ADAPTATION FUND

## REQUEST FOR PROJECT/PROGRAMME FUNDING FROM THE ADAPTATION FUND

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

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

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to the email: submissions@adaptation-fund.org

ADAPTATION FUND

## Contents

PART I: PROJECT/PROGRAMME INFORMATION ..... 3
1.1 Project / Programme Background and Context ..... 6
1.2 Project Components and Financing ..... 11
PART II: PROJECT / PROGRAMME JUSTIFICATION ..... 17
PART III: IMPLEMENTATION ARRANGEMENTS ..... 42
PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY ..... 46
Annex 1. Initial Gender Assessment ..... 48
Annex 2. Theory of Change ..... 50
Annex 3. Endorsement Letters ..... 51

Figures

Figure 1. Typical self-built housing in Ulaanbaatar's ger areas ..... 7
Figure 2. Exposure of Ger Areas to Flood Risk Zones in Ulaanbaatar ..... 7
Figure 3. Climate hazards and structural vulnerabilities affecting ger settlements ..... 9
Figure 4. Implementation Structure ..... 44

Tables

Table 1. Climate Hazard → Adaptation Measure → Resilience Benefit Mapping ..... 15
Table 2. Targeted Benefits for Vulnerable Groups ..... 20
Table 3. Comparative Cost of Adaptation Options in Ulaanbaatar Ger Areas ..... 22
Table 4. Alignment of Project Interventions with Mongolia's National Adaptation Plan (NAP) ..... 24
Table 5. Compliance with National Standards and Adaptation Fund Safeguards ..... 26
Table 6. Complementarity and Coordination with Relevant Initiatives ..... 28
Table 7. Summary of Stakeholder Consultations ..... 35
Table 8. Preliminary Environmental and Social Risks and Mitigation Measures ..... 40
Table 10. Project Results Framework alignment with AF Strategic Results Framework ..... 44

# LOCALLY-LED ADAPTATION PROJECT/PROGRAMME PROPOSAL FOR SINGLE COUNTRY

## PART I: PROJECT/PROGRAMME INFORMATION

**Title of Project/Programme:** Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership

**Country:** Mongolia

**Thematic Focal Area:** Climate Resilience Building

**Type of Implementing Entity: Multilateral Implementing Entity**

**Implementing Entity:** United Nations Human Settlement Programme (UN-Habitat)
**Executing Entities:** Development Solutions NGO
Healthy Cities NGO
World Health Organization (WHO)
United Nations Industrial Development Programme (UNIDO)
Local communities
**Amount of Financing Requested:** 5,000,000 (in U.S Dollars Equivalent)

**Letter of Endorsement (LOE) signed:** Yes ☑ No ☐

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

**Stage of Submission:**

- ■ This proposal has been submitted before including at a different stage (pre-concept, concept, fully- developed proposal)
- ☐ This is the first submission ever of the proposal at any stage

In case of a resubmission, please indicate the last submission date: Click or tap to enter a date.

**Please note that fully-developed proposal documents should not exceed 100 pages for the main document, and 100 pages for the annexes.**

## 1.1 Project / Programme Background and Context

*Provide brief information on the problem the proposed project/programme is aiming to solve. Outline the economic social, development and environmental context in which the project would operate.*

Urban communities in Mongolia are increasingly exposed to climate-related risks resulting from rapid warming, intensifying hydro-climatic variability, and expanding informal settlements. In Ulaanbaatar's ger areas, where more than half of the city's population resides, poorly insulated housing, unsafe heating systems, inadequate sanitation infrastructure, and limited drainage systems significantly amplify the impacts of climate hazards such as extreme cold, flooding, dust storms, and temperature inversions. As a result, climate events translate directly into recurring household loss and damage, including flood-contaminated sanitation systems, cold-related illness, respiratory disease, and escalating energy costs. Despite ongoing investments in urban infrastructure and environmental protection, a critical adaptation gap remains at the household level, where structural housing vulnerabilities continue to expose residents to intensifying climate stress.

Mongolia is one of the fastest-warming countries in Asia. Since the mid-twentieth century, national average temperatures have risen by more than 2°C, which is more than twice the global average. Projections indicate that temperatures could increase by an additional 1.5–3°C by 2050, accompanied by growing hydro-climatic variability.

These changes are already evident. Mongolia is experiencing more frequent short-duration heavy rainfall events that trigger flash floods, heightened temperature variability marked by extreme cold spells, and rising summer heat stress. Prolonged droughts and intensified dust storms are becoming more common, while permafrost degradation is undermining soil stability and damaging infrastructure.

**Urban Climate Vulnerability in Ger Areas**

In Mongolia's cities, particularly in Ulaanbaatar, climate risks intersect sharply with rapid and often unplanned urbanization. More than 60 percent of Ulaanbaatar's population resides in ger areas, informal settlements composed of traditional gers and self-built houses frequently situated on marginal land such as floodplains, steep slopes, and areas affected by permafrost degradation (Figure 1).

Heavy rainfall increasingly floods homes and damages sanitation systems, contaminating pit latrines and shallow groundwater sources. The map in Figure 2 shows a part of Ulaanbaatar ger areas versus flood risk areas identified under the Flood resilience in Ulaanbaatar Ger areas (FRUGA) project implemented in 2019-2023 with the funding from the Adaptation fund.

Thawing permafrost destabilizes foundations and accelerates soil erosion, undermining both private dwellings and public infrastructure. Poorly insulated homes exacerbate cold-related illness during highly variable winters while also contributing to overheating during summer heatwaves. Limited ventilation worsens indoor air pollution during temperature inversions and dust events, and unsafe heating systems heighten the risk of carbon monoxide exposure during extreme cold.

These interconnected structural weaknesses function as climate vulnerability multipliers, transforming climate hazards into repeated cycles of household loss, health risks, and economic strain.

*Figure 1. Typical self-built housing in Ulaanbaatar's ger areas*

*Figure 2. Exposure of Ger Areas to Flood Risk Zones in Ulaanbaatar*

### Lessons from Previous Adaptation Efforts

Previous adaptation initiatives have begun addressing some aspects of these risks. Two Adaptation Fund-supported projects implemented by UN-Habitat in Ulaanbaatar strengthened flood resilience through protective infrastructure, improved drainage systems, and institutional capacity building. These interventions reduced exposure to flood hazards and enhanced local response capacity.

The project also builds on specific outputs of the Adaptation Fund-supported **Flood Resilience in Ulaanbaatar Ger Areas (FRUGA)** initiative, including flood risk assessments, community-based flood preparedness mechanisms, and strengthened municipal coordination for flood management. These outputs provide an evidence base for identifying high-risk ger areas and inform the targeting of household-level adaptation measures under the proposed project.

However, implementation of earlier projects revealed a critical lesson: addressing environmental exposure alone is not sufficient to eliminate climate risk when household-level sensitivity remains high. Even in areas benefiting from improved flood protection, residents continue to face recurrent sanitation failures during extreme rainfall, cold-related illness during increasingly severe winters, indoor air pollution during temperature inversions, and structural degradation associated with soil instability.

The proposed project therefore complements earlier Adaptation Fund investments by extending resilience measures from infrastructure-level interventions to **household-level climate adaptation actions**, including climate-resilient housing retrofits, safe heating systems, and improved sanitation solutions.

**Climate Risk Pathways in Ger Areas**

Ger settlements face three interconnected climate risk pathways that reinforce one another and compound household vulnerability.

Flood risk and sanitation failure: As rainfall events become increasingly intense and erratic, drainage systems are often overwhelmed, leading to recurrent flooding, contamination of pit latrines, and damage to household assets. Figures 3a, 3b, and 3c illustrate flooding in ger areas following heavy rainfall events, as well as ice-related flooding during winter in Ulaanbaatar.

Thermal stress and energy vulnerability: Poorly insulated homes and inefficient heating systems expose households to extreme cold during winter while also contributing to overheating during summer heatwaves.

Air pollution and dust exposure: Climate-driven temperature inversion events and increasingly frequent dust storms are worsening air quality in Ulaanbaatar, significantly elevating respiratory health risks, particularly for children and elderly residents. Figures 3d and 3e illustrate typical ger area conditions during the onset of air and dust pollution.

These health risks arise from the interaction between climate hazards and housing conditions in ger areas. For example, extreme winter temperatures increase reliance on solid-fuel heating systems which, combined with inadequate ventilation, increases exposure to carbon monoxide and indoor air pollution. Similarly, heavy rainfall events can flood sanitation facilities and contaminate shallow groundwater sources, increasing the risk of waterborne diseases. These climate–housing–health interactions highlight the need for integrated adaptation measures addressing both environmental hazards and structural housing vulnerabilities.

The transition to semi-coke briquettes in 2019 has contributed to a reduction in particulate matter concentrations in the city. However, the reported increase in carbon monoxide poisoning cases highlights an emerging household safety risk. These findings demonstrate that improving ambient air quality alone is insufficient. Integrated climate adaptation measures combining safe heating systems, improved ventilation, and effective insulation are necessary to reduce both indoor and outdoor exposure risks. These climate–housing–health interactions demonstrate that improving housing conditions in ger areas represents a critical climate adaptation strategy, as strengthening housing resilience directly reduces household exposure and sensitivity to climate hazards.

**Environmental Context**

Mongolia’s accelerating warming is intensifying both hydrological and temperature variability across the country. Heavy summer precipitation events are becoming more concentrated, increasing the frequency of flash floods in urban catchments. Heightened winter variability contributes to severe cold stress, while prolonged dry periods exacerbate dust storms and accelerate land degradation.

Climate stress is also reinforcing patterns of rural-to-urban migration. Recurrent drought and dzud events continue to undermine pastoral livelihoods, compelling many herder households to relocate to urban centers, particularly to Ulaanbaatar. Most settle in peri-urban ger areas located in hazard-prone environments such as floodplains, unstable slopes, and areas affected by permafrost degradation.

*Figure 3. Climate hazards and structural vulnerabilities affecting ger settlements*

a) Ice flooding affecting homes in Ulaanbaatar's ger areas associated with permafrost thaw

b) Flooded ger settlements following heavy rainfall in Ulaanbaatar

c) Flood-affected household plot in ger areas

e) Dust pollution in ger areas

d) Air pollution from raw coal combustion for household heating in ger areas

## Social and Economic Climate Vulnerability

Approximately one third of Mongolia's population lives below the national poverty line, with a high concentration in ger areas. Limited financial resources constrain households' ability to invest in insulation, safe heating systems, improved sanitation facilities, and basic flood-proofing measures, increasing their vulnerability to climate hazards. Climate impacts are also unevenly distributed within households. Women often bear primary responsibility for managing household heating, sanitation, and caregiving activities, which exposes them more frequently to indoor air pollution, unsafe heating conditions, and inadequate sanitation, particularly during the long winter season. Elderly household members and children are also highly vulnerable to health risks associated with poor housing conditions and extreme weather. An initial gender assessment conducted during project preparation, including a survey of 197 households and community consultations, found that female-headed households face additional barriers to housing improvements due to financial constraints and limited access to technical information. Women identified sanitation safety, indoor air quality, and heating safety as priority concerns for climate resilience.

At the macroeconomic level, climate-related impacts also generate substantial economic losses. A 2019 UNDP study estimated annual welfare losses of USD 486 million and productivity losses of USD 58 million due to air pollution, equivalent to 5.6 percent of Mongolia's GDP.

## Development and Adaptation Gap

Mongolia's National Adaptation Plan (NAP) and Nationally Determined Contribution (NDC) identify urban resilience and climate risk reduction as national priorities. However, adaptation efforts have largely focused on large-scale infrastructure investments such as flood control works and drainage improvements. A critical adaptation gap remains at the household level, particularly in ger areas where structural housing vulnerabilities continue to expose residents to climate stress even where protective infrastructure exists.

## Barriers to Climate-Resilient Housing Adaptation

Despite growing awareness of climate risks, several barriers continue to limit the adoption and scaling of climate-resilient housing improvements in ger settlements which include:

- Institutional barriers arise from fragmented responsibilities across housing, energy, health, and urban planning sectors.
- Technical barriers include limited access to climate-resilient construction techniques and technical standards suited to Mongolia's extreme climate conditions.

- Financial barriers prevent many households from investing in housing retrofits due to limited access to affordable financing.
- Social barriers include limited awareness of climate adaptation options and insufficient community participation in housing improvement decisions.

The project components are designed to address these barriers systematically. Component 1 addresses social and information barriers through participatory climate risk assessments and community adaptation planning. Component 2 addresses technical barriers through training programmes and technical guidance on climate-resilient construction practices. Component 3 addresses financial barriers through targeted household adaptation micro-grants and material support packages. Component 4 addresses institutional barriers by strengthening policy integration, knowledge sharing, and coordination between municipal and national stakeholders.

**Climate Hazard–Vulnerability–Adaptation Logic**

Climate risk in ger areas arises from the interaction between intensifying climate hazards and structurally vulnerable housing systems. Extreme cold results in illness and energy insecurity because homes lack effective insulation and safe heating systems. Heavy rainfall causes sanitation contamination because drainage systems are inadequate. Dust storms and inversion events worsen respiratory illness because ventilation systems are insufficient. Addressing these risks requires adaptation measures that simultaneously reduce climate exposure and decrease structural sensitivity within homes. The proposed interventions therefore focus on targeted improvements such as insulation retrofits, safe heating systems, improved ventilation, and flood-resilient sanitation infrastructure. Table 1 illustrates the relationship between climate hazards, structural vulnerabilities, and corresponding adaptation measures supported under the project. Retrofit measures supported by the project will follow relevant national building codes and technical standards and will incorporate climate-informed design considerations to ensure that housing improvements remain resilient under projected changes in temperature variability and precipitation intensity.

**Strategic Climate Adaptation Response**

The proposed initiative, Healthy Homes, Resilient Communities, represents a strategic shift toward reducing structural climate vulnerability at the household level. Through community-led climate risk planning, climate-resilient housing retrofits, safe heating and ventilation upgrades, flood-resistant sanitation systems, and strengthened institutional capacity, the project will generate measurable adaptation outcomes and strengthen long-term resilience.

