

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

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ADAPTATION FUND

Contents

PART I: PROJECT/PROGRAMME INFORMATION 3
1.1 Project / Programme Background and Context 6
1.2 Project Components and Financing 10
PART II: PROJECT / PROGRAMME JUSTIFICATION 18
PART III: IMPLEMENTATION ARRANGEMENTS 41
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. Summary of Initial Stakeholder Consultations 51
Annex 4. Endorsement Letters 52

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. Community Governance, Decision Making and Adaptation Financing Framework 43

Tables

Table 1. Climate–Housing–Health Vulnerability Pathways in Ger Settlements 8
Table 2. Comparative Climate-Informed Retrofit Measures and Adaptation Benefits 10
Table 3. Climate Risks, Adaptation Measures, and Resilience Benefits 16
Table 4. Targeted Climate Adaptation Benefits for Vulnerable Groups 22
Table 5. Comparative Adaptation Value of the Proposed Approach 24
Table 6. Alignment of Project Interventions with Mongolia's National Adaptation Plan (NAP) 26
Table 7. Compliance with National Standards and Adaptation Fund Safeguards 28
Table 8. Complementarity and Coordination with Relevant Initiatives 30
Table 9. Summary of Stakeholder Consultations 35
Table 10. Preliminary Environmental and Social Risks and Mitigation Measures 39
Table 11. Project Results Framework alignment with AF Strategic Results Framework 44

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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
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.

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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.

Mongolia is one of the fastest-warming countries in Asia. Since the mid-twentieth century, national average temperatures have increased by more than 2°C, more than twice the global average. Climate projections indicate continued warming, increasing temperature variability, intensified short-duration precipitation events, prolonged drought conditions, and more frequent dust storms associated with land degradation and desertification.

In Mongolia's cities, particularly Ulaanbaatar, rapid and often unplanned urbanization is increasing exposure to climate hazards. More than 60 percent of the urban population resides in ger areas composed of traditional gers and self-built houses frequently located on floodplains, unstable slopes, and areas affected by permafrost degradation (Figure 1).

In ger areas, climate hazards interact with inadequate housing conditions, limited infrastructure, and environmentally vulnerable settlement patterns. Heavy rainfall increasingly floods homes and damages sanitation systems, contaminating pit latrines and shallow groundwater sources. Thawing permafrost destabilizes foundations and accelerates soil erosion, undermining housing and local infrastructure. Poor insulation, unsafe heating systems, and inadequate ventilation increase exposure to extreme winter cold, indoor air pollution, and carbon monoxide risks during prolonged cold periods and winter inversion events.

These vulnerabilities contribute to recurring household loss and damage, including sanitation failures, respiratory illness, flood impacts, and rising household energy costs. Despite ongoing investments in urban climate adaptation, infrastructure improvement, and environmental health initiatives, a major adaptation gap remains at household level, where vulnerable housing conditions continue to expose residents to intensifying climate stress. A recent World Bank assessment further noted that many ger-area homes remain energy inefficient, structurally vulnerable, and poorly connected to basic infrastructure, while affordable housing finance remains largely inaccessible to low-income ger households.

Figure 2 illustrates flood exposure in selected ger areas identified under the Adaptation Fund-supported Flood Resilience in Ulaanbaatar Ger Areas (FRUGA) project implemented between 2019 and 2023, while Figure 3 presents examples of climate hazards and structural vulnerabilities affecting ger settlements, including flooding, permafrost-related ice flooding, dust pollution, and household air pollution associated with solid-fuel heating.

Previous Adaptation Fund-supported projects implemented by UN-Habitat in Ulaanbaatar strengthened flood resilience through protective infrastructure, drainage and household sanitation improvements, and institutional capacity building. These projects demonstrated the importance of combining structural risk reduction with community-based planning, decentralized implementation, and local adaptation governance. Lessons learned from these initiatives informed the proposed project's focus on locally led adaptation, community-managed financing, climate risk-informed planning, and neighborhood-scale resilience measures in ger settlements.

Climate Risk Pathways and Health Vulnerability in Ger Areas

Ger settlements face interconnected climate and environmental health risks associated with flooding, extreme winter cold, air pollution, and inadequate housing and sanitation infrastructure. Poorly insulated homes and inefficient heating systems expose households to extreme winter cold while increasing dependence on prolonged solid-fuel combustion. Climate-driven temperature inversions and dust storms further worsen indoor and outdoor air pollution, particularly in valley-based ger areas with limited ventilation.

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Although localized long-term climate-health datasets for ger settlements remain limited, available evidence from Mongolia's National Adaptation Plan (NAP), FRUGA climate projections, municipal flood observations, public health data, and community consultations indicates that ger settlements experience heightened exposure to climate hazards due to their physical location, infrastructure deficits, and housing conditions. Mongolia's NAP identifies increasing frequency and severity of floods, droughts, dzuds, and other climate extremes that are expected to intensify environmental health risks, sanitation failures, and infrastructure damage in vulnerable urban settlements.

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



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



Climate projections and flood risk assessments developed under the FRUGA project indicate that increasing precipitation intensity and temperature variability are expected to further increase flooding, sanitation failures, indoor pollution exposure, and structural stress on vulnerable housing systems in ger areas. Downscaled climate modelling under the RCP8.5 scenario projects that maximum daily rainfall in Ulaanbaatar could increase by 26% by 2030, 41% by 2050, and 53% by 2080, while flood-prone ger area exposure could expand by 12.5% by 2030, 20.8% by 2050, and 28.7% by 2080, particularly affecting vulnerable settlements in Songinokhairkhan, Sukhbaatar, and Bayanzurkh districts.

These hazards interact with inadequate housing and sanitation systems, increasing exposure to indoor air pollution, sanitation-related illness, structural damage, and environmental health risks.

Community consultations identified indoor air pollution, sanitation failures during flooding, and unsafe heating conditions as major climate-related concerns affecting ger households, particularly women, children, elderly residents, and persons with chronic illnesses.

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These findings highlight the importance of climate-resilient housing improvements, ventilation, heating safety, drainage, and sanitation measures as critical household-level adaptation priorities in ger settlements.

Table 1. Climate–Housing–Health Vulnerability Pathways in Ger Settlements

Climate Hazard	Housing Vulnerability	Exposure Pathway	Health Risk
Extreme winter cold	Poor insulation and unsafe heating	Increased indoor fuel combustion and low indoor temperatures	Respiratory illness and carbon monoxide exposure[1]
Intense rainfall and flooding	Flood-prone sanitation systems and weak drainage	Contamination of pit latrines and shallow groundwater	Waterborne disease and sanitation-related illness[2]
Dust storms and inversion events	Inadequate ventilation and poor indoor air circulation	Increased indoor pollutant concentration	Respiratory and cardiovascular stress
Freeze-thaw variability and permafrost degradation	Weak foundations and unstable soil	Structural damage and sanitation system failure	Increased environmental health and safety risks

Approximately one third of Mongolia's population lives below the national poverty line, with high concentrations in ger areas. Limited financial resources constrain household ability to invest in insulation, safe heating systems, sanitation improvements, and flood protection measures. Women, elderly residents, children, and persons with disabilities are particularly vulnerable to health risks associated with poor housing conditions and climate extremes.

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.

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.

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

- 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.

[1] https://pmc.ncbi.nlm.nih.gov/articles/PMC10300773
[2] https://www.sciencedirect.com/science/article/abs/pii/S0197397514001295

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- Social barriers include limited awareness of climate adaptation options and insufficient community participation in housing improvement decisions.

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



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



e) Dust pollution in ger areas

UN-Habitat, in consultation with national partners, proposes to address the above barriers through integrated community-based adaptation interventions supporting participatory planning, climate-resilient housing improvements, community-managed adaptation financing and implementation, and strengthened institutional capacity for urban climate resilience. The project interventions will focus on locally led climate adaptation planning and implementation designed to reduce household and community vulnerability to current and projected climate hazards through climate-resilient housing retrofits and neighborhood adaptation improvements. Local communities will be organized through Primary Groups (PGs) and Community Adaptation Councils (CACs) applying UN-Habitat's People's Process approach to guide and implement local adaptation interventions.

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Table 2 presents a comparison of conventional and climate-informed retrofit measures, highlighting their climate-resilient design features and expected adaptation benefits under projected climate conditions. Table 3 further illustrates the relationship between climate hazards, structural vulnerabilities, adaptation measures, and the resulting resilience benefits.

Table 2. Comparative Climate-Informed Retrofit Measures and Adaptation Benefits

Retrofit Measure	Conventional Approach	Climate-Resilient Feature	Expected Adaptation Benefit
Insulation improvements	Standard insulation	Higher thermal performance designed for prolonged sub-zero temperatures and increasing temperature variability	Reduced heat loss, lower household energy demand, and improved resilience during more frequent extreme cold events
Ventilation upgrades	Conventional ventilation	Controlled airflow systems designed to maintain indoor air quality while minimizing winter heat loss during inversion events and dust storms	Reduced indoor air pollution exposure and improved household resilience during prolonged cold and dust events
Safe heating systems	Conventional household heating	Low-emission, safety-focused heating systems designed for enclosed winter conditions	Reduced carbon monoxide exposure, improved energy efficiency, and greater resilience during increasingly severe winters
Flood-resilient sanitation systems	Standard pit latrine	Raised, sealed, or flood-protected sanitation systems designed for projected increases in flooding	Reduced contamination, sanitation failures, and recovery costs during flood events
Localized drainage	Conventional drainage	Drainage designed using projected rainfall intensity and runoff patterns	Reduced localized flooding and improved stormwater management under future climate conditions
Soil stabilization and climate-sensitive greening	Conventional landscaping	Climate-sensitive erosion control and vegetation measures designed for freeze-thaw cycles and heavier rainfall	Reduced soil erosion, improved slope stability, and enhanced resilience to future climate impacts

Project Objective

The objective of the project is to strengthen the adaptive capacity and climate resilience of vulnerable households and communities in Mongolia's ger areas to extreme cold, flooding, permafrost degradation, and climate-sensitive health risks through locally led adaptation planning, climate-resilient housing improvements, and community-based resilience measures.

The project is expected to support approximately four climate-vulnerable khoroos in Ulaanbaatar, with final target locations to be confirmed during the full proposal stage in consultation with municipal and national partners based on climate vulnerability, community readiness, and adaptation needs.

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 vulnerability within homes and communities that amplify climate impacts.

