at the village level.
Indicator 2: Number of women and youth utilizing the Digital Knowledge Interface to access real-time market prices and customized weather alerts.	30,000 (disaggregated by sex/age)	Addresses digital literacy barriers and market isolation.
Indicator 3: % Increase in security of livelihood assets for Female-Headed Households (FHH) resulting from restored tank access and post-harvest technology.	25% increase in FHH income/assets	Links ecosystem restoration (EbA) directly to poverty eradication.
Indicator 4: Number of Youth-led Climate-Smart Enterprises formally integrated into the National Prajashakthi scaling repository.	At least 50 youth-led models	Positions youth as professional leaders in the green economy.
Indicator 5 : Number of elderly-inclusive Early Warning and Agro-met protocols established and tested in landscape-level	50 Landscapes	Ensures social safety and livelihood risk reduction (minimise losses) for the most vulnerable during extreme events.

Table 20: Summary Gender Analysis

Component & Action	Targeted Beneficiaries	Gender/Social Vulnerability Context	Specific Mitigation & Empowerment Measure
C1: Digital VDP Planning	14,008 GN Divisions (focusing on 5 districts)	High livelihood vulnerability; High rate of Female-Headed Households (FHH) in Northern Province due to post-conflict dynamics.	Mandating GESI screening in the Digital VDP Toolkit to ensure women, FHH other marginalised groups receives equitable project benefits and overall poverty eradication and empowerment benefits through Prajashakthi programme

Component & Action	Targeted Beneficiaries	Gender/Social Vulnerability Context	Specific Mitigation & Empowerment Measure
C2: Training & Governance	500 Divisional Level Officers / 150 CDCs	Women often lack "formal" leadership roles in traditional water-user associations.	Quota-based certification for 250 female officers and training for female CDC members (50%) in financial management.
C3: Livelihood Assets, Value Chains	1,150 Farmers (AWD); 60,000 Digital Literacy 100 Processing Centres; 3 Markets	High livelihood vulnerability among women, youth migration is high; women have limited access to mobile-based agro-met advisories. Women are heavily involved in post-harvest work but often excluded from market negotiations	Targeting women and introducing women responsive livelihood options, Deployment of digital literacy training for 50% of 60,000 beneficiaries as women/youth to bridge the "digital divide" in accessing early warnings using mobile phones. Allocation of 50% of vendor spaces in Farmers' Markets to women-led cooperatives and youth entrepreneurs.
C4: (KM)	Beneficiary oriented (i.e. women, elderly, youth) knowledge products	Lack of access and capacity to obtain climate actionable adaptation knowledge using modern technologies as communication vehicles	Use of local and traditional communication methodologies innovatively (i.e., community networks) for increasing inclusivity of last mile dissemination alongside modern technologies