**Project Objective**

The objective of the project is to reduce climate-induced loss and damage in Mongolia’s ger areas by strengthening the resilience of vulnerable households to extreme cold, flooding, permafrost degradation, and climate-sensitive health risks through locally led adaptation planning and climate-resilient housing retrofits.

The project adopts a locally led adaptation approach structured around four components: participatory climate risk assessment and community planning; capacity building for climate-resilient housing improvements; implementation of household and community adaptation investments; and institutional strengthening to integrate climate-resilient housing practices into municipal and national planning systems. Gender-responsive measures will ensure women’s participation in Community Assemblies and Community Adaptation Councils and prioritize vulnerable households in adaptation investments.

## 1.2 Project Components and Financing

Building on the climate risks and structural vulnerabilities described in Section 1.1, the proposed project adopts a locally led climate adaptation approach to reduce household-level climate vulnerability in Mongolia's ger areas. Rather than relying solely on large-scale infrastructure investments, the project addresses structural drivers of climate risk within homes and communities, which often amplify the impacts of climate hazards.

Previous adaptation initiatives in ger settlements show that while flood protection infrastructure and environmental management measures can reduce exposure to hazards, they do not sufficiently address housing-related vulnerabilities that translate climate hazards into direct household impacts. Poor insulation, unsafe heating systems, inadequate ventilation, weak sanitation facilities, and unstable housing foundations continue to increase exposure to extreme cold, flooding, and indoor air pollution. The project therefore combines participatory climate risk assessment, technical capacity development, targeted household adaptation investments, and institutional strengthening. This integrated approach will enable communities to identify climate risks, implement locally appropriate housing adaptation measures, and support the integration of successful practices into municipal and national climate adaptation frameworks. The project is structured around four complementary components that provide a pathway from climate risk identification to implementation of climate-resilient housing improvements and policy learning.

**Climate Rationale for Housing Adaptation**

Ger area settlements in Ulaanbaatar are highly exposed to climate hazards including extreme winter temperatures, intense rainfall events, and permafrost degradation. Climate projections indicate increasing temperature variability and greater rainfall intensity, which heighten risks to housing safety, sanitation infrastructure, and household health. These hazards interact with structural vulnerabilities common in ger areas, including poorly insulated housing, unsafe heating practices, weak sanitation systems, and unstable soil conditions. As a result, climate hazards frequently translate into direct household impacts, such as exposure to extreme cold, sanitation failures during flooding, deterioration of housing foundations due to soil instability, and worsening indoor air pollution during winter inversion events. Addressing these vulnerabilities through climate-resilient housing improvements and community-level adaptation measures can significantly reduce household exposure and sensitivity to climate hazards.

**Component Structure and Adaptation Logic**

The sequencing of components follows a clear adaptation pathway:

- Component 1 - Participatory Climate Risk Assessment and Planning: Identifies climate hazards affecting ger settlements and assesses housing vulnerabilities through participatory risk assessments and community mapping.
- Component 2 - Capacity Building for Climate-Resilient Housing Improvements: Strengthens the technical capacity of local workers, community members, and institutions to implement climate-resilient housing retrofits.
- Component 3 - Implementation of Climate-Resilient Housing Adaptation Measures: Provides targeted support to vulnerable households to implement climate-resilient housing upgrades.
- Component 4 - Institutional Strengthening and Knowledge Management: Ensures lessons learned inform municipal planning processes and national climate adaptation strategies.

Together these components create a coherent results chain: **Risk assessment → Capacity building → Household adaptation investments → Institutional learning and scaling.**

This component structure reflects the project's **Theory of Change**, which illustrates how participatory climate risk assessments, capacity building, and targeted housing adaptation investments collectively contribute to strengthened household resilience and institutional learning. The Theory of Change also

identifies key assumptions and potential risks influencing implementation, including sustained community participation, coordination with municipal authorities, and adoption of climate-resilient construction practices. It further highlights feedback loops linking **community monitoring, municipal planning processes, and policy integration**, ensuring that lessons from community-level implementation inform urban planning and climate adaptation policies over time (see Annex 2).

The project will primarily benefit approximately **2,000 vulnerable households living in climate-exposed ger areas**, while also strengthening the technical capacity of local construction workers, community institutions, and municipal authorities involved in climate-resilient housing improvements. Through participatory planning and targeted investments, the project links community-level adaptation actions with institutional learning and policy integration.

**Component 1. Participatory Climate Risk Assessment, Planning, and Community Engagement**

This component establishes the analytical and participatory foundation for locally led adaptation by generating localized climate risk evidence and community-defined priorities. Ger areas face diverse climate risks including flooding, permafrost instability, and extreme winter temperature variability. Participatory climate vulnerability assessments and community planning processes will therefore identify priority adaptation actions and guide project investments. Key activities include:

1. Conduct participatory climate vulnerability assessments to identify household and settlement-level exposure to extreme cold, flooding, permafrost instability, and climate-sensitive health risks.
2. Apply community mapping and household surveys to assess structural housing risks such as inadequate insulation, unsafe heating practices, poor ventilation, and flood-prone sanitation systems.
3. Facilitate inclusive community planning workshops to prioritize locally appropriate climate risk reduction measures, ensuring participation of women, youth, elderly persons, and other vulnerable groups.
4. Develop climate-resilient housing and sanitation guidelines tailored to projected temperature variability, rainfall intensity, and soil instability conditions.

These activities will strengthen local ownership of adaptation solutions and ensure that interventions respond directly to community-identified climate risks.

**Component 2. Local Capacity Building for Climate-Resilient Retrofitting and Risk Reduction**

This component strengthens technical and institutional capacity to implement and sustain climate-resilient housing improvements. In many ger areas, housing upgrades are often implemented without technical guidance, which can lead to ineffective or unsafe solutions. The project will therefore build local capacity among construction workers, community members, and relevant institutions to implement climate-resilient retrofitting practices suited to Mongolia's extreme climate conditions. Key activities include:

1. Provide training for local workers, youth, and community members on insulation retrofitting, safe heating systems, ventilation improvements, and flood-resilient sanitation design.
2. Develop technical manuals and climate-screened toolkits reflecting projected climate conditions.
3. Partner with vocational institutions to establish certification pathways for climate-resilient construction practices.
4. Conduct community awareness activities on climate risks, safe heating practices, flood preparedness, sanitation hygiene, and indoor air quality management.
5. Establish community monitoring groups to track housing improvements and adaptation performance.

Through these activities, the component will strengthen local technical capacity to sustain climate-resilient housing improvements beyond the project period.

**Component 3. Implementation of Household and Community-Level Climate Adaptation Measures**

This component translates climate risk assessments into direct adaptation investments that reduce household exposure and sensitivity to climate hazards. Targeted interventions will focus on high-risk ger areas where structural vulnerabilities are most pronounced. Key activities include:

1. Implement climate-resilient housing retrofits in selected ger areas, including insulation improvements, safe heating systems, ventilation upgrades, flood-resilient sanitation systems, and localized drainage or soil stabilization measures.
2. Provide targeted climate adaptation micro-grants or material support packages to vulnerable households, prioritizing low-income families, female-headed households, elderly residents, and households with children.
3. Apply climate risk screening to all interventions to ensure alignment with projected climate scenarios and avoid maladaptation.
4. Ensure technical supervision and community oversight of housing upgrades.

These investments will directly reduce household vulnerability to flooding, extreme cold, indoor air pollution, and soil instability.

**Justification for Household Adaptation Micro-Grants**

Many households in ger settlements lack the financial capacity to undertake climate-resilient housing improvements despite facing high climate exposure. Targeted micro-grants will therefore enable vulnerable households to implement priority retrofits identified through climate risk assessments. All supported investments will undergo technical screening and supervision to ensure alignment with climate-resilient construction standards.

**Component 4. Institutional Strengthening, Policy Integration, and Knowledge for Climate Adaptation**

This component ensures that locally led adaptation actions are integrated into municipal planning systems and national climate adaptation frameworks, enabling long-term sustainability and scaling.
Key activities include:

1. Integrate community-defined adaptation priorities into municipal development plans and land-use frameworks.
2. Align project interventions with Mongolia's National Adaptation Plan and Nationally Determined Contributions.
3. Develop policy briefs, technical guidelines, and case studies documenting lessons from climate-resilient housing interventions.
4. Facilitate knowledge exchange and learning platforms to support replication in other urban areas.
5. Strengthen institutional mechanisms for decentralized climate adaptation financing and climate-informed planning.

Through these measures, the project will support integration of locally led adaptation practices into national climate policy and urban development strategies.

The proposed interventions under the project components respond directly to climate hazards affecting ger settlements. The table below illustrates how project activities address specific climate vulnerabilities and contribute to the Adaptation Fund Strategic Results Framework.

*Table 1. Climate Hazard → Adaptation Measure → Resilience Benefit Mapping*

| Climate Hazard | Structural Vulnerability in Ger Areas | Project Adaptation Measures | Expected Resilience Benefit | Alignment with AF Results Framework |
|---|---|---|---|---|
| Extreme winter cold (temperatures below –30°C) | Poorly insulated homes leading to heat loss and unsafe heating practices | Installation of improved insulation, safe heating systems, and ventilation improvements | Reduced exposure to extreme cold, lower household energy demand, improved indoor air quality and safety | AF Outcome 4: Increased adaptive capacity within development sector services and infrastructure assets |
| Intense rainfall and urban flooding | Flood-prone housing plots and sanitation systems vulnerable to contamination | Flood-resilient sanitation upgrades and localized drainage improvements | Reduced flood damage to homes and sanitation systems, improved public health protection | AF Outcome 4: Climate-resilient infrastructure strengthened |
| Air pollution and winter temperature inversions | Indoor pollution from inefficient heating and poor ventilation | Safe heating technologies and ventilation retrofits | Reduced exposure to carbon monoxide and indoor air pollution, improved respiratory health | AF Outcome 4: Infrastructure adapted to climate variability |
| Dust storms and climate variability | Poor housing ventilation and limited climate awareness | Community awareness campaigns and improved ventilation systems | Reduced exposure to airborne pollutants and improved climate risk preparedness | AF Outcome 3: Strengthened awareness and ownership of adaptation processes |
| Limited local adaptation capacity | Lack of technical skills and community planning mechanisms | Training for climate-resilient retrofitting, community adaptation planning, and community monitoring systems | Strengthened local capacity to implement and maintain climate adaptation solutions | AF Outcome 2: Strengthened institutional capacity |
| Weak institutional integration of local adaptation knowledge | Limited incorporation of community adaptation practices into planning systems | Policy integration, knowledge platforms, and technical guidance for municipal planning | Institutionalized climate-resilient housing practices and scaling of successful interventions | AF Outcome 2: Institutional capacity strengthened |

## Project Financing

The project will be financed through Adaptation Fund resources complemented by institutional and in-kind contributions from implementing and executing entities. The largest share of funding is allocated to **Component 3**, which delivers direct climate adaptation benefits through housing improvements. Components 1 and 2 support risk assessment and technical capacity development, while Component 4 focuses on institutional learning and policy integration to enable scaling.

| Project Components | Expected Concrete Outputs | Expected Outcomes | Amount (US$) |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Component 1. Participatory Climate Risk Assessment, Planning, and Community Engagement | • Climate risk and housing vulnerability assessments completed<br>• Participatory maps and household data generated<br>• Community adaptation plans developed and validated with local authorities | Communities and local authorities jointly identify climate risks and prioritize locally appropriate housing adaptation measures. | 600,000.00 |
| Component 2. Local Capacity Building for Climate-Resilient Housing Improvements | • Local workers and community members trained<br>• Technical manuals and toolkits developed<br>• Community awareness activities conducted | Communities and local workers have the technical skills and knowledge required to implement and maintain climate-resilient housing improvements. | 600,000.00 |
| Component 3. Implementation of Climate-Resilient Housing Upgrades | • Climate-resilient housing upgrades implemented in selected ger areas<br>• Vulnerable households receive direct support<br>• Monitoring reports produced | Household vulnerability to climate hazards such as extreme cold, flooding, and indoor air pollution is reduced. | 2,500,000.00 |
| Component 4. Institutional Strengthening, Policy Integration, and Knowledge Management | • Policy briefs, case studies, and technical guidance produced<br>• Knowledge exchange events conducted<br>• Adaptation practices shared with municipal and national stakeholders | Community-led adaptation approaches are integrated into municipal and national adaptation planning and replicated in other urban areas. | 470,514.00 |
| **Total Component Cost** | | | 4,170,514.00 |
| 6. Project/Programme Execution cost | | | 437,781.00 |
| 7. Total Project/Programme Cost | | | 4,608,295.00 |
| 8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable) | | | 391,705.00 |
| **Amount of Financing Requested** | | | 5,000,000.00 |

**Cost-Effectiveness**

Housing retrofits represent a cost-effective adaptation strategy in ger areas. Addressing structural vulnerabilities such as poor insulation and unsafe heating systems reduces climate risks at relatively low cost while delivering long-term benefits in terms of improved housing safety, reduced climate exposure, and improved indoor environmental conditions.

**Estimated Direct Beneficiaries**

The project is expected to directly benefit approximately 2,000 vulnerable households, representing 8,000–9,000 residents in ger areas. Beneficiaries will include low-income families, female-headed households, elderly residents, and households with children exposed to climate hazards. In addition to direct beneficiaries, training programmes and institutional learning activities will strengthen local capacity for climate-resilient housing improvements across ger settlements.

**Projected Calendar:**

*Indicate the dates of the following milestones for the proposed project/programme*

| Milestones | Expected Dates |
|---|---|
| Start of Project/Programme Implementation | 1st Quarter 2027 |
| Mid-term Review (if planned) | 1st Quarter 2029 |
| Project/Programme Closing | 1st Quarter 2031 |
| Terminal Evaluation | 1st Quarter 2031 |

## 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. Specify how the project/programme enables devolving decision making to the lowest appropriate level and gives local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritized, designed, implemented; how progress is monitored and how success is evaluated.