The project is structured so that participatory climate risk assessments and community adaptation planning under Component 1 establish the community governance structures, adaptation priorities, and beneficiary selection mechanisms required for implementation; Component 2 strengthens the technical and institutional capacity needed for climate-resilient housing adaptation; Component 3 delivers direct household and community-level climate adaptation investments through community-managed implementation mechanisms; and Component 4 strengthens long-term sustainability, institutional learning, and scaling of locally led adaptation approaches within municipal and national systems.

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The project will be implemented by UN-Habitat in collaboration with local NGOs, community adaptation structures, municipal authorities, technical institutions, and relevant national ministries.

The project's Theory of Change is based on the premise that locally led climate adaptation becomes more sustainable when communities, local institutions, and municipal authorities jointly identify climate risks, organize community adaptation structures, strengthen local adaptation capacity, implement locally prioritized adaptation investments, and integrate successful practices into municipal planning and governance systems.

Locally Led Adaptation Governance and Community Decision-Making

The project will apply UN-Habitat's "People's Process" approach to operationalize locally led adaptation activities in participating ger settlements. Communities will be organized into Primary Groups (PGs) consisting of approximately 20 households each, including representation of vulnerable and female-headed households. Each PG will elect its leader and deputy leader through participatory processes.

Leaders and deputy leaders from the PGs will collectively form Community Adaptation Councils (CACs) at khoroo level to coordinate adaptation planning, implementation oversight, community financing, participatory monitoring, and coordination with municipal authorities and implementing partners.

Participatory climate vulnerability assessments, community climate risk mapping, and community adaptation planning under Component 1 will be conducted through the community governance structures. Community priorities identified through participatory planning processes will guide beneficiary selection, sequencing, and prioritization of household and community adaptation investments under the project.

PGs will identify and submit proposed beneficiary households based on agreed vulnerability criteria, while CACs will review, validate, and approve beneficiary selection and adaptation priorities through participatory and transparent processes. Inclusive participation of women, youth, elderly residents, persons with disabilities, and vulnerable households will be promoted throughout community governance and planning processes.

The project will apply community-managed adaptation financing mechanisms under UN-Habitat's People's Process approach used in community-based upgrading, disaster mitigation and resilience programmes in Mongolia and other countries. Community-managed adaptation implementation arrangements will be coordinated through CACs in accordance with UN-Habitat fiduciary requirements and project financial management procedures.

Project financing arrangements will apply phased disbursement, procurement verification, financial reporting, technical supervision, and fiduciary oversight procedures in accordance with UN-Habitat financial management requirements.

CACs will coordinate implementation of approved adaptation activities, including community contracting, workforce mobilization, procurement oversight, financial record keeping, community monitoring, and periodic progress reporting. Accountability and transparency mechanisms will include publicly disclosed beneficiary selection criteria, participatory monitoring systems, community financial reporting, grievance procedures, and periodic review meetings involving CACs, municipal authorities, khoroo administrations, and implementing partners.

Community governance structures will operate in coordination with khoroo administrations, municipal authorities, and relevant local institutions to strengthen institutional alignment and integration of locally led adaptation priorities into municipal planning and adaptation processes.

The proposed governance approach builds on UN-Habitat's People's Process model that has been successfully applied in ger-area communities through previous projects, including the Adaptation Fund-supported Flood Resilience in Ulaanbaatar Ger Areas (FRUGA) project and the ongoing Ger Community Resilience Project (GCRP). While the mechanism has not yet been adopted across all khoroos of Ulaanbaatar, it has been demonstrated and operationalized in participating project areas and has

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proven effective in strengthening community participation, local accountability, and coordination with local government institutions.

Under this approach, Primary Groups (PGs) and Community Adaptation Councils (CACs) established by communities are accredited and registered as community-based organizations (CBOs) within participating khoroo administrations. The Khoroo Governor reviews and validates annual community action plans and may integrate relevant priorities into khoroo development plans and budget proposals. Through existing administrative procedures, priority actions can also be submitted to district and municipal authorities for consideration within sector programmes and annual investment planning processes.

This mechanism provides a practical and tested pathway for linking community adaptation priorities with local government planning systems while avoiding the creation of parallel project structures. Because CACs remain registered community organizations beyond the project period, they can continue to engage with khoroo administrations and mobilize support for implementation of locally identified adaptation priorities after project closure.

Previous Adaptation Fund-supported projects implemented by UN-Habitat in Mongolia demonstrated that the People's Process approach can strengthen local technical capacity, accountability, community ownership, and long-term sustainability of climate adaptation investments while supporting inclusive participation and locally led decision-making.

Component 1. Participatory Climate Risk Assessment and Community Adaptation Planning

This component establishes the analytical, organizational, and participatory foundation for locally led adaptation by identifying climate risks, organizing community adaptation structures, and defining locally prioritized adaptation actions in target ger settlements.

Output 1.1. Participatory climate vulnerability assessments, community climate risk mapping, and household vulnerability profiling completed in target ger settlements. Planned activities are**:**

1.1.1 Conduct community mobilization, awareness raising, and participatory climate vulnerability and risk mapping activities;
1.1.2 Identify climate-sensitive housing, sanitation, drainage, environmental, and community resilience risks affecting ger settlements;
1.1.3 Prepare household vulnerability profiles and identify highly vulnerable households through participatory assessments;
1.1.4 Facilitate participatory validation of climate risks, vulnerabilities, and community adaptation priorities.

Output 1.2. Primary Groups (PGs) and Community Adaptation Councils (CACs) established and operational in target ger settlements. Activities:

1.2.1 Facilitate formation and strengthening of PGs and community leadership structures;
1.2.2 Establish CACs comprising representatives of participating PGs and support their accreditation and registration as community-based organizations within participating khoroo administrations.
1.2.3 Provide orientation and capacity support on participatory governance, adaptation planning, transparency, and monitoring;
1.2.4 Establish community coordination, communication, and grievance feedback mechanisms.

Output 1.3. Community Adaptation Plans and community-based beneficiary selection processes completed. Activities:

1.3.1 Facilitate preparation of Community Adaptation Plans and prioritization of resilience investments through participatory planning processes, including submission of plans for review and validation by participating khoroo administrations;

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1.3.2 Develop community-based beneficiary selection criteria and adaptation prioritization procedures;
1.3.3 Support PGs to identify and submit proposed beneficiary households and adaptation priorities to CACs;
1.3.4 Facilitate CAC review, validation, and approval of beneficiary households and community adaptation priorities.

Expected Outcome: Communities and local authorities jointly identify climate risks, establish community adaptation governance systems, and prioritize locally appropriate adaptation measures for vulnerable households.

Component 2. Climate-Resilient Construction Skills Development and Institutional Capacity Strengthening

This component strengthens the technical and institutional capacity required to implement and sustain climate-resilient housing adaptation measures in ger settlements.

Output 2.1. Skills needs assessments and workforce development plans completed for climate-resilient housing adaptation measures. Activities:

2.1.1 Assess technical workforce and institutional capacity needs based on community adaptation plans and proposed retrofit measures;
2.1.2 Identify required climate-resilient retrofit, construction, sanitation, drainage, ventilation, and energy-efficiency skills and workforce needs;
2.1.3 Support PGs and CACs to identify and select vocational training candidates with attention to women and youth participation;
2.1.4 Prepare phased workforce development and training implementation plans linked to project rollout.

Output 2.2. Partnerships established with vocational training institutions and technical organizations for climate-resilient construction skills development. Activities:

2.2.1 Identify and engage vocational institutions, technical centers, certification bodies, and relevant technical partners;
2.2.2 Develop training partnerships, cooperation arrangements, and climate-resilient retrofit training modules linked to project implementation needs;
2.2.3 Facilitate technical collaboration and coordination with municipal and national technical agencies

Output 2.3. Community-based climate-resilient construction workforce trained and certified. Activities:

2.3.1 Conduct phased vocational and practical training programmes on climate-resilient retrofit and adaptation practices for selected community members;
2.3.2 Facilitate on-site learning, workforce certification, and mobilization of trained implementation teams through partner vocational institutions;
2.3.3 Conduct multiple rounds of workforce preparation during project implementation based on evolving adaptation and retrofit needs.

Expected Outcome: Communities, local workers, and institutions have the technical skills, organizational capacity, and workforce systems required to implement, maintain, and replicate climate-resilient housing adaptation measures.

Component 3. Climate-Resilient Housing Adaptation Investments

This component translates community adaptation priorities and climate risk assessments into direct household and neighborhood-scale adaptation investments designed to reduce vulnerability to flooding, extreme cold, indoor air pollution, sanitation failure, and environmental health risks in ger settlements. Neighborhood-scale adaptation measures, including climate-informed drainage improvements, soil stabilization and erosion control measures, climate-sensitive greening, and surface water management

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interventions, are designed to address projected increases in rainfall intensity, localized flooding, stormwater runoff, freeze-thaw instability, soil erosion, and land degradation identified through climate risk assessments. Unlike conventional neighborhood upgrading, which typically focuses on general infrastructure improvements, these measures are designed and prioritized based on projected climate risks identified through climate risk assessments. By integrating climate risk information with household adaptation investments, the project provides additional adaptation benefits and strengthens community-wide resilience to future climate impacts.

Output 3.1. Household adaptation assessments, technical screening, and retrofit planning completed for approved beneficiary households. Activities:

- 3.1.1 Conduct household climate vulnerability, housing condition, and environmental risk assessments in selected target households;
- 3.1.2 Assess sanitation, drainage, ventilation, heating, structural, and climate-related adaptation needs and risks;
- 3.1.3 Prepare household-specific retrofit designs, adaptation improvement plans, and climate screening reviews for proposed interventions;
- 3.1.4 Prepare cost estimates, bills of quantities, and adaptation financing packages for approved interventions.

Output 3.2. Community-managed adaptation financing and implementation arrangements established for approved adaptation investments. Activities:

- 3.2.1 Facilitate participatory review, prioritization, and approval of household and neighborhood adaptation investments;
- 3.2.2 Organize community contracting, procurement arrangements, and mobilization of trained local workers and implementation teams;
- 3.2.3 Facilitate household participation, community engagement, participatory oversight, and monitoring throughout adaptation implementation;
- 3.2.4 Establish financial accountability, technical review, and compliance monitoring mechanisms for adaptation financing and implementation.

Output 3.3. Climate-resilient housing retrofits and neighborhood adaptation measures implemented and monitored in target ger settlements. Activities:

- 3.3.1 Facilitate community implementation of climate-resilient housing retrofits and neighborhood adaptation improvements, including sanitation upgrades, drainage improvements, ventilation and heating improvements, soil stabilization and erosion control measures, climate-sensitive greening, and other neighborhood-scale resilience measures.
- 3.3.2 Conduct technical supervision, climate screening verification, quality assurance, compliance monitoring, and participatory community monitoring throughout implementation;
- 3.3.3 Conduct final inspections, beneficiary verification, completion reporting, and handover of completed adaptation investments.