The proposed project aims to reduce climate-induced loss and damage in Mongolia's ger areas by strengthening the resilience of vulnerable households to extreme cold, flooding, permafrost degradation, and climate-sensitive health risks. It adopts a **locally led adaptation (LLA)** approach that reduces structural climate vulnerability through participatory planning, climate-resilient housing improvements, and strengthened local and institutional capacity.

Ger settlements face increasing climate risks because intensifying hazards interact with weak housing systems. Heavy rainfall can overwhelm drainage and contaminate sanitation facilities; extreme winter cold exposes households to illness due to poor insulation and unsafe heating; dust storms and temperature inversions worsen respiratory risks where ventilation is inadequate; and permafrost degradation can destabilize foundations. The project responds through four complementary components that link climate risk assessment, technical capacity, targeted investments, and institutional integration.

**Component 1. Participatory Climate Risk Assessment and Community Adaptation Planning**

This component generates community-driven climate risk analysis and adaptation planning in target ger settlements. Participatory climate vulnerability assessments, community mapping, and household surveys will identify exposure to flooding, extreme cold, permafrost instability, and climate-sensitive health risks, as well as structural housing vulnerabilities such as poor insulation, unsafe heating, inadequate ventilation, and flood-prone sanitation systems. Community Assemblies will then prioritize locally appropriate adaptation measures through inclusive planning processes involving women, youth, elderly residents, and persons with disabilities. Outputs include climate vulnerability maps, community adaptation plans, and locally adapted guidance for climate-resilient housing and sanitation improvements.

**Component 2. Capacity Building for Climate-Resilient Housing and Risk Reduction**

This component strengthens the technical and institutional capacity needed to implement and sustain climate-resilient housing improvements. Training will be provided to local construction workers, youth, and community members on insulation retrofits, safe heating installation, ventilation improvements, and flood-resilient sanitation design. The project will also develop technical manuals and climate-screened toolkits, support certification pathways through vocational institutions, conduct community awareness activities, and establish community monitoring groups. Together, these activities will create a local technical workforce able to implement and maintain climate-resilient housing solutions.

**Component 3. Household and Community-Level Climate Adaptation Investments**

This component translates climate risk assessments into direct investments that reduce household and community vulnerability. The project will support climate-resilient housing improvements in selected high-risk ger settlements, including insulation retrofits, safe and energy-efficient heating systems, ventilation improvements, flood-resilient sanitation systems, and localized drainage or soil stabilization measures. Targeted household adaptation grants or material support packages will prioritize low-income families, female-headed households, elderly residents, and households with children. Climate risk screening, technical supervision, and community oversight will ensure that interventions directly address climate risks and avoid maladaptation.

**Justification for Household Adaptation Micro-Grants**

Many households in ger settlements cannot finance climate-resilient housing improvements despite high exposure to climate hazards. Targeted micro-grants therefore provide a practical climate adaptation financing mechanism, enabling vulnerable households to implement priority retrofits identified through climate risk assessments.

**Component 4. Institutional Strengthening, Policy Integration and Knowledge for Adaptation**

This component embeds locally led adaptation actions in municipal and national systems to support long-term sustainability and scaling. The project will integrate community-defined adaptation priorities into municipal planning and budgeting processes, align interventions with Mongolia's NAP and NDC, develop technical guidance and policy briefs, and facilitate knowledge exchange for replication. By strengthening decentralized climate adaptation planning and promoting integration of retrofit practices into municipal housing and urban planning processes, the project will support scaling beyond the project lifecycle.

**Devolving Decision-Making and Direct Community Access to Finance**

The project operationalizes LLA by ensuring that community institutions play a central role in defining priorities, allocating resources, and monitoring implementation. **Community Assemblies** will review climate risk findings, prioritize adaptation measures, validate community adaptation plans, and approve criteria for household adaptation grants, with at least **50 percent participation of women**. **Community Adaptation Councils (CACs)**, elected by the assemblies, will coordinate local implementation, oversee household micro-grants, monitor housing upgrades, and maintain transparent financial records. Clear beneficiary criteria, public disclosure of allocations, and a community grievance redress mechanism will support accountability. CACs will work with khoroo administrations and municipal authorities so that community priorities inform local planning and avoid parallel structures.

**Climate Adaptation Rationale**

The proposed interventions directly address the key climate hazards affecting ger settlements, including extreme winter cold, heavy rainfall and flooding, permafrost-related instability, and air pollution during inversions and dust storms. By improving insulation, ventilation, heating safety, sanitation, and localized drainage, the project reduces both household exposure and structural sensitivity to climate hazards.

Through participatory planning, local capacity development, and direct access to adaptation finance, it also strengthens long-term adaptive capacity and community ownership of climate resilience actions.

**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. In particular, specify how the project/programme is addressing structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, Indigenous Peoples and marginalized ethnic groups.

The proposed project will generate significant **economic, social, and environmental benefits** by reducing climate-related risks and improving living conditions for vulnerable households in ger areas. These benefits will primarily accrue to low-income residents who are disproportionately exposed to climate hazards due to inadequate housing conditions, limited infrastructure, and energy poverty.

Ger settlements face increasing climate risks as extreme winter temperatures, heavy rainfall, and dust storms interact with structurally weak housing and inadequate sanitation systems. By supporting climate-resilient housing retrofits, improved sanitation, and locally led adaptation planning, the project will deliver multiple economic, social, and environmental co-benefits.

**Economic Benefits**

The project will reduce the economic burden of climate hazards on vulnerable households by lowering energy expenditures and reducing damage caused by extreme weather events. Poorly insulated homes in ger areas lose heat rapidly during winter, forcing households to burn large quantities of coal or briquettes. Insulation improvements and safe, energy-efficient heating systems will reduce fuel consumption and lower heating costs while improving indoor thermal comfort.

Flood-resilient sanitation systems and localized drainage improvements will also reduce recurring repair costs associated with flood-damaged infrastructure. In addition, training programmes delivered through vocational institutions will equip local workers and youth with skills in insulation retrofitting, heating installation, and ventilation improvements, creating new livelihood opportunities in climate-resilient construction.

**Social Benefits**

The project will improve health, safety, and well-being by addressing housing conditions that amplify climate-related health risks. Insulation improvements and safer heating systems will reduce exposure to extreme cold and carbon monoxide poisoning. Improved ventilation will reduce indoor air pollution during temperature inversions and dust storms, while flood-resilient sanitation systems will prevent contamination during heavy rainfall events.

Participatory planning and community governance mechanisms will also strengthen social cohesion and empower residents to participate in climate adaptation decisions affecting their communities.

**Environmental Benefits**

The project will promote energy efficiency and reduce pollution through improved insulation and energy-efficient heating systems that lower household fuel consumption and emissions associated with coal combustion. Flood-resilient sanitation and drainage improvements will reduce contamination of soil and groundwater in rapidly expanding peri-urban areas. These measures contribute to more environmentally sustainable urban development in ger settlements.

### Benefits for Vulnerable Communities and Groups

The project prioritizes support for vulnerable groups including **low-income households, female-headed households, elderly residents, children, and persons with disabilities**. Women often bear primary responsibility for managing household heating and sanitation and are therefore disproportionately exposed to indoor air pollution and climate-related health risks. Improvements in heating safety, ventilation, and sanitation will significantly reduce these burdens.

Children are particularly vulnerable to respiratory illness and cold-related health risks associated with poor housing conditions. Improved indoor air quality and thermal comfort will contribute to better health outcomes and improved learning conditions during winter.

Women, youth, elderly persons, and persons with disabilities will actively participate in **Community Assemblies and Community Adaptation Councils** that guide adaptation decisions and oversee project implementation. Household adaptation grants will prioritize vulnerable households with high exposure to climate hazards.

### Gender Equality and Addressing Structural Inequalities

The project promotes gender equality by ensuring meaningful participation of women and marginalized groups in adaptation planning and decision-making. Women will be represented in community governance structures responsible for identifying adaptation priorities and overseeing community adaptation funds. Capacity-building programmes will also encourage participation of women and youth in climate-resilient construction training and community monitoring activities. Gender-responsive design considerations, including improved sanitation, heating safety, and indoor air quality, will be integrated into housing retrofit interventions.

### Compliance with Adaptation Fund Environmental and Social Policy and Gender Policy

The project will comply with the **Adaptation Fund Environmental and Social Policy (ESP)** and **Gender Policy** throughout the project cycle. Environmental and social screening will be conducted during full proposal preparation, and an Environmental and Social Management Plan (ESMP) will guide risk mitigation and monitoring. As most interventions involve small-scale housing retrofits and community-level improvements, risks are expected to be limited and manageable.

Mitigation measures will include compliance with national building and environmental standards, climate risk screening of all investments, transparent beneficiary selection procedures, participatory community consultations, and a grievance redress mechanism.

An initial gender assessment will identify gender-specific vulnerabilities and inform gender-responsive implementation and monitoring.

Table 2 summarizes targeted benefits for vulnerable groups in ger communities.

*Table 2. Targeted Benefits for Vulnerable Groups*

| Vulnerable Group | Climate Risks and Structural Vulnerabilities | Project Interventions Benefiting the Group | Expected Benefits |
|---|---|---|---|
| Women | Disproportionate exposure to indoor air pollution from heating systems; responsibility for household energy management and caregiving | Safe heating systems, ventilation improvements, community participation in adaptation planning | Reduced exposure to indoor pollution; improved household safety; strengthened participation in local decision-making |
| Children | High vulnerability to respiratory illness from air pollution and cold indoor temperatures | Insulation improvements, improved | Improved indoor air quality and thermal comfort; reduced |

| | | | |
|---|---|---|---|
| | | ventilation, safer heating systems | respiratory illness and improved health outcomes |
| Elderly persons | Higher sensitivity to extreme cold and air pollution; limited ability to maintain housing systems | Housing insulation improvements, safer heating technologies, targeted household adaptation grants | Improved thermal comfort and safety; reduced health risks during extreme winter conditions |
| Persons with disabilities | Limited mobility and capacity to respond to climate hazards or housing damage | Priority access to household adaptation grants and community support systems | Improved housing safety and accessibility; reduced exposure to climate hazards |
| Low-income households | Limited financial resources to invest in housing improvements; high exposure to climate risks | Household climate adaptation grants for insulation, sanitation, and heating upgrades | Reduced financial burden from energy costs and climate-related damage |
| Youth and local workers | Limited employment opportunities in ger settlements | Training and vocational certification in climate-resilient construction and retrofitting | New livelihood opportunities and technical skills development |
| Marginalized community members and informal settlement residents | Limited participation in urban planning and adaptation decision-making | Participation in Community Assemblies and Community Adaptation Councils | Increased representation in adaptation planning and improved access to adaptation resources |

**C.** Describe or provide an analysis of the cost-effectiveness of the proposed project / programme., focusing on the implementation and execution arrangements, in particular the mechanism which will provide more direct access to finance.

The proposed project delivers significant climate resilience benefits at relatively low cost by combining community-led implementation, targeted housing adaptation measures, and direct financing for vulnerable households. This approach ensures efficient use of resources while improving housing safety, sanitation conditions, and resilience to climate hazards in ger settlements.

A key feature of the project is its community-led implementation model, which reduces administrative and transaction costs associated with centralized retrofit programmes. Community Assemblies and Community Adaptation Councils (CACs) will identify priorities, oversee implementation, and monitor investments. Training local workers and sourcing materials locally will further reduce procurement and transportation costs while creating employment opportunities within communities.

The project focuses on targeted housing retrofits that directly address climate risks, including insulation improvements to reduce exposure to extreme winter cold, safe heating systems to prevent carbon monoxide poisoning, ventilation improvements to reduce indoor air pollution during temperature inversions, and flood-resilient sanitation upgrades to prevent contamination during heavy rainfall. Because these measures address specific climate vulnerabilities rather than full structural reconstruction, they can be implemented at relatively low cost while delivering significant adaptation benefits.

Direct access to adaptation finance is another key element of the project. Targeted micro-grants or material support packages will enable vulnerable households to implement priority housing improvements identified through community climate risk assessments. Community adaptation funds will

also support small-scale risk reduction measures such as drainage improvements and sanitation upgrades.

Compared with conventional urban upgrading approaches, household-level retrofits provide a more cost-efficient pathway for strengthening resilience in ger areas. Large-scale infrastructure expansion requires substantial capital investment and long implementation timelines, while community-led housing improvements can be implemented incrementally and scaled more rapidly.

The cost estimates presented in Table 3 are based on benchmarks from housing improvement initiatives previously implemented in Ulaanbaatar's ger areas by UN-Habitat and national partners, as well as municipal housing improvement programmes. These estimates reflect the use of locally available materials, community labour, and targeted retrofits focusing on insulation, ventilation, heating safety, and sanitation resilience.

By combining low-cost retrofits, community-managed financing, and strengthened local technical capacity, the project will demonstrate a scalable model for climate-resilient housing improvements that can be replicated across ger areas and integrated into municipal and national adaptation strategies.

Implementation arrangements also support cost-effectiveness by concentrating field implementation with national NGOs, while specialized partners such as WHO and UNIDO provide targeted technical guidance rather than managing field investments. This ensures that most project resources are directed toward direct household adaptation measures.

*Table 3. Comparative Cost of Adaptation Options in Ulaanbaatar Ger Areas*

| Intervention Type | Estimated Cost per Household (US$) | Typical Interventions Included | Cost-Effectiveness Rationale |
|---|---|---|---|
| Community-Led Housing Upgrades (Project Approach) | 300–700 | Insulation improvements, ventilation upgrades, safe heating installation, flood-resilient sanitation improvements | Targeted retrofits focusing on key climate risks; implemented using local labour and materials; community-led procurement reduces administrative and contractor costs |
| Centralized Retrofitting Programme (Contractor-Based) | 1,200–1,800 | Contractor-led structural retrofits, full insulation packages, heating upgrades | Higher implementation costs due to contractor fees, procurement procedures, and centralized management |
| Large-Scale Infrastructure Expansion | 3,000–6,000 | District heating connection, piped water supply, sewer infrastructure | Capital-intensive infrastructure investments requiring major public financing and long implementation timelines |
| Emergency Response and Health Costs (No Adaptation Scenario) | 200–400 annually per household | Flood damage repair, sanitation reconstruction, medical treatment for carbon monoxide poisoning and respiratory illness | Recurring reactive expenditures that do not address underlying climate vulnerability |

**Source:** Estimates based on housing retrofit pilot projects implemented in Ulaanbaatar ger areas by UN-Habitat and national partners (2019–2023), municipal housing improvement benchmarks, and technical consultations with local construction specialists.

**D.** Describe how the project / programme is consistent with national, sub-national and local sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national, sub-

national or local development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

The proposed project aligns closely with Mongolia's national climate change and sustainable development policy framework, including the **National Adaptation Plan (NAP 2024–2030)**, **Nationally Determined Contribution (NDC 3.0)**, **Vision 2050 Long-Term Development Policy**, and the **Green Development Policy**, as well as relevant municipal development strategies. By focusing on climate-resilient housing retrofits, flood-resilient sanitation systems, and community-based adaptation mechanisms in ger settlements, the project translates national adaptation priorities into practical actions at household and community levels.

Ger settlements represent some of Mongolia's most climate-vulnerable urban environments due to rapid informal settlement growth, structurally weak housing, limited sanitation infrastructure, and increasing exposure to hazards such as extreme winter cold, heavy rainfall, dust storms, and permafrost degradation. While national policies emphasize climate-resilient infrastructure, environmental health protection, and disaster risk reduction, significant implementation gaps remain in peri-urban ger areas. The project addresses this gap by strengthening climate resilience through housing improvements, sanitation upgrades, participatory adaptation planning, and decentralized adaptation financing.

**Alignment with the National Adaptation Plan (NAP 2024–2030)**

Mongolia's National Adaptation Plan aims to strengthen resilience to climate change across environmental, social, and economic sectors. The proposed project contributes to these objectives by reducing structural climate vulnerability in ger settlements and strengthening community-level adaptive capacity through climate-resilient housing improvements, environmental health measures, and participatory governance mechanisms.

The project contributes in particular to NAP priorities related to **adaptation governance and capacity building**, **climate-induced disaster risk reduction**, and **climate-sensitive health protection**. By integrating community-led planning with municipal governance structures, the project also strengthens institutional coordination and operationalization of adaptation policies at the local level.

**Alignment with Mongolia's Nationally Determined Contribution (NDC 3.0)**

Mongolia's NDC 3.0 highlights the need to strengthen climate resilience in urban settlements, infrastructure, and public health systems. The proposed project supports these priorities by improving housing resilience, reducing exposure to extreme winter temperatures, improving sanitation systems, and addressing indoor air pollution risks in ger settlements. While mitigation outcomes such as reduced household fuel consumption may occur through improved insulation and heating systems, these benefits remain secondary to the project's adaptation objectives.

**Alignment with Vision 2050 and the Green Development Policy**

Vision 2050 and the Green Development Policy emphasize sustainable urban development, environmental protection, improved public health, and reduced social inequality. The project contributes to these objectives by strengthening climate-resilient housing systems, improving sanitation infrastructure, and promoting environmentally sustainable construction practices in ger settlements. Energy-efficient insulation and improved heating technologies will also reduce household fuel consumption and support cleaner urban environments.

**Alignment with Municipal and Ger Area Development Strategies**

At the municipal level, the project aligns with urban development and ger area upgrading strategies that prioritize sanitation improvement, air pollution reduction, flood risk management, and climate-resilient infrastructure. By integrating community adaptation planning with khoroo-level governance structures,

the project ensures that locally identified adaptation priorities inform municipal planning and budgeting processes. This approach strengthens vertical coordination between national climate strategies and local implementation.

Overall, the project supports the implementation of Mongolia's climate adaptation agenda by translating national policy commitments into concrete resilience measures in climate-vulnerable ger settlements.

Table 4 summarizes the alignment between project interventions and priority targets identified in Mongolia's National Adaptation Plan.

*Table 4. Alignment of Project Interventions with Mongolia's National Adaptation Plan (NAP)*

| NAP Target | NAP Objective | Project Interventions | Expected Adaptation Outcomes |
|---|---|---|---|
| **Cross-Cutting Target 1.** Strengthening the Policy and Institutional Framework for Adaptation | Strengthen policy frameworks and institutional coordination for climate adaptation across sectors | Integration of climate risk screening into housing retrofits and sanitation improvements; establishment of Community Adaptation Councils linked with municipal and district planning structures | Improved coordination between national, municipal, and community institutions and strengthened implementation of adaptation policies at the local level |
| **Cross-Cutting Target 2.** Enhancing Knowledge and Capacity Building | Improve knowledge, technical capacity, and climate information systems for adaptation | Training programmes on climate-resilient construction techniques; development of climate-screened technical toolkits for housing retrofits; community awareness and climate literacy programmes | Increased technical capacity among local workers, communities, and authorities to design, implement, and maintain climate-resilient housing and sanitation systems |
| **Target 8.** Reducing Climate-Induced Disaster Risks | Reduce vulnerability to climate-related disasters through improved infrastructure resilience and risk reduction measures | Flood-resilient sanitation systems; localized drainage improvements; soil stabilization measures; insulation retrofits and safer heating systems | Reduced household vulnerability to flooding, extreme winter cold, and climate-related infrastructure damage in ger settlements |
| **Target 14.** Strengthening Climate-Resilient Health Systems | Strengthen resilience of health systems and reduce climate-related health risks | Installation of improved ventilation systems; safe heating technologies; sanitation improvements reducing contamination risks | Reduced respiratory illness, lower exposure to indoor air pollution and carbon monoxide poisoning, and improved environmental health conditions |
| **Target 15.** Establishing Social Protection and Risk Reduction Systems | Strengthen social protection mechanisms and reduce vulnerability among high-risk populations | Household climate adaptation grants prioritizing vulnerable households; participatory governance mechanisms including Community Assemblies and Community Adaptation Councils | Increased adaptive capacity of low-income households and reduced climate vulnerability among marginalized groups |

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. Also describe, as needed, how

the project/programme will provide support to local actors and build their capacities to comply with the standards.

The proposed project will comply with Mongolia's national technical standards, regulatory frameworks, and environmental safeguards governing housing construction, sanitation infrastructure, occupational safety, and environmental protection. The project will also comply with the **Adaptation Fund Environmental and Social Policy (ESP)** to ensure that adaptation interventions reduce climate vulnerability while avoiding or minimizing environmental and social risks.

Project activities including climate-resilient housing retrofits, safe heating systems, ventilation improvements, flood-resilient sanitation systems, and localized drainage measures will be implemented in accordance with relevant national technical standards and regulatory requirements.

**Compliance with National Technical and Regulatory Standards**

Project interventions will follow applicable national standards related to housing construction, sanitation infrastructure, environmental protection, and occupational safety. Key frameworks include:

- Mongolian Building Code (BNbD) governing structural safety, insulation standards, and ventilation requirements
- National standards regulating safe installation and operation of household heating systems
- Sanitation and wastewater management standards for pit latrine construction and groundwater protection
- Environmental Impact Assessment (EIA) Law of Mongolia governing environmental risk assessment for construction activities
- Occupational health and safety regulations for construction and retrofitting works.

Relevant oversight will be provided by the Ministry of Urban Development, Construction and Housing, Ministry of Environment and Climate Change, Ministry of Health, and municipal authorities.

**Compliance with the Adaptation Fund Environmental and Social Policy**

The project will apply the Adaptation Fund ESP to identify and manage environmental and social risks. An environmental and social screening will be conducted during full proposal preparation, and an Environmental and Social Management Plan (ESMP) will be developed to guide mitigation measures and safeguard monitoring.

Potential risks are expected to be limited as the project focuses primarily on small-scale housing retrofits and community-level improvements. Safeguard measures will include:

- compliance with national environmental and safety standards
- minimizing environmental disturbance during construction
- transparent beneficiary selection procedures
- protection of community health and safety during construction activities
- establishment of a community grievance redress mechanism.

**Capacity Building for Compliance**

The project will strengthen compliance with national standards through targeted capacity-building activities, including training local workers and community members in climate-resilient construction practices, development of technical manuals aligned with national building standards, and field-level technical supervision of housing retrofit activities. Community Adaptation Councils will also support local monitoring of compliance with technical and safeguard requirements.

**Institutional Oversight**

UN-Habitat, as Implementing Entity, will ensure compliance with Adaptation Fund fiduciary standards and safeguard policies. Technical support from UNIDO and WHO will strengthen application of climate-resilient construction and health safety standards, while national executing entities and municipal authorities will oversee field-level implementation and compliance with national regulations.

Table 5 summarizes the relationship between project interventions, national technical standards, Adaptation Fund safeguard principles, and institutional oversight mechanisms.

*Table 5. Compliance with National Standards and Adaptation Fund Safeguards*

| Project Intervention | Relevant National Standard / Regulation | Oversight Authority | AF ESP Principle | Compliance Mechanism |
|---|---|---|---|---|
| Climate-resilient insulation retrofits | BNbD 25-01-20: Thermal Performance of Building Envelope; MNS ISO 6946:2011 – Building Components and Building Elements – Thermal Resistance and Thermal Transmittance; Law on Construction (2016) | Ministry of Urban Development, Construction and Housing; Municipal Construction Authorities | Pollution Prevention and Resource Efficiency; Public Health | Climate-resilient retrofit design guidelines, certified insulation materials, contractor training, and municipal technical supervision |
| Safe and energy-efficient heating systems | Law on Energy (2001, amended); MNS 5041:2001 – Heating Boilers for Buildings – Technical Requirements; MNS 4585:2016 – Improved Solid Fuel Stoves – General Technical Requirements | Ministry of Energy; Energy Regulatory Commission; Ministry of Health | Public Health; Climate Change; Pollution Prevention and Resource Efficiency | Installation standards, certified heating technologies, household training on safe heating practices, and safety inspections |
| Ventilation improvements | BNbD 31-02-03: Heating, Ventilation and Air Conditioning (HVAC); MNS standards on indoor air quality | Ministry of Construction and Urban Development | Public Health | Design requirements for ventilation, quality control during construction, and indoor air quality monitoring |
| Flood-resilient sanitation systems | Law on Water (2012); MNS 6561:2015 – Wastewater Discharged into Sewerage Systems – General Requirements; MNS 5924:2015 – Sanitary Protection Zones for Water Sources | Ministry of Environment and Climate Change; Municipal Water Supply and Sewerage Authorities | Pollution Prevention and Resource Efficiency; Public Health | Engineering design standards, wastewater treatment requirements, and inspection during installation and operation |
| Localized drainage improvements and soil stabilization | Law on Environmental Impact Assessment (2012); MNS 6055:2009 – Stormwater Drainage Systems – Design Standards; Law on Land (2002) | Ministry of Environment and Climate Change; Municipal Infrastructure Departments | Land and Soil Conservation; Protection of Natural Habitats | Environmental screening, drainage design standards, soil stabilization measures, and Environmental and Social Management Plan (ESMP) monitoring |
| Training and certification of climate- | Law on Vocational Education and Training (2016); National Occupational Standards for | Ministry of Labour and Social | Core Labour Rights; Access and Equity | Accredited training programs, certification of |

| | | | | |
|---|---|---|---|---|
| resilient construction | Construction Workers; Law on Occupational Safety and Health (2008) | Protection; TVET institutions; Labour inspection authorities | | workers, occupational safety training, and supervision of construction practices |
| Community adaptation funds and micro-grants | Public Finance Law (2011); Law on Glass Accounts (2014); State Audit Law (2020) | Ministry of Finance; Project financial management systems; National Audit Office | Access and Equity; Marginalized and Vulnerable Groups; Gender Equality and Women's Empowerment | Transparent financial management procedures, community monitoring committees, public disclosure of expenditures, grievance redress mechanisms |

**F.** Describe if there is duplication of project / programme with other funding sources, if any. Decribe how the project/programme will ensure coordination of different initiatives, sub-projects and small grants towards a common goal, enhances collaboration across sectors and outlines how activities avoid duplication and enhance efficiencies and good practice.

The proposed project complements ongoing initiatives related to urban development, climate adaptation, air pollution reduction, sanitation improvement, and flood risk management in Mongolia's ger areas. Rather than duplicating existing programmes, it addresses a critical adaptation gap by focusing on **household-level climate resilience and structural housing vulnerability**, which are often insufficiently addressed by infrastructure-focused interventions.

Several government and donor-supported programmes have improved environmental management and infrastructure in ger settlements, including flood control, sanitation expansion, and air pollution reduction initiatives. However, many households remain highly vulnerable to climate hazards due to poorly insulated housing, unsafe heating systems, and inadequate sanitation facilities.

The project complements these initiatives by strengthening the climate resilience of housing and sanitation systems through **targeted retrofits, safe heating systems, ventilation improvements, and flood-resilient sanitation solutions**. By focusing on the household and community scale, the project bridges the gap between large-scale infrastructure investments and localized adaptation needs while coordinating with national ministries, municipal authorities, and development partners.

**Building on Lessons from Previous Adaptation Initiatives**

The project builds on lessons from the Adaptation Fund–supported **Flood Resilience in Ulaanbaatar Ger Areas (FRUGA)** and **Ger Community Resilience Project (GCRP)** implemented by UN-Habitat. These projects improved flood resilience through drainage infrastructure and community-based flood risk management. However, they also demonstrated that flood protection alone cannot eliminate climate vulnerability when housing systems remain structurally weak. The proposed project therefore complements earlier investments by extending resilience measures to the **household level**, including climate-resilient housing retrofits, improved heating safety, ventilation upgrades, and sanitation improvements.