Expected Outcome: Household and community vulnerability to projected climate hazards including flooding, extreme cold, indoor air pollution, sanitation failure, and environmental health risks is reduced.

Component 4. Institutional Strengthening, Knowledge Management, and Scaling of Locally Led Climate Adaptation

This component strengthens the long-term sustainability, institutional learning, and replication potential of locally led climate adaptation approaches by integrating lessons, technical guidance, and community adaptation practices into municipal and national systems.

Output 4.1. Knowledge, lessons learned, and locally led adaptation practices documented and disseminated. Activities:

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4.1.1 Document community adaptation processes, implementation experiences, lessons learned, and practical adaptation case studies from project interventions;
4.1.2 Prepare technical guidance materials, adaptation toolkits, knowledge products, and communication materials on climate-resilient housing adaptation and People's Process approaches;
4.1.3 Develop community demonstration, peer learning, and experience-sharing activities among communities, local authorities, vocational institutions, and partner organizations;
4.1.4 Establish or strengthen adaptation knowledge-sharing and learning platforms supporting dissemination, institutional learning, and scaling of locally led adaptation approaches.

Output 4.2. Municipal and local institutional capacity strengthened for locally led climate adaptation and climate-resilient ger area upgrading. Activities:

4.2.1 Conduct training and awareness activities for municipal authorities, khoroo administrations, community institutions, and local stakeholders on climate adaptation, participatory planning, People's Process methodologies, and community-based resilience approaches;
4.2.2 Support local government and community awareness raising on climate risks, disaster preparedness, climate-sensitive urban vulnerabilities, and locally led adaptation planning;
4.2.3 Facilitate coordination, technical dialogue, and integration of community-defined adaptation priorities into municipal planning and local implementation processes;
4.2.4 Support institutional learning, adaptive management, and municipal-community collaboration for scaling and sustainability of locally led adaptation approaches
4.2.5 Support accreditation and registration of Community Adaptation Councils (CACs) and Primary Groups (PGs) within participating khoroo administrations and facilitate integration of Community Adaptation Plans into khoroo, district, and municipal planning and budgeting processes.
4.2.6 Build on the NAP localization mechanism being developed under the Ger Community Resilience Project (GCRP) to facilitate integration of community adaptation priorities, lessons learned, and technical recommendations into city, district, and khoroo adaptation planning processes and reporting on implementation of Mongolia's National Adaptation Plan (NAP).

Output 4.3. Technical recommendations and scaling approaches for climate-resilient ger area adaptation developed and promoted. Activities:

4.3.1 Develop technical recommendations, adaptation guidance materials, and implementation lessons based on project experience and locally led adaptation practices;
4.3.2 Facilitate policy dialogue, stakeholder consultations, and institutional learning on scaling and replication of climate-resilient housing adaptation approaches;
4.3.3 Support discussions on financing approaches, incentives, institutional coordination, and integration of locally led adaptation practices into municipal and national systems;
4.3.4 Facilitate exchange, peer learning, and dissemination of relevant national and international adaptation experiences, including recommendations for future urban resilience and upgrading initiatives.
4.3.5 Develop policy recommendations and financing pathways for scaling climate-resilient housing adaptation through municipal investment programmes, ger area upgrading initiatives, community-based financing mechanisms, and future climate finance opportunities.

Expected Outcome: Locally led climate adaptation approaches and climate-resilient housing practices are institutionalized, replicated, and integrated into municipal and national adaptation planning systems.

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The proposed interventions under the project components respond directly to climate hazards affecting ger settlements. Table 3 summarizes how project interventions address climate vulnerabilities and contribute to the Adaptation Fund Strategic Results Framework.

Table 3. Climate Risks, Adaptation Measures, and Resilience Benefits

Climate Risk/ Adaptation Challenge	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	Climate-resilient insulation retrofits, safe heating systems, ventilation improvements, and household adaptation planning	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 improvements, climate-informed drainage systems, soil stabilization and erosion control measures, and climate-sensitive greening designed to manage projected increases in stormwater runoff, localized flooding, and land degradation.	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, ventilation retrofits, and community awareness on indoor environmental health risks	Reduced exposure to carbon monoxide and indoor air pollution, improved respiratory health	AF Outcome 4: Infrastructure adapted to climate variability
Dust storms and poor indoor air circulation	Poor housing ventilation and limited climate awareness	Community awareness campaigns, improved ventilation systems, and participatory climate adaptation planning	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	Community adaptation planning, vocational workforce development, participatory implementation systems, and community-based monitoring mechanisms	Strengthened local capacity to implement, maintain, and replicate 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	Documentation of locally led adaptation practices, municipal coordination, adaptation learning platforms, and scaling recommendations	Institutionalized climate-resilient housing practices and scaling of successful interventions	AF Outcome 2: Strengthened institutional capacity

Project Financing

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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 household and neighborhood-level climate adaptation investments through community-managed implementation mechanisms. Component 1 establishes the participatory planning and community governance foundation for locally led adaptation; Component 2 strengthens technical workforce and institutional capacity for climate-resilient housing adaptation; and Component 4 supports institutional learning, scaling, and integration of locally led adaptation approaches into municipal and national systems.

Project Components	Expected Concrete Outputs	Expected Outcomes	Amount (US$)
Component 1. Participatory Climate Risk Assessment and Community Adaptation Planning	**Output 1.1.** Participatory climate vulnerability assessments, community climate risk mapping, and household vulnerability profiling completed in target ger settlements. **Output 1.2.** Primary Groups (PGs) and Community Adaptation Councils (CACs) established and operational in target ger settlements. **Output 1.3.** Community Adaptation Plans and community-based beneficiary selection processes completed.	Communities and local authorities jointly identify climate risks, establish community adaptation governance systems, and prioritize locally appropriate adaptation measures for vulnerable households.	600,000.00
Component 2. Climate-Resilient Construction Skills Development and Institutional Capacity Strengthening	**Output 2.1.** Skills needs assessments and workforce development plans completed for climate-resilient housing adaptation measures. **Output 2.2.** Partnerships established with vocational training institutions and technical organizations for climate-resilient construction skills development. **Output 2.3.** Community-based climate-resilient construction workforce trained and certified.	Communities, local workers, and institutions have the technical skills, organizational capacity, and workforce systems required to implement, maintain, and replicate climate-resilient housing adaptation measures.	600,000.00
Component 3. Climate-Resilient Housing Adaptation Investments	**Output 3.1.** Household adaptation assessments, technical screening, and retrofit planning completed for approved beneficiary households. **Output 3.2.** Community-managed adaptation financing and implementation arrangements established for approved adaptation investments. **Output 3.3.** Climate-resilient housing retrofits and neighborhood adaptation measures implemented and monitored in target ger settlements.	Household and community vulnerability to projected climate hazards including flooding, extreme cold, indoor air pollution, sanitation failure, and environmental health risks is reduced.	2,500,000.00
Component 4. Institutional Strengthening, Knowledge Management, and Scaling of Locally Led Climate Adaptation	**Output 4.1.** Knowledge, lessons learned, and locally led adaptation practices documented and disseminated. **Output 4.2.** Municipal and local institutional capacity strengthened for locally led climate adaptation and climate-resilient ger area upgrading. **Output 4.3.** Technical recommendations and scaling approaches for climate-resilient ger area adaptation developed and promoted.	Locally led climate adaptation approaches and climate-resilient housing practices are institutionalized, replicated, and integrated into municipal and national adaptation planning systems.	470,514.00

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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

The project's cost-effectiveness is based on targeted, community-managed, and climate-informed adaptation measures that reduce household vulnerability to multiple climate risks simultaneously while strengthening local implementation capacity and long-term sustainability. Climate-resilient housing retrofits, sanitation improvements, localized drainage measures, and neighborhood resilience interventions reduce household exposure to extreme cold, flooding, indoor pollution, and environmental health risks using locally appropriate materials, community labor, and scalable implementation approaches.

The project also strengthens long-term sustainability and replication through establishment of community adaptation governance systems, vocational workforce development, participatory implementation mechanisms, and integration of locally led adaptation approaches into municipal and national systems. By combining physical adaptation investments with community planning, workforce training, institutional learning, and community-managed adaptation financing mechanisms, the project strengthens local adaptive capacity while helping reduce future climate-related losses and recovery costs.

Estimated Direct Beneficiaries

The project is expected to directly benefit approximately 2,000 vulnerable households, representing 8,000–9,000 residents in climate-exposed ger settlements. The project will also strengthen local adaptation governance and technical capacity through establishment of approximately 60 Primary Groups, 4 Community Adaptation Councils, and training of approximately 100 local workers in climate-resilient construction and retrofit practices.

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

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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 vulnerability in Mongolia's ger areas through locally led adaptation planning, climate-resilient housing improvements, and strengthened local capacity for household and community resilience.

Ger settlements face increasing climate risks because climate hazards interact with weak housing systems, inadequate sanitation infrastructure, and environmentally vulnerable settlement conditions. The project responds through four complementary components linking climate risk assessment, community adaptation planning, technical workforce development, targeted adaptation investments, and institutional integration.

Component 1. Participatory Climate Risk Assessment and Community Adaptation Planning

This component establishes the community governance and participatory planning foundation for locally led climate adaptation in target ger settlements. Communities will be organized into Primary Groups (PGs) and Community Adaptation Councils (CACs) applying UN-Habitat's People's Process approach. Participatory climate vulnerability assessments, community mapping, and household vulnerability profiling will identify exposure to flooding, extreme cold, permafrost instability, indoor air pollution, and climate-sensitive health risks, as well as structural vulnerabilities such as inadequate insulation, unsafe heating, poor ventilation, and flood-prone sanitation systems.

Participatory planning processes will support preparation of Community Adaptation Plans, prioritization of locally appropriate adaptation measures, and community-based beneficiary selection processes involving women, youth, elderly residents, and persons with disabilities. Outputs include climate vulnerability maps, community adaptation plans, household vulnerability profiles, community governance systems, and locally adapted guidance for climate-resilient housing and sanitation improvements.

Component 2. Climate-Resilient Construction Skills Development and Institutional Capacity Strengthening

This component strengthens the technical workforce and institutional capacity required to implement and sustain climate-resilient housing adaptation measures in ger settlements. Based on needs identified through community adaptation planning, the project will support workforce development planning, vocational partnerships, and phased technical training programmes linked to implementation needs.