**Coordination with Ongoing Programmes**

The project will coordinate with national and municipal initiatives related to housing improvement, sanitation services, and air pollution reduction. Government programmes aimed at reducing air pollution

focus primarily on improving heating fuels and technologies. The proposed project complements these efforts by improving insulation, ventilation, and heating safety, thereby strengthening indoor environmental conditions and the effectiveness of clean heating transitions.

Municipal sanitation and infrastructure programmes are expanding drainage and sanitation services in ger areas. The project complements these efforts by introducing **flood-resilient sanitation systems and localized drainage improvements** adapted to increasingly intense rainfall conditions.Through collaboration with municipal authorities, national ministries, and development partners, the project will ensure that its activities support a coherent and coordinated approach to climate resilience in ger settlements.

**Complementarity with Existing Initiatives**

Table 6 summarizes the project complementarity with recent and ongoing initiatives.

***Table 6. Complementarity and Coordination with Relevant Initiatives***

| Project/ Initiative | Donor | Implementing Agencies | Areas of Potential Overlap with Proposed Project | How Duplication Will Be Avoided | Complementarities, Synergies, and Lessons Learned |
|---|---|---|---|---|---|
| **Ger Community Resilience Project (GCRP)** | Adaptation Fund | UN-Habitat; Development Solutions NGO | Community-based adaptation, climate-resilient housing improvements, small-scale infrastructure upgrades, community governance mechanisms | The proposed project expands geographically and technically beyond the GCRP pilot sites and focuses on **integrated healthy homes interventions** including ventilation, sanitation, and flood-resilient infrastructure | Builds directly on **GCRP lessons on participatory planning, khoroo-level adaptation committees, and climate risk assessments**. The project scales up tested approaches for community engagement, local adaptation planning, and micro-grant mechanisms. |
| **Ulaanbaatar Clean Air Project (UBCAP)** | World Bank | Ministry of Environment and Climate Change; Municipality of Ulaanbaatar | Clean heating technologies, reduction of household coal consumption | The project will **not distribute heating appliances already supported by UBCAP** but will focus on **housing insulation, ventilation, and health-oriented retrofits** that improve heating efficiency | Complementary by **improving building energy efficiency**, reducing heating demand, and strengthening indoor air quality benefits of clean heating technologies. |
| **Switch Off Air Pollution (SOAP) Project** | European Union | People in Need; | Energy efficiency retrofits, | Activities will target **different neighborhoods** | Lessons from SOAP on **low-cost insulation** |

| | | | | | |
|---|---|---|---|---|---|
| | | GERES; local NGOs | awareness campaigns on clean heating and energy use | **and housing typologies**, with coordination through municipal air quality programs | **techniques and community behavior change campaigns** will inform project training materials and retrofit guidelines. |
| **ADB Ulaanbaatar Air Quality Improvement Program** | Asian Development Bank | Government of Mongolia; Municipality of Ulaanbaatar | Air pollution reduction policies, heating system improvements | The proposed project focuses on **household-level climate resilience and health**, rather than large-scale policy or infrastructure reforms | The project contributes to the **demand-side reduction of heating energy consumption**, reinforcing broader policy measures supported by ADB. |
| **Ger Area Redevelopment Program** | Government of Mongolia | Municipality of Ulaanbaatar | Infrastructure improvements in ger districts, housing redevelopment | The project focuses on **in-situ climate adaptation improvements rather than full redevelopment**, avoiding overlap with urban redevelopment zones | Provides **incremental adaptation solutions for areas not covered by large-scale redevelopment plans**, ensuring vulnerable households benefit from resilience improvements. |
| **New Central Wastewater Treatment Plant Project** | Government of Mongolia with international financing | Ministry of Construction and Urban Development; municipal water utilities | Sanitation and wastewater management | The proposed project focuses on **household-level sanitation and decentralized solutions in ger areas not connected to sewer networks** | Supports improved **wastewater management at the household and neighborhood level**, complementing centralized wastewater treatment infrastructure. |
| **Municipal Flood Management and Urban Drainage Programs** | Municipality of Ulaanbaatar; development partners | City infrastructure departments | Drainage infrastructure and flood mitigation | The project focuses on **localized drainage improvements in ger settlements**, where formal drainage systems are limited | Provides **community-scale flood mitigation and soil stabilization measures** that complement city-level drainage planning. |

**Coordination Mechanisms**

Coordination with other initiatives will be ensured through collaboration with national ministries, municipal authorities, and development partners involved in urban development and climate adaptation. Regular consultations with municipal planning departments and national agencies responsible for housing, environment, health, and urban development will support alignment with broader development strategies. Community Adaptation Councils will also coordinate local adaptation investments with municipal infrastructure initiatives, ensuring that community priorities inform local planning processes.

**Enhancing Efficiency and Good Practice**

By building on lessons from previous Adaptation Fund projects and coordinating with existing programmes, the project will maximize the efficiency of adaptation investments and promote good practices in climate-resilient urban development. Community-led planning, climate-resilient housing improvements, and decentralized adaptation financing will support a more integrated and sustainable approach to resilience in Mongolia's rapidly expanding ger settlements.

**G.** If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned and how this contributes to building and institutionalizing local capabilities. Provide details on managing traditional and/or indigenous knowledge, where relevant.

The project includes a comprehensive learning and knowledge management component designed to capture lessons from pilot interventions and support the institutionalization and scaling of climate-resilient housing practices in Mongolia's ger areas. Given the rapid expansion of informal settlements and increasing climate risks affecting urban populations, generating practical knowledge on effective climate adaptation solutions is essential for improving future urban resilience initiatives. The project will document experiences from community-led climate risk assessments, housing retrofits, sanitation improvements, and decentralized adaptation financing mechanisms. Lessons learned from these activities will be used to inform municipal planning processes, national climate adaptation strategies, and future urban development initiatives.

**Knowledge Generation and Documentation**

The project will systematically document implementation experiences and lessons learned throughout the project lifecycle. Key knowledge products will include:

- technical guidelines for climate-resilient housing retrofits, including insulation improvements, ventilation systems, and safe heating technologies;
- practical design standards for flood-resilient sanitation systems suitable for ger settlements;
- case studies documenting community-led adaptation planning and decentralized adaptation financing mechanisms;
- policy briefs highlighting lessons for integrating climate-resilient housing improvements into national and municipal development strategies.

These knowledge products will support replication of effective adaptation practices in other climate-vulnerable urban settlements in Mongolia.

**Knowledge Platform and Information Sharing**

To ensure that project knowledge is accessible and widely disseminated, the project will establish a digital knowledge platform that compiles project data, technical guidance, and learning materials. The platform will be hosted through existing national urban development and climate adaptation platforms managed by relevant government institutions and partner organizations to ensure long-term accessibility and integration into planning processes. The platform will include technical guidelines and training materials for climate-resilient housing improvements; documentation of pilot adaptation interventions

and monitoring results; climate vulnerability assessment tools and community planning resources; case studies and policy recommendations. This knowledge platform will provide a resource for municipal planners, government agencies, civil society organizations, and development partners working on urban resilience and housing improvement programmes. Development Solutions NGO, in collaboration with municipal authorities and national partner institutions, will manage and maintain the platform during the project period, with responsibility for long-term hosting progressively transferred to relevant national institutions. This knowledge platform will provide a resource for municipal planners, government agencies, civil society organizations, and development partners working on urban resilience and housing improvement programmes, and will support the integration of climate-resilient housing practices into municipal planning and national adaptation strategies.

**Institutionalization of Knowledge and Capacity Building**

The project will ensure that knowledge generated through pilot interventions contributes to long-term institutional capacity development. Technical guidelines and training materials developed under the project will be integrated into vocational education and training programmes, enabling construction workers and local technicians to apply climate-resilient housing practices beyond the project lifecycle. Knowledge-sharing workshops will also be organized with national ministries, municipal authorities, and development partners to facilitate exchange of experiences and promote replication of successful adaptation solutions. Through these mechanisms, the project will strengthen the capacity of local institutions to design and implement climate-resilient housing programmes in ger settlements.

**Learning from Previous Adaptation Initiatives**

The project design builds on lessons from earlier climate adaptation and urban development initiatives implemented in Mongolia's ger areas. In particular, the Adaptation Fund–supported Flood Resilience in Ulaanbaatar Ger Areas (FRUGA) and Ger Community Resilience Project (GCRP) demonstrated the critical importance of community engagement in climate risk management and the effectiveness of community-led infrastructure improvements, such as localized drainage systems and small-scale protective works. At the same time, these initiatives highlighted that climate risks remain significant when underlying structural vulnerabilities in housing and basic services are not addressed. The proposed project incorporates these lessons by expanding the focus from community infrastructure to a more integrated approach that strengthens housing resilience, sanitation systems, and decentralized adaptation financing mechanisms. It will also draw on experience from energy-efficiency initiatives, including the SWITCH-Asia Switch Off Air Pollution (SOAP) project, and urban infrastructure investments under the ADB Ulaanbaatar Urban Services and Ger Areas Development Program. Community governance mechanisms, participatory planning tools, and local adaptation committees established under GCRP will be utilized to guide community investments and strengthen local ownership. In parallel, technical knowledge generated through FRUGA and energy-efficiency programs will inform the design of flood-resilient infrastructure, improved sanitation solutions, and energy-efficient housing retrofit measures. By scaling up proven approaches and leveraging existing community structures, technical guidelines, and institutional experience, the project will minimize duplication, reduce implementation costs, and ensure the efficient use of Adaptation Fund resources while expanding climate resilience benefits to additional vulnerable households in Ulaanbaatar's ger districts.

**Integration of Community Knowledge**

Local knowledge and lived experience of ger residents will play an important role in identifying climate risks and designing effective adaptation measures. Community consultations and participatory risk assessments will enable residents to share insights on local environmental conditions, traditional housing practices, and seasonal climate patterns. This knowledge will be combined with technical expertise to develop adaptation solutions that are both technically sound and locally appropriate.

Through participatory planning processes and community monitoring systems, the project will ensure that community knowledge continues to inform adaptation decision-making and project implementation.

**Contribution to Long-Term Adaptive Capacity**

The learning and knowledge management activities of the project will contribute to building long-term adaptive capacity in Mongolia's urban settlements. By documenting and disseminating practical experiences from community-led adaptation initiatives, the project will support municipal authorities, national institutions, and development partners in replicating climate-resilient housing practices across other ger settlements and urban areas. These knowledge-sharing mechanisms will strengthen the institutional foundation for scaling climate adaptation efforts and contribute to the long-term resilience of Mongolia's rapidly growing urban communities.

**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. Provide details on how the consultative process considered and addressed gender-based, economic and other inequalities and encouraged vulnerable and marginalized individuals to meaningfully participate in and lead adaptation decisions.

The design of the proposed project has been informed by consultations with national institutions, municipal authorities, development partners, civil society organizations, and residents of climate-vulnerable ger settlements in Ulaanbaatar. These consultations helped identify priority climate hazards affecting informal urban settlements and informed the development of locally appropriate adaptation measures included in the project.

The consultation process combined inter-ministerial technical discussion, national dialogue platforms, community-level consultations, and a housing condition survey conducted in vulnerable settlements. Together, these engagement activities generated evidence on climate risks affecting ger communities and guided the identification of adaptation priorities addressed by the project.

The consultations were conducted in line with the Environmental and Social Policy and Gender Policy of the Adaptation Fund, ensuring inclusive participation of women, vulnerable households, and marginalized groups and promoting meaningful engagement in identifying climate adaptation priorities.

**National and Institutional Consultations**

The need to address climate-related housing vulnerability in ger areas was first raised during the "Solutions for Health" Interministerial Technical Meeting held in December 2023 which were attended by representatives from national ministries, municipal authorities, UN agencies, development partners, and research institutions. These discussions highlighted the growing interaction between climate hazards and structurally vulnerable housing systems in informal settlements.

Participants identified several climate hazards affecting ger communities, including:

- urban flooding caused by increasingly intense summer rainfall events
- extreme winter cold events affecting household heating and energy demand
- worsening air pollution during winter temperature inversion periods
- increasing dust storms associated with drought and land degradation

Participants emphasized that these hazards are compounded by structurally vulnerable housing conditions in ger areas, including inadequate insulation, limited sanitation infrastructure, and poor ventilation. Stakeholders therefore encouraged UN-Habitat to explore programmatic interventions aimed at strengthening climate-resilient housing and improving environmental health conditions in ger settlements.

This priority was subsequently reaffirmed during discussions at the National Urban Forum of Mongolia in December 2024, which brought together policymakers, municipal planners, development partners, and urban development stakeholders to discuss strategies for strengthening urban climate resilience. The forum highlighted the increasing vulnerability of ger settlements to flooding, extreme winter temperatures, and air pollution and emphasized the need for integrated adaptation solutions linking housing improvements, sanitation services, and environmental health. Stakeholders consulted during project preparation included representatives from:

- Ministry of Environment and Climate Change
- Ministry of Urban Development,Construction and Housing
- Ulaanbaatar City Municipality and district authorities
- National Emergency Management Agency
- National public health and environmental institutions
- UN agencies including UN-Habitat and WHO
- Development partners supporting urban resilience and climate adaptation
- Civil society organizations working on housing, health, and community development
- Community leaders and residents from climate-vulnerable ger settlements

These consultations confirmed strong institutional support for addressing climate vulnerability in ger housing systems and informed the preparation of the present project proposal.

**Targeted Consultations Informing the Project Concept**

To complement national policy discussions, targeted consultations were conducted with communities living in climate-vulnerable ger settlements. These consultations sought to better understand household-level climate risks, structural housing vulnerabilities, and locally identified adaptation priorities. The consultations included community meetings, focus group discussions, and a housing condition survey conducted in selected vulnerable settlements.