Training will be provided to local construction workers, youth, and community members on insulation retrofits, safe heating installation, ventilation improvements, flood-resilient sanitation systems, drainage improvement, and climate-resilient construction practices. The project will partner with vocational institutions and technical organizations to support certification pathways, practical learning systems, and development of climate-resilient construction guidance and toolkits. Participatory community monitoring mechanisms through Primary Groups and Community Adaptation Councils will also be strengthened to support long-term adaptation implementation and maintenance.

Component 3. Climate-Resilient Housing Adaptation Investments

This component translates climate risk assessments and community adaptation priorities into direct investments that reduce household and community vulnerability. Adaptation investments will be prioritized through Community Adaptation Plans and implemented through community-managed financing and community contracting approaches coordinated by Community Adaptation Councils.

The project will support climate-resilient housing retrofits and neighborhood adaptation improvements in selected climate-vulnerable ger settlements, including insulation retrofits, safe and energy-efficient heating systems, ventilation improvements, flood-resilient sanitation systems, localized drainage measures, soil stabilization and erosion control measures, climate-sensitive greening, surface water management measures, and other neighborhood-scale adaptation interventions. Community-managed

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adaptation financing mechanisms will support implementation of priority household and neighborhood-level adaptation measures identified through participatory climate risk assessments and community adaptation planning processes. The financing approach is designed to enable vulnerable households to implement climate-resilient retrofits that would otherwise remain unaffordable due to financial constraints.

Climate risk screening, technical supervision, participatory monitoring, and community oversight will ensure that interventions directly address climate risks and avoid maladaptation.

Component 4. Institutional Strengthening, Knowledge Management, and Scaling of Locally Led Climate Adaptation

This component strengthens long-term sustainability, institutional learning, and replication of locally led climate adaptation approaches within municipal and national systems. The project will support integration of community-defined adaptation priorities into municipal planning processes, align interventions with Mongolia's NAP and NDC, document lessons learned, develop technical guidance and adaptation knowledge products, and facilitate knowledge exchange and learning for scaling and replication.

The project will also support municipal and local government awareness raising and capacity strengthening on climate adaptation planning, People's Process methodologies, disaster preparedness, climate-sensitive urban vulnerabilities, and community-based resilience approaches. By strengthening decentralized adaptation planning and promoting integration of resilient retrofit practices into housing and urban development systems, the project will support longer-term replication and scaling beyond the project lifecycle.

Devolving Decision-Making and Direct Community Access to Finance

The project operationalizes locally led adaptation by ensuring that community institutions play a central role in defining priorities, allocating resources, and monitoring implementation. Community Adaptation Councils (CACs), formed from elected leaders and deputy leaders of the Primary Groups, will review climate risk findings, prioritize adaptation measures, validate community-based beneficiary selection processes, and review adaptation financing allocations, with at least 50 percent participation of women.

CACs will coordinate local implementation, community-managed adaptation financing mechanisms, participatory monitoring, and housing retrofit activities in collaboration with local NGOs, technical institutions, and project partners. Clear beneficiary selection procedures, public disclosure of allocations, participatory monitoring systems, and community grievance redress mechanisms will support accountability and transparency. CACs will also work with khoroo administrations and municipal authorities to help integrate community priorities into municipal planning processes and strengthen institutional coordination.

Community-managed adaptation financing mechanisms will operate through dedicated project accounts and phased disbursement procedures in accordance with UN-Habitat fiduciary requirements, project financial management procedures, technical supervision systems, and procurement verification requirements. Community Adaptation Councils will maintain project financial records and implementation documentation in accordance with project procedures.

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.

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The proposed project will generate economic, social, and environmental benefits by reducing household exposure to climate hazards and improving living conditions in vulnerable ger settlements.

The project combines climate-resilient housing improvements, sanitation upgrades, technical workforce development, community adaptation planning, and locally led adaptation governance to generate multiple resilience and development co-benefits for vulnerable communities.

Economic Benefits

The project will reduce the economic burden of climate hazards on vulnerable households by lowering energy expenditures and reducing damage associated with extreme weather events. Improved insulation and safe, energy-efficient heating systems will reduce fuel consumption and heating costs while improving indoor thermal comfort.

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

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 periods of poor air quality, while flood-resilient sanitation systems and drainage improvements will reduce contamination risks during heavy rainfall events.

Participatory planning, community adaptation governance, and community contracting approaches will strengthen social cohesion, local ownership, and participation of residents in climate adaptation decisions affecting their communities.

Environmental Benefits

The project will promote energy efficiency and reduce pollution through improved thermal performance and cleaner heating practices that lower household fuel consumption and emissions associated with coal combustion. Flood-resilient sanitation, drainage improvements, and soil stabilization and erosion control measures will reduce contamination of soil and groundwater in rapidly expanding peri-urban areas. Climate-sensitive greening, improved surface water management, and other neighborhood-scale adaptation measures will help reduce flooding, land degradation, and environmental risks while supporting more sustainable and climate-resilient development in ger settlements.

Gender Equality and Inclusion of Vulnerable Groups

The project prioritizes support for low-income households, female-headed households, elderly residents, children, persons with disabilities, and marginalized community members who face disproportionate exposure to climate risks and limited access to housing improvement resources. Improved heating safety, ventilation, sanitation, and household adaptation support will help reduce climate-sensitive health and safety risks affecting vulnerable households. The project will apply inclusive consultation and beneficiary selection processes to ensure participation of marginalized and underserved community members within target ger settlements.

Women, youth, elderly residents, and persons with disabilities will participate in Primary Groups, Community Adaptation Councils, participatory planning processes, and community monitoring systems that guide local adaptation priorities and oversee project implementation. Community Adaptation Councils, formed from elected leaders and deputy leaders of Primary Groups, will coordinate local adaptation planning, community-managed adaptation financing mechanisms, and implementation oversight. Household adaptation financing will prioritize vulnerable households with high exposure to

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climate hazards, while capacity-building activities will support participation of women and youth in climate-resilient construction training and community monitoring activities.

The project promotes gender equality through inclusive community governance, gender-responsive adaptation planning, and targeted support for women and female-headed households. Design considerations related to heating safety, sanitation, and indoor air quality will be integrated into retrofit interventions and community adaptation processes.

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, monitoring, and safeguard compliance. As interventions primarily involve small-scale housing retrofits, localized neighborhood resilience improvements, and community-level adaptation measures, environmental and social risks are expected to be limited, site-specific, and manageable.

Mitigation measures will include compliance with national technical and environmental standards, climate risk screening of investments, transparent beneficiary selection procedures, participatory consultations, technical supervision systems, and grievance redress mechanisms. An initial gender assessment will inform gender-responsive implementation, monitoring, and inclusion measures. Table 4 summarizes targeted benefits for vulnerable groups in ger communities.

Table 4. Targeted Climate Adaptation 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 unsafe heating systems; caregiving responsibilities during climate-related disruptions; limited participation in adaptation decision-making	Safe heating systems, ventilation improvements, participation in Primary Groups and Community Adaptation Councils, targeted adaptation support, and vocational training opportunities	Reduced exposure to indoor pollution and climate-sensitive health risks; improved household safety; strengthened participation in local adaptation governance and livelihood opportunities
Children	High vulnerability to respiratory illness from indoor pollution and cold indoor temperatures; exposure to unsafe sanitation during flooding events	Insulation retrofits, improved ventilation, safer heating systems, flood-resilient sanitation improvements	Improved indoor air quality and thermal comfort; reduced exposure to climate-sensitive illness and environmental contamination
Elderly persons	High sensitivity to extreme cold, poor indoor air quality, and climate-related health risks; limited ability to maintain housing systems	Housing insulation improvements, safe heating technologies, targeted adaptation support, community assistance mechanisms	Improved thermal comfort and safety; reduced health risks during extreme weather conditions
Persons with disabilities	Limited mobility and reduced ability to respond to climate hazards, flooding, or housing damage	Priority access to household adaptation support, community-based assistance mechanisms, safer housing conditions	Reduced exposure to climate hazards; improved safety, accessibility, and resilience of living conditions
Low-income households	Limited financial capacity to invest in climate-resilient housing improvements despite high climate exposure	Community-managed adaptation financing mechanisms supporting insulation, sanitation,	Reduced financial burden associated with energy costs, housing damage, and climate-related disruptions

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		ventilation, drainage, and heating improvements	
Youth and local workers	Limited employment opportunities and technical skills in ger settlements	Vocational training, certification pathways, and participation in climate-resilient construction and retrofit implementation	Increased technical skills, livelihood opportunities, and local workforce capacity for climate adaptation implementation
Marginalized community members and informal settlement residents	Limited participation in urban planning and adaptation decision-making processes	Participation in Primary Groups, Community Adaptation Councils, participatory planning processes, and community monitoring systems	Increased representation in adaptation planning, improved access to adaptation resources, and strengthened community ownership of resilience actions

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 project's cost-effectiveness is based on targeted, locally led, and community-managed adaptation measures that reduce household vulnerability to multiple climate risks simultaneously. Rather than relying solely on large-scale infrastructure investments, the project combines climate-resilient housing improvements, sanitation adaptation, neighborhood-scale adaptation measures, local capacity development, community adaptation planning, and institutional strengthening to improve resilience to climate hazards in ger settlements.

The project further enhances cost-effectiveness through community-managed implementation and financing arrangements based on UN-Habitat's People's Process approach. Through PGs and CACs, communities participate directly in prioritization, implementation oversight, and monitoring of adaptation investments. Community-managed financing enables Adaptation Fund resources to reach community-prioritized adaptation investments more directly while maintaining fiduciary oversight, transparency, accountability, and community ownership. This approach reduces transaction costs associated with centralized implementation, improves targeting of investments, and increases the likelihood that adaptation measures will be maintained and replicated beyond the project period.

The project also enhances cost-effectiveness by drawing on the technical expertise, training systems, guidance materials, and institutional networks of national and international technical institutions rather than establishing separate technical advisory structures. This avoids the costs of maintaining dedicated specialist teams, parallel systems, and duplicated technical functions while providing access to specialized expertise in climate-resilient housing, environmental health, energy efficiency, and community adaptation at lower cost than developing equivalent in-house capacity or contracting separate advisory services.

During full project preparation, detailed engineering assessments, household adaptation plans, engineering designs, and bills of quantities will be prepared to optimize climate-resilient retrofit packages for different housing typologies and neighborhood conditions. These assessments will support selection of the most cost-effective adaptation measures based on local climate risks, engineering requirements, and lifecycle performance.

Adaptation measures include climate-informed housing retrofits, sanitation improvements, drainage systems, soil stabilization and erosion control measures, climate-sensitive greening, and other neighborhood-scale interventions designed to address projected climate risks. By reducing exposure to flooding, extreme cold, sanitation failures, land degradation, and associated health risks, these measures are expected to reduce future repair, maintenance, emergency response, and recovery costs while increasing the durability and long-term performance of household and neighborhood adaptation investments.

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The target of 2,000 beneficiary households reflects the available financing envelope, the estimated cost of integrated household adaptation packages, and the objective of demonstrating scalable locally led adaptation across four climate-vulnerable khoroos representing different environmental, topographical, and socio-economic conditions. Approximately 10,000 households are expected to participate in awareness raising, planning, and community mobilization activities, while around 500 households per khoroo will receive direct support for climate-resilient housing and sanitation improvements. Implementation across four khoroos is intended to maximize learning, institutional strengthening, and replication potential under different environmental and socio-economic conditions. Final beneficiary numbers, investment allocations, and household adaptation packages will be confirmed during full project preparation based on detailed engineering assessments, household vulnerability profiling, and cost optimization.

The project builds on lessons from previous Adaptation Fund-supported initiatives and municipal resilience programmes in Ulaanbaatar. It complements existing infrastructure-focused adaptation investments by addressing household and neighborhood-level climate vulnerabilities while strengthening local implementation capacity, vocational skills, adaptation learning, and integration of community-defined priorities into local planning processes. PGs and CACs will further support long-term sustainability through participatory planning, implementation coordination, monitoring, and engagement with khoroo administrations.

Cost-effectiveness is assessed not only in terms of initial investment costs, but also through the long-term adaptation value of integrated interventions that reduce future climate-related losses, maintenance requirements, emergency response and recovery costs, while improving energy efficiency, public health, and household resilience. Compared with conventional approaches, the proposed climate-informed retrofit measures and neighborhood-scale interventions are specifically designed to address projected climate risks, providing greater durability and the potential to reduce lifecycle costs through lower maintenance, repair, and recovery requirements.

Table 5. Comparative Adaptation Value of the Proposed Approach

Adaptation Approach	Key Limitation	Added Value of Proposed Project
Large-scale flood protection infrastructure	Primarily addresses external flood risks and may not reduce household-level thermal, sanitation, or indoor environmental vulnerabilities	Complements municipal infrastructure investments through targeted household and community-level adaptation measures addressing multiple climate risks simultaneously
Conventional housing upgrading programmes	Often focus on general housing quality without climate-risk screening or adaptation prioritization	Applies climate-informed retrofit measures linked to projected flooding, cold-weather, sanitation, and indoor pollution risks
Standalone awareness or training programmes	Limited direct reduction of physical climate vulnerability	Combines physical adaptation investments with community governance, technical training, and institutional integration
Short-term emergency response interventions	Reactive and temporary in nature	Supports long-term resilience through preventive adaptation planning, local capacity development, and institutional learning
Centralized implementation approaches	Limited community ownership and adaptation learning	Applies community-managed financing and participatory implementation through the People's Process approach

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.

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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 adaptation actions at household and community levels.

Despite strong national policy commitments on climate adaptation, disaster risk reduction, environmental health, and resilient urban development, significant implementation gaps remain in peri-urban ger settlements. The project addresses these gaps through climate-resilient housing improvements, sanitation adaptation measures, participatory planning, and community-managed adaptation approaches.

The proposed interventions directly support adaptation priorities identified in Mongolia's NAP, NDC, National Communications, and municipal resilience strategies through climate-informed retrofit measures, sanitation improvements, community adaptation planning, and community-managed adaptation financing mechanisms designed for projected future climate conditions in ger settlements.

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

Mongolia's NAP aims to strengthen resilience to climate change across environmental, social, and economic sectors. The proposed project contributes to these objectives by reducing climate vulnerability in ger settlements and strengthening community-level adaptive capacity through 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 adaptation planning into local governance processes, the project also strengthens institutional coordination and operationalization of adaptation policies at 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, sanitation systems, and indoor environmental health conditions in ger settlements. The project further contributes to NDC priorities related to climate-resilient urban infrastructure, protection of vulnerable populations from climate-sensitive health risks, and strengthening resilience of urban settlements to extreme weather conditions. 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 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 local governance structures, the project ensures that locally identified adaptation priorities inform municipal planning and budgeting

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processes. This approach strengthens coordination between national climate strategies and local implementation.

Overall, the project operationalizes Mongolia's climate adaptation priorities through concrete resilience measures in climate-vulnerable ger settlements. Table 6 summarizes the alignment between project interventions and priority targets identified in Mongolia's National Adaptation Plan.

Table 6. 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, climate-informed retrofit standards, and community adaptation planning into housing and sanitation improvements; establishment of CACs 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 programmes, vocational workforce development, and climate-resilient construction training	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 designed to reduce vulnerability to flooding, freeze-thaw instability, and prolonged extreme cold under future climate conditions	Reduced household exposure and 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 and indoor pollution exposure	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	community-managed adaptation financing mechanisms prioritizing vulnerable households; participatory governance mechanisms including PGs and CACs	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 requirements, and environmental and social safeguards governing housing construction, sanitation infrastructure, occupational safety, and environmental protection. The project will also comply with the **Adaptation**

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Fund Environmental and Social Policy (ESP) to ensure that adaptation interventions reduce climate vulnerability while minimizing environmental and social risks.

Compliance with National Technical and Regulatory Standards

Project interventions will comply with 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 regulating 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.

Adaptation Fund Environmental and Social Policy Compliance

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

Potential environmental and social risks are expected to be moderate and manageable given the small-scale and community-based nature of the proposed interventions. Safeguard measures will include:

- compliance with national environmental and safety standards
- minimizing environmental disturbance during construction
- transparent and inclusive 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 standards, and field-level technical supervision of housing retrofit activities. Community Adaptation Councils and Primary Groups will support participatory monitoring of compliance with technical, fiduciary, environmental, and social 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.

Detailed fiduciary management, disbursement, monitoring, audit, and accountability arrangements for community-managed adaptation financing mechanisms are described in the section on “Locally Led Adaptation Governance and Community Decision-Making.” These arrangements include phased disbursement, technical verification, financial reporting, community monitoring, grievance mechanisms, and fiduciary oversight by UN-Habitat and the Lead Executing Entity in accordance with UN-Habitat People’s Process fiduciary standards. Table 7 summarizes the relationship between project

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interventions, national technical standards, Adaptation Fund safeguard principles, and institutional oversight mechanisms.

Table 7. Compliance with National Standards and Adaptation Fund Safeguards

Project Intervention	Relevant National Standard / Regulation	Oversight Authority	AF ESP Principle	Compliance and Monitoring 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-resilient construction	Law on Vocational Education and Training (2016); National Occupational Standards for Construction Workers; Law on Occupational Safety and Health (2008)	Ministry of Labour and Social Protection; TVET institutions; Labour inspection authorities	Core Labour Rights; Access and Equity	Accredited training programs, certification of workers, occupational safety training, and supervision of construction practices
Community-managed adaptation financing mechanisms	Public Finance Law (2011); Law on Glass Accounts (2014); State Audit Law (2020)	UN-Habitat; Lead Executing Entity; Ministry of Finance; National Audit	Access and Equity; Marginalized and Vulnerable Groups;	Simplified fiduciary management procedures; project accounts administered through CAC under

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		Office; Community Adaptation Councils (CACs)	Gender Equality and Women's Empowerment	project fiduciary procedures; beneficiary registration systems; phased disbursement linked to implementation progress and technical verification prior to disbursement; procurement documentation; periodic financial reporting; field verification visits; community monitoring; grievance redress mechanisms; periodic financial audits

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 housing vulnerabilities that are not fully addressed through infrastructure-focused interventions.

Government and donor-supported programmes have contributed to improvements in flood protection, sanitation services, air pollution reduction, and community infrastructure in ger settlements. However, important adaptation gaps remain at household and neighborhood level, particularly in relation to resilient housing conditions, environmental health risks, and localized climate vulnerability. The proposed project complements existing initiatives through integrated housing retrofits, sanitation adaptation, participatory planning, and community-managed adaptation financing.

The project builds directly on lessons from the Adaptation Fund-supported Flood Resilience in Ulaanbaatar Ger Areas (FRUGA) project and Ger Community Resilience Project (GCRP) implemented by UN-Habitat. These initiatives demonstrated the importance of combining community participation, localized resilience measures, decentralized adaptation governance, and climate risk-informed planning to strengthen resilience in ger settlements. They also highlighted that large-scale infrastructure and flood protection measures alone cannot fully reduce climate vulnerability where housing systems remain structurally weak and environmental health risks persist.

The proposed project therefore extends previous adaptation efforts by strengthening household and neighborhood-level resilience through integrated healthy homes interventions, locally led adaptation governance systems, workforce development, and community-managed adaptation measures designed for projected future climate conditions.

The project will coordinate closely with national ministries, municipal authorities, development partners, vocational institutions, and community organizations involved in urban development, sanitation improvement, air pollution reduction, disaster risk reduction, and climate adaptation activities in ger settlements.

Existing government and donor-supported programmes primarily focus on sector-specific interventions such as cleaner heating technologies, drainage infrastructure, sanitation expansion, or urban redevelopment. The proposed project complements these initiatives through an integrated adaptation approach combining climate-resilient housing improvements with incremental neighborhood-scale

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adaptation measures, including climate-informed drainage and surface-water management, soil stabilization and erosion control, and climate-sensitive greening. These measures address localized climate risks that remain insufficiently covered by large-scale infrastructure programmes, particularly projected increases in intense rainfall, stormwater runoff, localized flooding, freeze-thaw instability, soil erosion, and land degradation. Their location and design will be determined through community climate-risk assessments and Community Adaptation Plans, providing additional adaptation benefits beyond conventional neighborhood upgrading.

Complementarity with Existing Initiatives

Table 8 summarizes complementarity between the proposed project and relevant ongoing or recently completed initiatives in Mongolia's ger areas.