**Community-Level Consultations**

Community consultations were conducted with residents and representatives of ger settlements experiencing recurrent flooding, winter cold exposure, and air pollution in June 2025. Approximately 43 participants took part in these consultations, including:

- leaders of neighborhood associations and community groups in ger areas
- representatives of local civil society organizations working in informal settlements
- women’s groups and community volunteers
- residents of flood-prone and environmentally vulnerable areas

During these consultations, residents identified several climate-related challenges affecting their communities, including:

- flooding of homes and sanitation facilities during heavy rainfall events
- contamination of pit latrines and concerns regarding groundwater and water quality during floods
- unsafe heating practices and carbon monoxide exposure during extreme winter cold
- poor indoor air quality due to inadequate ventilation
- increased dust exposure during dry and windy periods

Residents emphasized that climate risks in ger areas are closely linked to housing conditions and sanitation systems, highlighting the need for affordable housing improvements and safer heating and sanitation solutions.

**Housing Condition Survey**

To strengthen the evidence base for the project, UN-Habitat conducted a housing condition survey across three districts of Ulaanbaatar and two provincial centers in July 2025. The survey collected responses from 197 households, including female-headed households and persons with disabilities.
The survey revealed widespread structural and environmental vulnerabilities affecting households in ger settlements. Key findings included:

- most respondents lived in detached houses (136 households), while 62 households lived in traditional gers
- households reported multiple environmental and climate-related challenges, including indoor and outdoor air pollution, electricity shortages, poor water quality, flood risk, substandard pit latrines, winter heat loss, and mold
- respondents identified priority improvements needed to strengthen resilience, including insulation upgrades, renewable energy solutions, eco-friendly sanitation systems, and improved ventilation

The survey confirmed that climate hazards such as flooding and extreme winter temperatures are closely linked to inadequate housing conditions and sanitation systems in ger areas.

**Gender-Sensitive and Inclusive Consultation Process**

The consultation process incorporated gender-sensitive approaches to ensure inclusive participation and alignment with the Adaptation Fund Gender Policy and Environmental and Social Policy. Key measures included:

- Inclusive outreach: Consultations and surveys were announced through multiple channels to reach women, elderly residents, persons with disabilities, and marginalized groups within ger communities.
- Safe participation spaces: Focus group discussions and surveys provided culturally appropriate environments for open dialogue, enabling participants to share experiences related to climate risks and housing challenges.
- Active engagement of women and vulnerable groups: Women participants were actively encouraged to contribute to discussions, recognizing their central role in household energy use, water management, sanitation maintenance, and family health. Women provided important insights on indoor air pollution, sanitation safety, and heating practices.
- Equity-focused recommendations: Feedback from consultations informed project measures aimed at reducing gender-based and economic inequalities, including targeted support for insulation improvements, safer heating systems, improved sanitation facilities, and capacity-building opportunities for women and community groups.

**Integration of Stakeholder Inputs into Project Design**

The consultations and housing survey revealed a clear set of climate risks and adaptation priorities affecting ger communities. Key risks identified include:

- flooding and sanitation contamination during heavy rainfall events
- house fires and carbon monoxide risks during extreme winter cold
- air pollution and poor indoor air quality
- significant heat loss from poorly insulated homes
- inadequate sanitation systems and environmental health risks

Participants also identified several barriers to addressing these risks, including financial constraints, limited access to green financing, technical knowledge gaps, shortages of skilled labor, and uncertainty regarding redevelopment in ger areas.

Findings from these consultations directly informed the design of the project components, including the prioritization of housing insulation improvements, heating safety measures, sanitation upgrades, and community-led adaptation planning mechanisms. For example:

- flood-related sanitation contamination and water quality concerns informed the inclusion of flood-resilient sanitation systems and localized drainage improvements
- concerns about extreme winter cold and indoor air pollution informed the inclusion of insulation retrofits, safe heating technologies, and improved ventilation systems
- financial barriers highlighted during consultations informed the development of household adaptation grants and community adaptation funds

***Table 7. Summary of Stakeholder Consultations***

| Consultation Activity | Stakeholders Involved | Key Issues Raised | Integration into Project Design |
|---|---|---|---|
| "Solutions for Health" Inter-ministerial technical meeting technical meeting | National ministries, municipality, UN agencies, health experts, development partners | • Climate vulnerability of ger housing systems<br>• Housing conditions and environmental health risks | • Development of climate-resilient housing interventions<br>• Inclusion of insulation, ventilation, and safe heating |
| National Urban Forum | Policymakers, planners, development partners | Need for integrated adaptation solutions | Validation of need of climate-resilient housing interventions |
| Community consultations | Community leaders, NGOs, residents, women's groups | Flooding, sanitation safety, indoor air quality | Flood-resilient sanitation and housing upgrades |
| Housing condition survey | 197 households including vulnerable groups | Structural vulnerabilities and climate exposure | Evidence base for project interventions |
| Technical consultations | NDA, MoECC, MUDCH, WHO and UNIDO | Technical inputs | CN Development and Finalization |

Stakeholder engagement will continue throughout project implementation to ensure adaptation measures remain responsive to evolving climate risks and community priorities. Community Assemblies will provide participatory forums where residents can identify adaptation priorities, review project progress, and provide feedback. Community Adaptation Councils will oversee community adaptation funds and coordinate the implementation of local adaptation measures. A community feedback and grievance mechanism will also be established to ensure transparency and accountability. At the institutional level, the project will maintain coordination with national ministries, municipal authorities, and development partners to ensure alignment with national climate adaptation priorities and urban development strategies.

**Contribution to Locally Led Adaptation**

The consultation process reflects the project's commitment to locally led adaptation. By engaging communities in the design phase and establishing governance mechanisms that enable continued

participation during implementation, the project empowers local actors to define adaptation priorities and oversee climate resilience investments. This participatory approach ensures that adaptation interventions respond directly to the climate risks experienced by vulnerable ger communities while strengthening local ownership, accountability, and long-term sustainability of adaptation actions.

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

The proposed project focuses on strengthening the resilience of vulnerable households and communities in Mongolia's ger areas to climate hazards including extreme winter cold, flooding caused by increasingly intense rainfall events, and environmental variability associated with drought and dust storms. These climate hazards interact with structurally vulnerable housing systems and inadequate sanitation infrastructure in ger settlements, creating recurring cycles of health risks, infrastructure damage, and economic loss.

Adaptation Fund funding is requested to finance the additional costs required to climate-proof housing systems and community infrastructure, which would not normally be included in standard housing improvement programmes. These additional investments represent the full cost of adaptation, addressing climate-specific vulnerabilities that exceed the scope of business-as-usual development activities.

**Climate Risks and Structural Vulnerability in Ger Settlements**

Ger settlements are particularly vulnerable to climate variability due to a combination of environmental exposure and structural sensitivity. Many ger areas are located in flood-prone or environmentally fragile locations lacking adequate drainage infrastructure. During heavy rainfall events, flooding frequently damages homes and contaminates sanitation systems such as pit latrines, creating environmental health risks. At the same time, Mongolia's extreme winter temperatures expose households to prolonged cold stress. Poorly insulated homes require intensive heating, often using coal or briquettes. During extended cold periods and temperature inversions, indoor air pollution and carbon monoxide exposure become significant health risks. Increasing drought conditions and land degradation also contribute to dust storms that worsen respiratory health conditions, particularly in poorly ventilated homes. These climate hazards interact with inadequate housing systems and sanitation infrastructure, amplifying vulnerability in ger settlements.

**Adaptation Additionality Beyond Business-as-Usual Development**

While housing upgrades are sometimes implemented through urban development programmes, such initiatives typically focus on improving general housing quality rather than addressing climate risks. Standard housing improvement programmes do not normally incorporate climate risk screening, hazard-specific construction standards, or measures designed to address projected climate variability. The proposed project introduces climate-resilient design elements that specifically address climate hazards affecting ger settlements. These include insulation retrofits designed to reduce vulnerability to extreme winter cold and temperature variability; safe and energy-efficient heating systems combined with ventilation improvements to prevent carbon monoxide poisoning and reduce indoor air pollution during prolonged cold periods and temperature inversions; flood-resilient sanitation systems and localized drainage improvements designed to function during increasingly intense rainfall events; soil stabilization measures in areas affected by permafrost degradation and erosion.

These measures go beyond standard housing improvements by directly addressing climate risks and strengthening the resilience of housing systems under projected climate conditions.

**Addressing Multiple Climate Risk Pathways**

The project addresses several interconnected climate risk pathways affecting ger settlements.

- First, **flood risk and sanitation failure** will be addressed through flood-resilient sanitation systems and localized drainage improvements that prevent contamination during heavy rainfall events.
- Second, **thermal stress caused by extreme winter temperatures** will be reduced through insulation retrofits and safer heating technologies that improve indoor thermal conditions while reducing health risks associated with prolonged cold exposure.
- Third, **air pollution and dust exposure** will be addressed through ventilation improvements and safer heating systems that reduce indoor pollution during inversion events and dust storms.

By addressing these interconnected climate hazards, the project reduces both household exposure and structural sensitivity to climate variability.

**Addressing Adaptive Capacity Barriers**

In addition to structural vulnerabilities, several barriers currently limit the adoption of climate-resilient housing practices in ger areas. These include limited technical knowledge of climate-resilient construction practices, lack of access to affordable financing for housing improvements, and limited institutional capacity to support decentralized adaptation initiatives. The project addresses these barriers through capacity development and institutional strengthening. Training programmes will equip local workers and community members with skills in climate-resilient retrofitting techniques, including insulation improvements, ventilation design, and flood-resilient sanitation construction. These skills will strengthen local labor markets and enable communities to maintain and replicate adaptation measures beyond the project lifecycle. The project will also establish decentralized adaptation financing mechanisms such as household adaptation grants and community adaptation funds. These mechanisms provide practical models for delivering climate finance directly to vulnerable households and communities.

**Strategic Use of Adaptation Fund Resources**

Adaptation Fund resources are particularly well suited to support these interventions because they focus on strengthening the adaptive capacity of vulnerable communities and addressing climate risks that are not typically covered by development financing. The project's emphasis on locally led adaptation, technical capacity development, and decentralized financing mechanisms aligns closely with the objectives of the Adaptation Fund. By strengthening the ability of communities, local institutions, and civil society organizations to design and implement adaptation solutions, the project creates the foundation for long-term climate resilience in ger settlements. In particular, the project's focus on skilling local workers, strengthening national NGO capacity, and enabling communities to manage adaptation resources directly contributes to sustainable adaptation outcomes and justifies the use of Adaptation Fund resources to support the full cost of adaptation.

**Long-Term Adaptation Outcomes**

By addressing structural housing vulnerabilities, strengthening sanitation systems, building local technical capacity, and empowering communities to participate in adaptation decision-making, the project will generate lasting climate resilience benefits. These interventions will reduce climate-sensitive health risks, improve household safety during extreme weather events, and strengthen the adaptive capacity of communities facing increasing climate variability.

Through these measures, the project ensures that Adaptation Fund resources directly support climate adaptation objectives and contribute to long-term resilience in Mongolia's rapidly growing ger settlements.

**J.** Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project / programme. In particular, describe how the project/programme supports long-term development of local governance processes, and improves the capacity of local institutions (including through simpler access modalities), and how it can ensure that communities can effectively implement adaptation actions, facilitate and manage adaptation initiatives over the long term without being dependent on project-based donor funding.

The project has been designed to ensure that adaptation outcomes continue beyond the project lifecycle by strengthening community governance mechanisms, integrating climate-resilient housing practices into municipal and national systems, and developing sustainable technical and financing pathways for scaling climate-resilient housing improvements in Mongolia's ger districts. Sustainability will be supported through three mutually reinforcing pathways: institutional integration, sustainable financing mechanisms, and local technical capacity development.

**1. Policy and Institutional Sustainability**

Institutional sustainability will be achieved by integrating project approaches into existing national and municipal frameworks for urban development, housing improvement, and climate adaptation. The project will work with the Municipality of Ulaanbaatar, khoroo administrations, and relevant national ministries—including the Ministry of Urban Development, Construction and Housing, the Ministry of Environment and Climate Change, and the Ministry of Energy—to ensure that lessons from pilot interventions inform future programmes.

Technical guidance developed through the project, including standards for climate-resilient housing retrofits, sanitation systems, and localized drainage improvements, will be shared with municipal authorities and incorporated into ger area upgrading initiatives and urban resilience planning processes. Community governance platforms such as Community Assemblies and Community Adaptation Councils will also be linked with khoroo administrative structures to support continued community participation in adaptation planning.

**2. Financial Sustainability**

The project introduces pilot financing mechanisms for household and community-level climate adaptation investments. Household adaptation grants will support demonstration retrofits such as insulation improvements, safe heating systems, ventilation upgrades, and flood-resilient sanitation solutions.

Financial sustainability will be supported by improved energy efficiency that reduces household heating expenditures and by documenting the technical performance and cost-effectiveness of retrofit measures to inform future housing improvement programmes and climate finance initiatives. Community Adaptation Funds managed by Community Adaptation Councils will support small-scale resilience measures such as drainage improvements and soil stabilization, demonstrating transparent community-managed adaptation financing models that can be replicated through municipal programmes.

**3. Technical and Market Sustainability**

The project will strengthen technical sustainability by developing a local workforce capable of implementing climate-resilient housing improvements. Training programmes delivered through vocational institutions will equip workers and youth with skills in insulation retrofitting, safe heating installation, ventilation improvements, and flood-resilient sanitation design. By strengthening local technical capacity and linking trained workers with construction service providers, the project will support the growth of climate-resilient construction services in ger settlements.

**Community Ownership and Long-Term Adaptation Capacity**

The project adopts a locally led adaptation approach in which communities play a central role in identifying risks, prioritizing adaptation measures, and overseeing investments. Through Community Assemblies and Community Adaptation Councils, residents will gain experience in managing adaptation resources, monitoring infrastructure improvements, and coordinating resilience actions with local authorities. Embedding these mechanisms within existing khoroo governance structures will help sustain community-driven adaptation planning beyond the project period.

**Long-Term Impact**

By combining institutional integration, demonstration financing models, and strengthened technical capacity, the project will establish sustainable pathways for scaling climate-resilient housing improvements in Mongolia's ger districts. These mechanisms will enable communities, local institutions, and municipal authorities to continue expanding adaptation actions beyond the project lifecycle.