Table 8. Complementarity and Coordination with Relevant Initiatives

Project/ Initiative	Donor	Implementing Agencies	Areas of Potential Overlap with Proposed Project	How Duplication Will Be Avoided	Remaining Adaptation Gaps, Additionality, and Lessons Learned
Flood Resilience in Ulaanbaatar Ger Areas (FRUGA)	Adaptation Fund	UN-Habitat; World Vision International Mongolia INGO	Flood risk reduction, drainage infrastructure, community-based flood resilience	The proposed project complements FRUGA by focusing on household-level climate resilience, healthy housing measures, and environmental health risks beyond flood infrastructure investments	FRUGA demonstrated the importance of community participation, localized infrastructure improvements, and climate-risk planning. The proposed project builds on these lessons but adds an incremental neighborhood-scale adaptation layer focused on climate-informed drainage and surface-water management, soil stabilization and erosion control, and climate-sensitive greening. These measures will be designed using projected rainfall, runoff, flooding, freeze-thaw and erosion risks identified through community climate-risk assessments, thereby extending FRUGA's flood-risk reduction approach to localized and future climate risks within existing ger neighborhoods.
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, community adaptation governance mechanisms, climate risk assessments, and community-managed adaptation financing. The proposed project further strengthens the neighborhood dimension of GCRP by introducing climate-informed drainage, surface-water management, soil stabilization and erosion control, and climate-sensitive greening as incremental adaptation measures. These interventions will complement household-level retrofits by reducing the surrounding environmental and physical conditions that amplify

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					household exposure to flooding, runoff, erosion and ground instability.
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	Existing interventions primarily focus on cleaner heating technologies and coal reduction rather than integrated climate adaptation. The proposed project complements these efforts through climate-informed insulation, ventilation, sanitation resilience, and household adaptation measures reducing exposure to projected extreme cold and indoor environmental health risks.
Switch Off Air Pollution (SOAP) Project	European Union	People in Need; GERES; local NGOs	Energy efficiency retrofits, awareness campaigns on clean heating and energy use	Activities will target different neighborhoods and housing typologies, with coordination through municipal air quality programs	Lessons from SOAP on low-cost insulation techniques and community behavior change campaigns will inform project training materials and retrofit guidelines. The proposed project further integrates climate-risk screening, flood resilience, healthy housing measures, and community adaptation financing mechanisms not addressed under standalone energy efficiency programmes.
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	Existing interventions primarily address air pollution reduction and policy reform. The proposed project complements these initiatives by addressing household-level climate vulnerabilities including extreme winter exposure, indoor environmental health risks, and climate-sensitive housing conditions in ger settlements.
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	Large-scale redevelopment programmes do not adequately address incremental climate adaptation needs of households remaining in existing ger settlements. The project provides climate-resilient retrofit and environmental health solutions for vulnerable households remaining in existing ger settlements through incremental adaptation measures and neighborhood-scale resilience interventions.
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	Centralized wastewater investments do not address climate-sensitive sanitation vulnerabilities in unserved ger areas. The project complements these investments through decentralized, flood-resilient

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				areas not connected to sewer networks	sanitation and drainage measures adapted to projected climate risks and informal settlement conditions.
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	Existing municipal programmes primarily focus on large-scale drainage infrastructure. The proposed project addresses the remaining localized adaptation gap in underserved ger neighborhoods through community-prioritized, climate-informed drainage and surface-water management, complemented by soil stabilization, erosion control and climate-sensitive greening. These measures will be designed at neighborhood scale using projected rainfall intensity, runoff patterns, flood pathways, freeze-thaw conditions and erosion risks, and implemented through community-managed mechanisms.

Coordination Mechanisms

Coordination with other initiatives will be supported through regular consultation and information-sharing with national ministries, municipal authorities, development partners, and implementing agencies involved in urban resilience, sanitation, housing, public health, and climate adaptation programmes. PGs and CACs will coordinate the identification, prioritization and implementation of neighborhood-scale adaptation measures with khoroo administrations and municipal authorities. Community Adaptation Plans will identify localized flood pathways, drainage gaps, erosion and soil-stability risks, areas requiring climate-sensitive greening, and opportunities for improved surface-water management. This will help ensure that community-level investments complement municipal infrastructure and do not duplicate planned drainage, flood protection or redevelopment investments.

Knowledge-sharing activities, technical coordination workshops, municipal-community knowledge platforms, and institutional coordination mechanisms established under Component 4 will further support cross-sector collaboration, dissemination of good practices, and replication of successful adaptation approaches.

By building on lessons from previous Adaptation Fund projects and coordinating with existing programmes, the project will strengthen efficiency, promote good practices, and support integrated climate resilience approaches in Mongolia's 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 learning and knowledge management component designed to capture implementation experience, strengthen institutional learning, and support long-term replication and scaling of climate-resilient housing adaptation approaches in Mongolia's ger settlements. The project will capture lessons from participatory adaptation planning, climate-resilient housing retrofits, community-managed adaptation implementation, and neighborhood-scale resilience interventions. Lessons learned will inform municipal planning processes, vocational training systems, future urban resilience programmes, and national climate adaptation initiatives.

Key knowledge products will include:

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- Technical guidance for climate-resilient housing and incremental neighborhood-scale adaptation, including insulation improvements, ventilation and safe heating systems, flood-resilient sanitation, climate-informed drainage and surface-water management, soil stabilization and erosion control, climate-sensitive greening, and community-based maintenance approaches, with design considerations informed by projected rainfall, runoff, flooding, freeze-thaw instability, and land degradation;
- Case studies documenting community-led adaptation planning, decentralized governance, community-managed implementation, and neighborhood-scale adaptation measures;
- Policy briefs and technical recommendations supporting the integration of climate-resilient housing and neighborhood-scale adaptation approaches into municipal and national planning and systems.

The project will establish a digital knowledge platform compiling technical guidance, climate vulnerability assessment tools, training materials, case studies, and adaptation learning resources related to resilient housing and locally led adaptation in ger settlements. The platform will be developed in collaboration with municipal authorities, technical institutions, and relevant national agencies involved in urban resilience and climate adaptation. Responsibility for long-term hosting and institutional management of the platform will progressively transition to relevant municipal and national institutions during implementation to support sustainability beyond the project period.

Knowledge-sharing workshops, municipal-community learning events, and technical coordination activities will facilitate exchange of experiences among communities, municipal authorities, vocational institutions, national agencies, and development partners. Participatory consultations and adaptation planning processes will also incorporate lessons learned from previous flood resilience, housing retrofit, and ger area upgrading initiatives, including Adaptation Fund-supported projects such as FRUGA and GCRP.

Technical guidance materials and training modules developed under the project will support vocational education and workforce development on climate-resilient construction and housing retrofits, contributing to long-term institutional capacity for locally led urban climate adaptation in Mongolia.

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 proposed project was developed through consultations with national institutions, municipal authorities, development partners, civil society organizations, technical experts, and residents of vulnerable ger settlements in Ulaanbaatar and other urban centers. The consultation process informed identification of locally appropriate adaptation priorities and project design measures.

The consultation process combined national policy dialogue, inter-ministerial technical discussions, community consultations, focus group discussions, and a housing condition survey conducted in ger settlements. These activities generated evidence on housing conditions, environmental health concerns, sanitation challenges, and locally identified adaptation priorities that informed project design.

Preliminary consultations and housing condition surveys were conducted in three districts of Ulaanbaatar, as well as selected provincial and sub-provincial centers, to assess climate-related housing and environmental health vulnerabilities affecting informal settlements.

The project is expected to focus on approximately four target khoroo in climate-vulnerable ger areas. Exact target locations and site-specific interventions will be finalized during full proposal development through additional participatory consultations and climate vulnerability assessments in selected communities. The broader geographic scope of consultations also helped assess the replicability of healthy homes adaptation approaches in other urban and peri-urban settlements.

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The consultation process was conducted in accordance with the Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy, ensuring inclusive participation of women, vulnerable households, persons with disabilities, elderly residents, and marginalized community members.

National and Institutional Consultations

The need to address climate-related housing vulnerability in ger settlements was initially highlighted during the “Solutions for Health” inter-ministerial technical meeting held in December 2023, involving representatives from national ministries, municipal authorities, UN agencies, development partners, and research institutions. Participants emphasized growing interactions between climate hazards, environmental health risks, and structurally vulnerable housing systems in ger settlements, including flooding, extreme winter exposure, worsening air pollution, and increasing dust-related risks.

Stakeholders highlighted that these risks are compounded by weak housing conditions, inadequate sanitation infrastructure, and limited household adaptation capacity in ger areas. Participants encouraged development of integrated climate-resilient housing and environmental health interventions in vulnerable settlements.

The need for integrated adaptation responses was further 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. Discussions highlighted increasing climate vulnerability in ger settlements and the need for locally led adaptation approaches integrating resilient housing, environmental health measures, and community-based adaptation planning.

Stakeholders consulted during project preparation included representatives from:

- Ministry of Environment and Climate Change;
- Ministry of Urban Development, Construction and Housing;
- Municipality of Ulaanbaatar 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; and
- Community leaders and residents from climate-vulnerable ger settlements.

These consultations confirmed strong institutional recognition of the need to strengthen climate resilience in ger housing systems and informed preparation of the project concept.

Community-Level Consultations and Housing Survey

Preliminary community consultations were conducted in potential target climate-vulnerable ger settlements within approximately four proposed target khoroos in Ulaanbaatar experiencing recurrent flooding, winter cold exposure, air pollution, and sanitation challenges. Final target khoroos and site-specific interventions will be confirmed during the full proposal stage in consultation with national and municipal partners. Community meetings and focus group discussions held in June 2025 involved approximately 43 participants, including women representatives, female-headed households, community leaders, local NGOs, community volunteers, and residents of environmentally vulnerable areas.

Participants identified priority concerns related to flooding, sanitation safety, unsafe heating practices, indoor air quality, and environmental health conditions in ger settlements. Residents emphasized that climate risks are closely linked to housing quality, sanitation systems, and energy conditions, highlighting the need for affordable housing improvements, safer heating systems, improved ventilation, and climate-resilient sanitation measures.

To strengthen the evidence base for project preparation, UN-Habitat conducted a housing condition survey in July 2025 covering 197 households across three districts of Ulaanbaatar and selected

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provincial and sub-provincial centers. The survey included female-headed households and persons with disabilities and assessed housing conditions, environmental health risks, climate exposure, and adaptation priorities.

Key findings included widespread exposure to poor indoor environmental conditions, winter heat loss, inadequate sanitation, and strong demand for affordable resilient housing improvements and technical support. The survey confirmed strong linkages between climate risks, housing conditions, and environmental health vulnerabilities in ger settlements.