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

An initial environmental and social screening was conducted during preparation of this concept note in accordance with the **Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy**. The screening assessed the project against the 15 Environmental and Social Principles of the Adaptation Fund. Based on this preliminary assessment, the project has been provisionally classified as **Category B**, indicating that potential environmental and social risks are expected to be site-specific, limited in scale, reversible, and manageable through appropriate mitigation measures.

Project activities primarily involve **small-scale housing retrofits, sanitation improvements, installation of heating and ventilation systems, and localized drainage improvements** within existing ger settlement plots. These interventions are not expected to generate significant adverse impacts. However, several potential risks were identified, including risks related to maladaptation, occupational health and safety during construction, equitable beneficiary selection, and environmental impacts associated with construction materials and waste.

These risks will be further assessed through a **comprehensive Environmental and Social Impact Assessment (ESIA)** during preparation of the full funding proposal. Based on the ESIA findings, an **Environmental and Social Management Plan (ESMP)** will be developed to define mitigation measures, monitoring procedures, institutional responsibilities, and budget allocations to ensure compliance with Adaptation Fund safeguard requirements.

**Initial Gender Assessment**

An initial gender assessment was conducted during project preparation through stakeholder consultations and a housing survey covering **197 households**, including female-headed households and persons with disabilities. The assessment examined gender roles, vulnerabilities, and barriers to participation in housing improvement and climate adaptation initiatives. Key findings include:

- Women in ger households often manage heating systems, sanitation, and caregiving responsibilities, increasing their exposure to indoor air pollution and extreme winter conditions.
- Female-headed households face financial and information barriers that limit their ability to undertake housing improvements.

- Women, elderly residents, and children are disproportionately affected by indoor air pollution and carbon monoxide risks during winter.
- Women participating in consultations identified **safe heating systems, improved ventilation, sanitation safety, and indoor air quality** as priority adaptation needs.

These findings informed the design of project interventions and prioritization of support for vulnerable households. A **Gender Action Plan and gender-responsive ESMP** will be developed during preparation of the full project proposal to ensure that implementation promotes gender equality and women's participation.

A summary of the initial gender assessment methodology and findings is included as **Annex 1** of this concept note and will inform further gender analysis during full proposal preparation.

**Environmental and Social Risk Screening**

Table 8 summarizes the preliminary environmental and social risks identified for key Adaptation Fund safeguard principles and their anticipated severity.

***Table 8. Preliminary Environmental and Social Risks and Mitigation Measures***

| AF Principle | Risk Level | Potential Risks | Mitigation Measures |
|---|---|---|---|
| Compliance with the Law | Low | Housing retrofits and sanitation upgrades may require permits or approval from municipal authorities. | Ensure all works comply with national building codes and municipal regulations; incorporate compliance requirements into EE contracts and monitoring procedures. |
| Access and Equity | Medium | Vulnerable households (e.g., female-headed households, households without formal land tenure, persons with disabilities) may face barriers accessing project support. | Apply vulnerability-based targeting criteria; conduct participatory beneficiary selection; ensure representation of marginalized groups in Community Adaptation Councils. |
| Marginalized and Vulnerable Groups | Medium | Logistical and social barriers may limit participation of women, elderly residents, and persons with disabilities in project activities. | Use inclusive outreach strategies; conduct targeted consultations; ensure representation of vulnerable groups in community decision-making structures. |
| Human Rights | Low | Limited awareness of project activities may reduce community participation or consent. | Apply free, prior and informed consultation principles; establish accessible grievance redress mechanisms. |
| Gender Equity and Women's Empowerment | Medium | Women may have limited access to training opportunities or decision-making processes related to housing improvements. | Establish gender participation targets in training and governance bodies; conduct gender-sensitive outreach; prioritize female-headed households in adaptation grants. |
| Core Labour Rights | Medium | Construction and retrofitting activities may expose workers to occupational health and safety risks. | Enforce national occupational health and safety standards; provide PPE and safety training; ensure formal contracts and fair wages. |
| Indigenous Peoples | Low | No Indigenous Peoples are present in the project target areas. | Not applicable. |

| | | | |
|---|---|---|---|
| Involuntary Resettlement | Low | Project activities occur on existing household plots; risk of displacement is minimal. | Ensure that no displacement occurs; apply inclusive eligibility criteria that consider occupancy-based rights. |
| Protection of Natural Habitats | Low | Construction materials sourced from environmentally sensitive areas could affect ecosystems. | Procure materials from licensed suppliers; verify sourcing to avoid environmentally sensitive areas. |
| Biodiversity Conservation | Low | Minimal risk due to urban project locations. | Conduct environmental screening before construction activities. |
| Climate Change | Medium | Poorly designed housing retrofits could result in maladaptation (e.g., insulation without ventilation causing indoor pollution). | Apply climate risk screening; use tested climate-resilient design standards; involve technical experts in retrofit design. |
| Pollution Prevention and Resource Efficiency | Medium | Construction waste, dust emissions, and improper material disposal could affect local environmental quality. | Develop construction waste management plans; use low-emission materials; apply dust suppression measures. |
| Public Health | Medium | Construction activities may temporarily expose communities to dust or noise; sanitation upgrades may affect water sources if poorly designed. | Apply safe construction practices; monitor sanitation system installation; ensure compliance with environmental health standards. |
| Physical and Cultural Heritage | Low | No cultural heritage sites identified within project areas. | Screening during ESIA to confirm absence of cultural heritage risks. |
| Lands and Soil Conservation | Medium | Drainage works and sanitation installation may disturb soils in erosion-prone areas. | Apply erosion control measures and soil stabilization techniques. |

**Social Cohesion and Community Relations**

Consultations conducted during project preparation did not identify evidence of significant inter-community tensions related to development assistance in ger settlements. However, the project recognizes that targeted interventions could potentially create perceptions of unequal benefit distribution. To mitigate this risk, the selection of project sites and beneficiaries will be conducted through a transparent and participatory process involving municipal authorities, community representatives, and vulnerability assessments. The project will maintain transparent communication and grievance redress mechanisms to ensure that community concerns can be addressed effectively during implementation.

**Next Steps for Safeguard Compliance**

During preparation of the full project proposal, the following safeguard instruments will be developed:

- Environmental and Social Impact Assessment (ESIA)
- Environmental and Social Management Plan (ESMP)
- Gender Action Plan
- Stakeholder Engagement Plan

These instruments will provide detailed guidance on risk mitigation, monitoring, and compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy.

## PART III: IMPLEMENTATION ARRANGEMENTS

**A.** Describe the arrangements for project / programme implementation. Please describe how the implementation modalities enable giving local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritized, designed and implemented.

The project implementation structure operationalizes **Locally Led Adaptation (LLA)** by transferring decision-making authority and financial resources to climate-vulnerable communities while maintaining fiduciary oversight and safeguard compliance. The arrangement combines international oversight, national execution, specialized technical support, and community-level implementation mechanisms.

**Implementing Entity**

UN-Habitat will serve as the **Implementing Entity (IE)** responsible for overall project oversight and compliance with Adaptation Fund policies and procedures. Key responsibilities include a) fiduciary oversight and financial supervision, b) compliance with Adaptation Fund Environmental and Social Policy (ESP), c) monitoring, evaluation, and reporting of project results, d) quality assurance of adaptation interventions, and e) coordination with national and municipal authorities and it will ensure that project activities comply with Adaptation Fund fiduciary standards, environmental and social safeguards, and national regulatory frameworks while aligning project interventions with Mongolia's national climate adaptation priorities and urban development policies.

**Lead Executing Entity**

**Development Solutions NGO** will act as the **Lead Executing Entity** and will establish a **Project Execution Unit (PEU)** responsible for day-to-day project management and coordination of executing partners. Key responsibilities include:

- coordinating project implementation
- managing procurement and operational planning
- administering household adaptation grants and community funds
- supervising housing retrofit and sanitation improvement activities
- consolidating financial and technical reporting to the Implementing Entity.

Development Solutions NGO will implement the majority of project activities related to climate-resilient housing improvements, insulation retrofits, heating system upgrades, ventilation improvements, and sanitation resilience measures.

**Technical Partners**

Specialized partners will support specific components within their areas of expertise.
**UNIDO** will provide technical support for climate-resilient housing retrofits and vocational training, including:

- development of retrofit standards and technical guidelines
- quality assurance systems for insulation materials and heating technologies
- support for vocational training and certification programmes.

**WHO** will support integration of climate-sensitive health considerations into housing and sanitation improvements by:

- providing guidance on ventilation standards and indoor air quality
- supporting monitoring of carbon monoxide exposure risks
- strengthening coordination with public health institutions.

These roles focus on **technical guidance and capacity building**, while field implementation remains primarily with national institutions and community structures.

**Healthy Cities NGO** will support community-level health awareness activities, including climate-sensitive health education, indoor air quality monitoring, and coordination with district health authorities.

**Community Governance and Locally Led Adaptation**

Community participation is central to project implementation. Two complementary structures will guide community decision-making:

- **Community Assemblies** will serve as inclusive forums where residents review climate risks, prioritize adaptation actions, validate community adaptation plans, and confirm beneficiary selection. Participation will include women, youth, elderly residents, persons with disabilities, and other vulnerable groups.
- **Community Adaptation Councils (CACs)** will coordinate local implementation. CACs will oversee household adaptation grants, monitor housing upgrades, manage community adaptation funds, and communicate community priorities to municipal authorities.

**Community Financing Mechanisms**

The project will provide **direct access to climate finance** through household and community-level financing mechanisms.

- **Household Adaptation Grants:** Vulnerable households will receive micro-grants or material support to implement climate-resilient housing improvements such as insulation upgrades, safe heating systems, ventilation improvements, and flood-resilient sanitation systems. Beneficiary selection will be based on participatory climate vulnerability assessments and community consultations.
- **Community Adaptation Funds:** Community Adaptation Councils will manage small-scale adaptation funds supporting neighbourhood-level measures such as localized drainage improvements, soil stabilization, and sanitation upgrades.

**Accountability and Safeguards**

The project will apply strong accountability and safeguard mechanisms, including:

- climate risk screening of all investments
- application of national technical standards
- digital tracking of micro-grant allocations
- community grievance redress mechanisms
- monitoring under the Environmental and Social Management Plan (ESMP).

UN-Habitat will retain fiduciary responsibility and ensure compliance with Adaptation Fund safeguard policies.

**Strengthening National Capacity**

The project will strengthen national institutional capacity through collaboration with national NGOs, vocational institutions, and municipal authorities. Capacity-building activities will include training in climate-resilient housing design, safeguard compliance, adaptation monitoring, and fiduciary management.

By strengthening national technical capacity and community governance systems, the project will support replication of climate-resilient housing approaches in other Mongolian cities.

The roles of WHO and UNIDO are limited to providing specialized technical guidance and capacity development in areas where national expertise remains limited, particularly climate-sensitive health risks and climate-resilient construction standards. Community-level implementation and financial management will remain primarily under national organizations and community institutions. Through training programmes,

technical guidelines, and collaboration with vocational institutions and municipal authorities, the project will progressively transfer technical knowledge to national actors, enabling Mongolian institutions to independently replicate climate-resilient housing practices beyond the project period.

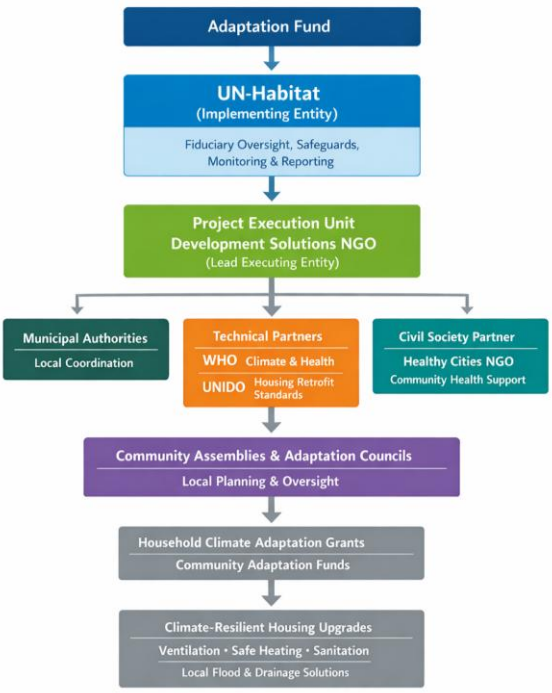
**Summary of Implementation Structure**

Figure 4 illustrates the implementation structure showing institutional coordination and community-level financing mechanisms enabling locally led climate adaptation in Mongolia's ger areas. The implementation arrangement combines:

- UN-Habitat as Implementing Entity, ensuring fiduciary oversight and compliance with Adaptation Fund policies
- Development Solutions NGO as Lead Executing Entity, responsible for overall project execution and management
- UNIDO and WHO as Technical Partners implementing specialized technical components
- Healthy Cities NGO supporting community-level health implementation
- Community Assemblies and Community Adaptation Councils enabling locally led decision-making and direct access to climate finance

This model will ensure that adaptation priorities are identified, implemented, and monitored locally, while maintaining strong governance, safeguard compliance, and long-term institutional sustainability.

*Figure 4. Implementation Structure*




**Alignment of Project Results Framework with AF Strategic Results Framework**

The project results framework has been aligned with the Adaptation Fund Strategic Results Framework to demonstrate the contribution of project objectives and outcomes to the Fund's overall goal of reducing climate vulnerability and strengthening adaptive capacity (Table 10).

***Table 9. Project Results Framework alignment with AF Strategic Results Framework***

| Project Objective | Project Objective Indicator | Target | Adaptation Fund Outcome | Adaptation Fund Outcome Indicator | Grant Amount (USD) |
|---|---|---|---|---|---|
| Objective 1: Strengthen community capacity to identify and implement locally led climate adaptation actions | Number of communities implementing locally led adaptation plans | 50,000 (50% women) | Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level | 3.2 Percentage of targeted population applying appropriate adaptation responses | 1,200,000 |
| Objective 2: Strengthen institutional and technical capacity for climate-resilient housing and adaptation planning | Number of local workers and institutional staff trained | 100 (at least 40% women) | Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses | 2.1 Capacity of staff to respond to, and mitigate impacts of, climate-related events increased | 470,514 |

| | | | | | |
|---|---|---|---|---|---|
| Objective 3: Strengthen climate resilience of housing and sanitation systems in Mongolian ger areas through community-led retrofitting and infrastructure upgrades | Number of households benefiting from climate-resilient housing and sanitation upgrades | 2000 (at least 30% female headed HH) | Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets | 4.2 Physical infrastructure improved to withstand climate change and variability-induced stress | 2,500,000 |
| **Total outcome level grant amount** | | | | | 4,170,514 |
| **Project Outcome** | **Project Outcome Indicator** | **Target** | **Adaptation Fund Output** | **Adaptation Fund Output Indicator** | **Grant Amount (USD)** |
| Outcome 1: Communities strengthened to plan and implement locally led adaptation actions | Number of gender-sensitive community adaptation plans developed and approved through participatory processes | 10 | Output 3.1: Targeted population groups participating in adaptation and risk reduction awareness activities | 3.1 Number of news outlets or awareness actions introducing risk reduction strategies | 600,000 |
| Outcome 2: Local technical capacity strengthened for climate-resilient retrofitting | Number of vocational training programmes incorporating climate-resilient housing modules | 4 | Output 2.1: Strengthened capacity of national and sub-national centres and networks to respond rapidly to extreme weather events | 2.1.1 Number of staff trained to respond to and mitigate impacts of climate-related events | 600,000 |
| Outcome 3: Climate-resilient housing and sanitation systems reduce vulnerability of ger households to climate hazards | Number of housing units retrofitted to meet climate-resilient housing standards | 2000 | Output 4: Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts | 4.1.2 Number of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change | 2,500,000 |
| Outcome 4: Institutional frameworks and knowledge systems strengthened for climate-resilient housing | Number of climate-resilient housing guidelines adopted or referenced by national or municipal authorities | 2 | Output 3.2: Strengthened capacity of national and subnational stakeholders to capture and disseminate knowledge and learning | 3.2.2 Number of tools and guidelines developed and shared with stakeholders | 470,514 |
| **Total output level grant amount** | | | | | 4,170,514 |

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

### A. Record of endorsement on behalf of the government[1]

*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:*

| | |
|---|---|
| **Dr. Zamba Batjargal**<br>Special Envoy for Climate Change<br>Ministry of Environment and Tourism<br>Government Building-2, United Nations Street<br>5/2 ,Ulaanbaatar<br>Mongolia<br>Tel: +976 7000-0743/9908-678<br>Fax: +976 5126-4711<br>Email: z_batjargal@yahoo.com | Date: 9 September 2025 |
| **Munkhjargal Chuluunjav**<br>Advisor to the Minister of Environment and Climate Change<br>Ministry of Environment and Climate Change<br>Government Building-2, United Nations Street<br>5/2 ,Ulaanbaatar 15160, Mongolia<br>Tel: +976 51-266426<br>Fax: +976 5126-4711<br>Email: meas@mecc.gov.mn, int.cooperation@mecc.gov.mn | Date: 16 February 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.*

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 including Mongolia Vision 2050, and the country's updated National Adaptation Plan 3 and Nationally Determined Contribution 3 to the Paris Agreement, and subject to the approval by the Adaptation Fund Board, commit to implementing

[1] 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.

the project 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.

**Raf Tuts**
Director, Global Solutions Division
UN-Habitat

| | |
|---|---|
| Date: February 9, 2026 | Tel. and email: +254-20-762-3736<br>Email: raf.tuts@un.org |

Project Contact Person: Odicea Angelo Barrios, Programme Management Officer, Human Settlements, UN-Habitat Regional Office for Asia and the Pacific

Tel. And Email: (81-92) 724-7121 And Email: odicea.angelobarrios1@un.org

**Annex 1. Initial Gender Assessment**

**Project:** Healthy Homes, Resilient Communities - Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership

**Location:** Ulaanbaatar, Zuunmod, Umnudelger town, Mongolia

## 1. Introduction

This initial gender assessment was conducted during preparation of the project concept to identify gender roles, differentiated vulnerabilities, barriers to participation, and opportunities for women's empowerment related to housing conditions, climate risks, and adaptation interventions in ger settlements in Ulaanbaatar-capital city of Mongolia, Zuunmod - provincial center, Umnudelger - sub-provincial center. The assessment supports compliance with the Adaptation Fund Gender Policy and informs the design of gender-responsive project activities.

Ger settlements in Mongolian cities and towns are characterized by limited access to basic infrastructure, high exposure to winter air pollution, and increasing climate-related risks such as flooding and extreme cold. These conditions affect women and men differently due to gender roles in household management and caregiving.

## 2. Methodology

The gender assessment used a combination of quantitative household surveys and qualitative consultations conducted during project preparation. Data sources included:

- Household housing condition survey covering 197 households
- Community consultations in target ger areas
- Interviews with community leaders and local authorities
- Review of national gender and housing statistics

The household survey included female-headed households and households with elderly members or persons with disabilities. Questions examined household roles related to heating, sanitation, decision-making on housing improvements, and exposure to environmental risks.

## 3. Gender Roles in Ger Households

The assessment identified distinct gender roles related to housing management and household health. Key roles include:

- Women are primarily responsible for household heating management, including operation of coal stoves, fuel preparation, and indoor temperature regulation during winter.
- Women typically manage sanitation and water use within the household, including maintenance of pit latrines and water storage.
- Women perform the majority of caregiving responsibilities, including caring for children, elderly family members, and persons with disabilities.
- Men are more frequently responsible for external construction work and housing repairs, although women often participate in maintenance activities.

These roles mean that women spend more time inside the home environment and therefore face greater exposure to indoor air pollution and poor housing conditions.

## 4. Gender-Differentiated Vulnerabilities

The assessment identified several vulnerabilities that disproportionately affect women.

- Exposure to indoor air pollution: Ger households rely heavily on coal-based heating during winter. Because women spend more time indoors managing heating and caregiving activities, they experience higher exposure to smoke and carbon monoxide, increasing risks of respiratory illness and other health impacts.
- Sanitation safety: Women reported safety and hygiene concerns related to outdoor pit latrines, particularly during winter nights or extreme weather conditions. Poor sanitation facilities also increase health risks for women responsible for sanitation maintenance

- Climate-related housing risks: Flooding, water infiltration, and poor insulation in ger housing increase household vulnerability during extreme weather. Women often bear the burden of managing these risks at the household level, including maintaining indoor living conditions and caring for sick family members.
- Financial constraints: Female-headed households reported greater difficulty accessing financing for housing improvements, including insulation upgrades or safer heating systems.

**5. Barriers to Participation**

The assessment identified several barriers that may limit women's participation in adaptation activities.

- Time constraints due to caregiving and household responsibilities
- Limited access to technical information on housing retrofits and heating technologies
- Financial constraints affecting the ability to invest in housing improvements
- Lower representation of women in community decision-making structures

These barriers may affect women's access to training opportunities, adaptation grants, and participation in community governance mechanisms.

**6. Opportunities for Women's Empowerment**

The project also presents several opportunities to strengthen women's participation and leadership. Potential opportunities include:

- Training programmes on climate-resilient housing improvements and safe heating practices
- Targeted support for female-headed households through adaptation grants
- Inclusion of women in Community Adaptation Councils (CACs) and community assemblies
- Increased awareness of indoor air quality, sanitation safety, and climate resilience

Ensuring women's participation in community decision-making processes can improve the effectiveness of adaptation planning because women are often responsible for managing household environmental risks.

**7. Implications for Project Design**

Findings from the gender assessment informed several elements of the project design:

- Prioritization of safe heating systems and improved ventilation to reduce indoor air pollution exposure
- Inclusion of sanitation upgrades to improve safety and hygiene conditions
- Targeting of female-headed and vulnerable households in the allocation of household adaptation grants
- Establishment of gender participation targets in Community Adaptation Councils and training programmes
- Development of a Gender Action Plan during the full proposal stage

These measures will help ensure that project interventions reduce gender inequalities and improve resilience for women and vulnerable households.

**8. Next Steps**

During preparation of the full project proposal, a Gender Action Plan will be developed to operationalize gender-responsive measures identified in this assessment. The Gender Action Plan will include gender-sensitive implementation measures, monitoring indicators, targets for women's participation, and mechanisms to ensure equitable access to project benefits. This will ensure that the project fully complies with the Adaptation Fund Gender Policy and contributes to gender-equitable climate resilience outcomes.

## Annex 2. Theory of Change

### Theory of Change

Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership Project

**Climate Problem**

**Climate Hazards** (extreme cold, flooding, dust storms, climate variability) + **Structural Vulnerability in Ger Areas** (poor insulation, unsafe heating, flood-prone sanitation, weak infrastructure) → **Increased Climate-Sensitive Risks** (health impacts, household damage, energy poverty, sanitation contamination)

**Inputs**

**Funding, Partnerships, Technical expertise, Community engagement**

**Project Interventions**

- **Component 1 Participatory Climate Risk Assessments & Community Adaptation Planning**
- **Component 2 Capacity Building and Skills Training for Climate-Resilient Construction**
- **Component 3 Household and Community Adaptation Measures** including insulation retrofits; safe heating systems; ventilation improvements; flood-resilient sanitation and local drainage improvements
- **Component 4 Institutional Strengthening & Knowledge Sharing:** integration with municipal planning; policy guidance; knowledge platform

**Intermediate Outcomes**

- **Safer and more resilient housing systems**
- **Reduced exposure to climate hazards**
- **Increased local technical capacity**
- **Improved sanitation and indoor air quality**
- **Community-led adaptation governance**

**Long-Term Outcomes**

- **Reduced climate-related health risks**
- **Reduced household loss and damage**
- **Strengthened adaptive capacity in ger communities**
- **Institutionalized locally led adaptation**

**Impact**

**Climate-resilient housing and healthier living conditions for vulnerable communities in Mongolia's ger settlements**

**Key Assumptions**

- Communities are willing to participate in adaptation planning and governance processes.
- Climate-resilient construction techniques are locally feasible and accepted.
- Municipal authorities integrate community priorities into urban planning.
- Local training institutions continue supporting climate-resilient construction skills

**Adaptive Learning and Feedback Loops**

The project incorporates continuous learning and adaptive management through community monitoring and institutional coordination.


This feedback loop ensures that lessons from pilot interventions inform future adaptation planning and policy development, enabling long-term resilience.

**Potential Risks and Mitigation**

- Maladaptation risks if retrofitting is poorly designed → mitigated through climate risk screening and technical supervision.
- Exclusion of vulnerable groups → mitigated through inclusive targeting and community participation.
- Limited technical capacity → mitigated through vocational training and national NGO involvement.

## Annex 3. Endorsement Letters

INFORMATION AND RESEARCH INSTITUTE OF METEOROLOGY, HYDROLOGY AND ENVIRONMENT
NATIONAL AGENCY OF METEOROLOGY AND ENVIRONMENT MONITORING
Juulchin street 5, Chingeltei district,
Ulaanbaatar 15160, MONGOLIA
Tel: (976-11) 32 66 14, Fax: (976-11) 32 99 68,
Web: www.irimhe.namen.gov.mn

TO: THE ADAPTATION FUND BOARD
C/O ADAPTATION FUND BOARD SECRETARIAT
EMAIL: SECRETARIAT@ADAPTATION-FUND.ORG
FAX: 202 522 3240/5

Date 9 September 2025
Ref. 1/121

**Letter of Endorsement by the Government**

Subject: Endorsement for **"Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian Ger Areas through Community Leadership" project**

In my capacity as designated authority for the Adaptation Fund in Mongolia, I am honored to formally endorse aforementioned project developed jointly by World Health Organization with the relevant government agencies and public entities, including the Ministry of Environment and Climate Change.

This proposed initiative addresses the urgent climate adaptation and public health needs of vulnerable populations residing in Mongolia's ger districts. These communities face increasing exposure to climate-induced hazards such as extreme temperatures, urban flooding, and air pollution, all of which have direct and compounding impacts on community health and well-being. The project is designed in alignment with the principles of locally led adaptation, placing community leadership, participation, and ownership at the center of its approach.

The Government of Mongolia recognizes the importance of empowering local communities to lead their own adaptation processes. This project represents a strategic and timely intervention that will:

- Strengthen the structural integrity and climate resilience of traditional ger housing;
- Improve community health outcomes by addressing environmental and housing-related vulnerabilities;
- Build local capacity for climate risk management through inclusive and participatory planning;
- Promote sustainable, culturally appropriate construction practices and technologies;
- Enhance community ownership and decision-making in adaptation investments;
- Contribute meaningfully to Mongolia's Nationally Determined Contributions (NDCs) and National Adaptation Plan (NAP).

Accordingly, I confirm that the proposed concept note is consistent with Mongolia's national climate adaptation and public health priorities. I fully endorse its submission to the Adaptation Fund under the Locally Led Adaptation Project Call. If approved, the project will be implemented by the World Health Organization (WHO) and executed by United Nations Human Settlement Programme (UN-Habitat) and the United Nations Industrial Development Programme (UNIDO) and local communities.

Yours Sincerely,

Dr.Batjargal Zamba,

National Focal Point for the Adaptation Fund,
Science Advisor, IRIMHE

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MONGOLIA
MINISTRY OF ENVIRONMENT AND CLIMATE CHANGE
Artsat 624, Khan-Uul district,
Ulaanbaatar 17100, MONGOLIA
Tel: (976-51) 26 28 30, E-mail: contact@met.gov.mn,
Website: www.met.gov.mn

Date 16 Feb, 2026
Ref. 05a/1974

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

Subject: Endorsement for "Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian Ger Areas through Community Leadership

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Yours Sincerely,

Munkhjargal Chuluunjav
National Designated Authority for the Adaptation Fund,
Ministry of Environment and Climate Change of Mongolia

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