Gender-Sensitive and Inclusive Consultation Process

The consultation process incorporated gender-sensitive and inclusive approaches consistent with the Adaptation Fund Gender Policy and Environmental and Social Policy. Specific measures included:

- inclusive outreach through multiple communication channels to engage women, elderly residents, persons with disabilities, and marginalized households;
- culturally appropriate consultation settings enabling participants to openly discuss climate risks, housing conditions, sanitation concerns, and environmental health challenges;
- consultation venues and discussion formats adapted as needed to support participation of elderly residents and persons with disabilities;
- active encouragement of women's participation in consultations and focus group discussions, recognizing women's roles in household energy management, sanitation maintenance, household caregiving responsibilities, and family health; and
- targeted attention to barriers faced by vulnerable households, including financial constraints, limited technical knowledge, and limited access to adaptation financing.
- targeted facilitation to encourage participation of women and vulnerable households in adaptation decision-making

Women participating in consultations identified indoor air pollution, sanitation safety, heating safety, and household thermal comfort as major adaptation priorities. Feedback from consultations informed project measures aimed at reducing gender-based and economic inequalities, including targeted community-managed adaptation financing mechanisms, safer heating systems, improved sanitation facilities, community financing mechanisms, and opportunities for women and youth to participate in climate-resilient construction training programmes.

Integration of Stakeholder Inputs into Project Design

Consultation findings directly informed prioritization of resilient housing retrofits, ventilation improvements, safe heating technologies, flood-resilient sanitation systems, localized drainage measures, community-managed adaptation financing mechanisms, community financing mechanisms, neighborhood-scale resilience activities, and participatory governance arrangements included in the project design. Stakeholders also identified barriers to adaptation including limited financial resources, shortages of skilled labor, uncertainty regarding redevelopment, and limited access to technical guidance and affordable financing. Table 9 summarizes the main consultation activities and their contribution to project development. Annex 3 provides a summary of initial stakeholder consultations.

Table 9. Summary of Stakeholder Consultations

Consultation Activity	Stakeholders Involved	Key Issues Raised	Integration into Project Design
"Solutions for Health" Inter-ministerial technical meeting	National ministries, municipality, UN agencies, health experts, development partners	• Climate vulnerability of ger housing systems • Housing conditions and environmental health risks	• Development of climate-resilient housing interventions • Inclusion of insulation, ventilation, and safe heating

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National Urban Forum	Policymakers, planners, development partners	Need for locally led climate adaptation, resilient housing systems, and integrated environmental health responses	Validation of the need for climate-resilient housing interventions
Community consultations	Community leaders, NGOs, residents, women's groups	Flooding, unsafe sanitation, indoor air pollution, winter cold exposure, and limited affordable adaptation options	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 guidance on climate-resilient retrofits, adaptation governance, safeguards, and implementation arrangements	Concept note development and technical review

Continued Stakeholder Engagement During Implementation

Stakeholder engagement will continue throughout project implementation to ensure adaptation measures remain responsive to evolving climate risks and community priorities. PGs and CACs will provide participatory forums where residents can review project progress, identify adaptation priorities, and provide feedback on implementation. CACs will support coordination of community-managed adaptation financing mechanisms, participatory monitoring, and implementation oversight. A community grievance redress mechanism will also be established to support transparency and accountability.

Additional participatory consultations, climate vulnerability assessments, and community validation processes will be conducted during full proposal development together with national partners including Municipality of Ulaanbaatar, Ministry of Urban Development, Construction and Housing, Ministry of Environment and Climate Change, Ministry of Health, and other partners to finalize target khoroos, site-specific interventions, safeguards measures, and implementation arrangements. These consultations will further refine locally identified climate risks, safeguard measures, implementation arrangements, gender-responsive approaches, and community adaptation priorities.

Contribution to Locally Led Adaptation

The consultation process reflects the project's commitment to locally led adaptation by ensuring meaningful participation of communities in identifying climate risks, defining adaptation priorities, and guiding implementation arrangements. Through PGs, CACs, participatory planning processes, community contracting, and community-managed adaptation financing mechanisms, the project will strengthen local ownership, accountability, and long-term sustainability of climate resilience actions in Mongolia's ger settlements.

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

The proposed project aims to strengthen the resilience of vulnerable households and communities in Mongolia's ger settlements through climate-resilient housing improvements, sanitation adaptation measures, neighborhood-scale resilience interventions, and locally led adaptation approaches.

Climate projections, flood risk assessments developed under the FRUGA project, and findings from Mongolia's National Adaptation Plan indicate increasing risks related to flooding, extreme winter conditions, and climate-sensitive environmental health impacts in ger settlements.

Adaptation Fund financing is therefore requested to cover the additional costs required to climate-proof housing systems and community infrastructure beyond business-as-usual housing and urban development activities. While housing upgrades are sometimes supported through urban development programmes, such interventions generally focus on improving housing quality rather than addressing

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projected climate risks. Standard housing programmes do not normally incorporate climate risk screening, climate-informed retrofit specifications, flood-resilient sanitation design, enhanced thermal resilience measures, localized drainage systems, or soil stabilization measures designed to address flooding, erosion, freeze-thaw instability, and climate-sensitive ground degradation.

The proposed project introduces targeted adaptation measures designed to respond to projected climate risks affecting ger settlements. These measures include:

- climate-informed insulation retrofits and enhanced thermal performance improvements reducing vulnerability to prolonged winter extremes and freeze-thaw deterioration;
- safe and energy-efficient heating systems combined with ventilation improvements to reduce indoor pollution exposure and carbon monoxide risks during prolonged cold periods and winter inversion events;
- flood-resilient sanitation systems and localized drainage and runoff management measures reducing contamination and flood risks during intense rainfall events; and
- soil stabilization and climate-sensitive greening measures addressing erosion, runoff accumulation, and ground instability.

The project also addresses barriers limiting adoption of resilient housing practices in ger settlements, including insufficient technical knowledge, lack of affordable financing, low awareness of climate-sensitive environmental health risks, and weak institutional capacity to support decentralized resilience initiatives. Adaptation Fund resources will therefore support local skills development, participatory planning, community financing mechanisms, technical guidance systems, and decentralized implementation approaches that strengthen long-term adaptive capacity.

By addressing multiple climate vulnerabilities simultaneously through integrated housing retrofits and neighborhood-scale resilience measures, the project generates adaptation co-benefits while helping reduce future costs associated with flood damage, unsafe heating, sanitation failures, environmental contamination, and climate-sensitive health impacts. Community-managed financing, local skills development, participatory planning, and decentralized implementation approaches will further support sustainable resilience in Mongolia's 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 is designed to strengthen long-term climate resilience in Mongolia's ger settlements through community ownership, workforce development, institutional integration, locally led adaptation governance, and scalable climate-resilient housing approaches. Sustainability considerations have been integrated throughout the project design to support continuation, replication, institutional uptake, and locally managed adaptation action beyond the project period.

The project will strengthen long-term technical and institutional capacity through vocational workforce development, technical partnerships, community learning systems, and practical implementation experience. Local workers, vocational institutions, municipal staff, community members, and community governance structures will receive training and technical support on climate-resilient housing retrofits, flood-resilient sanitation, localized drainage measures, participatory planning, and adaptation monitoring. Training materials, technical guidance, and implementation experience developed under the project will support continued application and replication of resilient housing practices beyond the project period.

Institutional sustainability will be strengthened through collaboration with the Municipality of Ulaanbaatar, khoroo administrations, relevant ministries, vocational institutions, and technical agencies.

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The project will support integration of community adaptation priorities, resilient retrofit approaches, and locally led adaptation practices into municipal planning processes, ger area upgrading frameworks, adaptation planning, and future resilience initiatives.

The sustainability of project-supported adaptation investments will be strengthened through integration of Community Adaptation Plans into local planning and budgeting processes. Plans developed through PGs and CACs will be reviewed by participating khoroo administrations and may inform khoroo development plans, district sector plans, municipal investment programmes, and future climate adaptation initiatives. While Community Adaptation Funds are established as project implementation mechanisms, the planning, prioritization, and coordination structures created through the project will continue to provide pathways for mobilizing resources from local development funds, municipal investment programmes, government resilience initiatives, and future climate adaptation financing mechanisms.

PGs and CACs will be accredited and registered as community-based organizations within participating khoroo administrations, enabling them to continue coordinating adaptation activities and engaging with local authorities beyond the project period. Household-level investments will be maintained by beneficiary households supported through training and technical guidance, while community-scale measures, including drainage improvements, climate-sensitive greening, sanitation systems, and soil stabilization measures, will be incorporated into community action plans and coordinated with local authorities through existing planning, maintenance, and asset management mechanisms.

Knowledge management, technical guidance, municipal-community learning platforms, and institutional coordination mechanisms developed under the project will support longer-term mainstreaming and scaling of resilient housing adaptation approaches. The project builds on lessons from the Adaptation Fund-supported FRUGA and GCRP projects, which demonstrated the effectiveness of community-based planning, community-managed implementation, and People's Process approaches in strengthening local ownership, institutional coordination, and sustainability of climate adaptation investments.

By strengthening local workforce capacity, institutional coordination, participatory governance systems, adaptation learning processes, and locally led implementation systems, the project aims to support long-term continuation, replication, and scaling of climate-resilient housing adaptation approaches in Mongolia's ger settlements beyond the project period.

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. Based on the 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 climate-resilient housing retrofits, sanitation improvements, neighborhood-scale resilience measures, community-managed adaptation implementation, and localized drainage and environmental resilience improvements within existing ger settlement plots. Potential risks identified at concept stage include maladaptation risks, occupational health and safety concerns, equitable beneficiary selection, and localized construction-related environmental impacts.

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.

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As exact target locations and the final scope of household and community-level adaptation investments will be confirmed during full proposal development and implementation planning, the project will apply the Adaptation Fund's approach for projects with Unidentified Sub-Projects (USPs). Environmental and social screening procedures consistent with the Adaptation Fund Environmental and Social Policy will be applied to all identified subprojects during implementation. Site-specific environmental and social assessments, mitigation measures, and management plans will be prepared, disclosed, and implemented as required prior to commencement of physical investments.

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 and adaptation decision-making in housing improvement and climate adaptation initiatives.

The assessment identified that female-headed households face greater financial and information barriers to housing improvements and adaptation investments compared to male-headed households. Women in ger households often manage heating systems, sanitation, and caregiving responsibilities during extreme winter periods, increasing exposure to indoor air pollution, unsafe heating conditions, and climate-sensitive health risks. Women also identified limited participation in technical training and adaptation decision-making processes as important barriers affecting long-term resilience.

Women participating in consultations identified safe heating systems, improved ventilation, sanitation safety, and indoor air quality as priority adaptation needs. Elderly residents, children, and persons with disabilities were also identified as particularly vulnerable to poor housing conditions and climate-related health impacts.

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.

During full proposal development, the Gender Assessment and Gender Action Plan will be further strengthened through additional collection of sex-disaggregated and quantitative data, as well as intersectional analysis of vulnerabilities affecting women, persons with disabilities, elderly residents, and low-income households.

The process will also strengthen integration of gender-responsive actions into project components and activities and support development of gender-responsive monitoring indicators and accountability mechanisms consistent with the Adaptation Fund Gender Policy.

Environmental and Social Risk Screening

Table 10 summarizes the preliminary environmental and social risks identified for key Adaptation Fund safeguard principles and their anticipated severity.

Table 10. 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 the project contracts and monitoring procedures.
Access and Equity	Medium	Vulnerable households (e.g., female-headed households,	Apply vulnerability-based targeting criteria; conduct participatory beneficiary selection

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		households without formal land tenure, persons with disabilities) may face barriers accessing project support.	through PGs and CACs; ensure representation of marginalized groups in PGs and CACs.
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 transparent and inclusive consultation processes; 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, PGs and CACs; conduct gender-sensitive outreach; prioritize female-headed households in community-managed adaptation financing mechanisms.
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, fair wages and safe community contracting procedures
Indigenous Peoples	Low	No Indigenous Peoples are anticipated to be present in the proposed urban project areas based on preliminary screening.	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 improperly designed or managed.	Apply safe construction practices; monitor sanitation system installation; ensure compliance with environmental health standards.
Physical and Cultural Heritage	Low	No physical cultural heritage risks have been identified at concept stage.	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 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, selection of project sites and beneficiaries will be conducted through participatory and vulnerability-based processes involving municipal authorities, PGs, CACs, and municipal representatives, and local assessments. Transparent communication, participatory monitoring, and grievance redress mechanisms will also be established 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; and
- Site-specific environmental and social screening procedures for identified subprojects

These instruments will provide detailed guidance for safeguard compliance, mitigation measures, monitoring, stakeholder engagement, and gender-responsive implementation during full project preparation and implementation.

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 arrangement is designed to operationalize Locally Led Adaptation (LLA) by combining community-led decision-making and decentralized adaptation financing with national implementation capacity, technical support, fiduciary oversight, and safeguard compliance.

Implementing Entity

UN-Habitat will serve as the Implementing Entity (IE) responsible for fiduciary oversight, safeguard compliance, quality assurance, monitoring and reporting, and coordination with national and municipal authorities in accordance with Adaptation Fund policies and procedures.

UN-Habitat 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 climate adaptation priorities and urban development policies.

Lead Executing Entity

Development Solutions NGO will serve as the Lead Executing Entity and establish a Project Execution Unit (PEU) responsible for day-to-day project coordination and management, procurement, administration of community-managed adaptation financing mechanisms, community contracting arrangements, supervision of field activities, and consolidated technical and financial reporting.

Development Solutions NGO will implement the majority of project activities related to climate-resilient housing retrofits, heating system upgrades, ventilation improvements, and sanitation resilience measures. Where specialized expertise is required, the Lead Executing Entity may engage WHO, UNIDO, or other qualified technical institutions to provide targeted technical services, training, and advisory support through existing institutional collaboration mechanisms coordinated by UN-Habitat. These organizations will provide technical assistance only and will not assume project implementation

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or fiduciary responsibilities. This approach avoids parallel implementation arrangements while ensuring access to specialized expertise in a cost-effective manner.

UN-Habitat will lead overall project management, fiduciary oversight, coordination, reporting, and supervision of community-based implementation activities. Field-level implementation will primarily be undertaken through national implementing partners, community governance structures, and municipal coordination mechanisms.

Technical Partners

The project may draw upon the specialized expertise, training systems, guidance, and institutional capacities of WHO, UNIDO, Healthy Cities NGO, and other relevant technical institutions to support climate-resilient construction, indoor air quality, climate-sensitive health risks, vocational training, technical guidance, and quality assurance. Such support will be provided through existing coordination mechanisms led by UN-Habitat and the Lead Executing Entity, avoiding separate implementation structures or parallel field operations.

By leveraging existing technical expertise and institutional capacities, the project avoids establishing separate technical advisory units, project management arrangements, parallel coordination mechanisms, or standalone consultancy teams for specialized technical support. Where specialized technical inputs are required, WHO, UNIDO, and other technical partners will contribute through existing institutional collaboration arrangements coordinated by UN-Habitat and the Lead Executing Entity, rather than through separate implementation or contractual structures. This approach minimizes procurement, contract management, coordination, and administrative transaction costs while providing access to internationally recognized technical expertise in climate-resilient housing, environmental health, energy efficiency, and vocational training. The detailed scope of technical inputs will be finalized during full project preparation and reflected in the detailed project budget.

Community Governance and Locally Led Adaptation

Community participation and decision-making will be operationalized through the People's Process approach described in the section on 'Locally Led Adaptation Governance and Community Decision-Making,' including participatory planning, community contracting, community-managed implementation, and participatory monitoring systems.

Community Financing Mechanisms

Community-managed adaptation financing mechanisms will provide vulnerable households and communities with more direct access to Adaptation Fund resources and decision-making authority over how adaptation actions are identified, prioritized, designed, implemented and monitored through the People's Process approach. These financing mechanisms will operate through phased disbursement procedures, participatory monitoring, technical supervision, financial reporting, procurement verification, and fiduciary oversight coordinated by UN-Habitat and the Lead Executing Entity. Detailed governance, accountability, and implementation arrangements are described in the section on "Locally Led Adaptation Governance and Community Decision-Making."

Accountability and Safeguards

The project will apply accountability and safeguard mechanisms including climate risk screening of all investments, application of national technical standards, grievance redress mechanisms, financial monitoring, technical verification procedures and oversight 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 adaptation, vocational workforce development, safeguard compliance,

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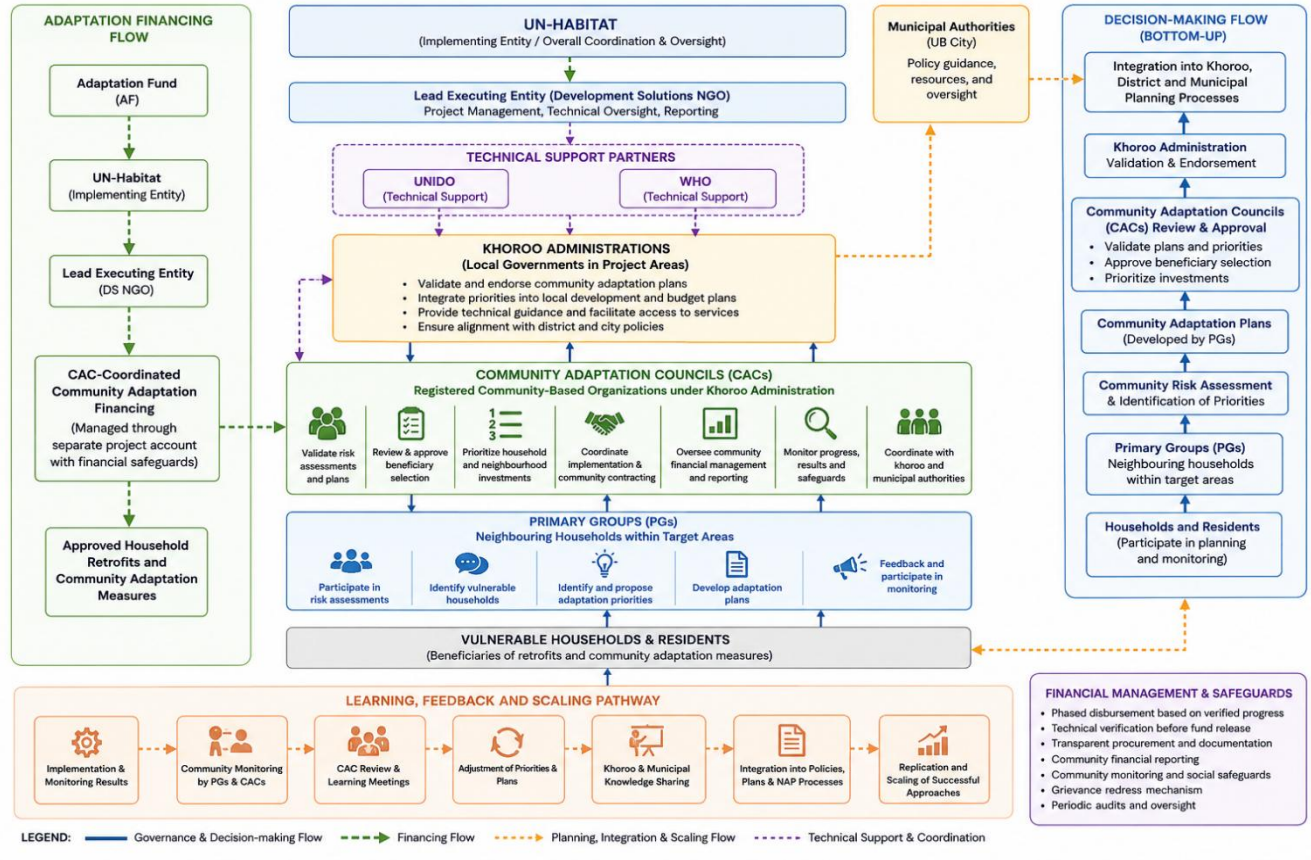
adaptation monitoring, fiduciary management, community contracting, and community-led implementation approaches. By strengthening vocational systems, municipal coordination, and community governance structures, the project will support wider uptake of resilient housing approaches in other Mongolian cities beyond the project period.

Summary of Implementation Structure

Figure 4 illustrates the institutional coordination, decision-making, and community financing arrangements supporting locally led climate adaptation in ger settlements. The implementation model combines international fiduciary oversight, national execution, specialized technical support, local government coordination, and community-led planning and financing mechanisms to ensure that adaptation priorities are identified, prioritized, implemented, and monitored through participatory processes. Through UN-Habitat's proven People's Process approach, Primary Groups (PGs) and Community Adaptation Councils (CACs) play a central role in community mobilization, adaptation planning, investment prioritization, implementation oversight, and monitoring. Community-managed financing arrangements enable Adaptation Fund resources to reach community-prioritized adaptation investments more directly while ensuring that local communities play a central role in defining, prioritizing, implementing, and monitoring adaptation actions. The model further strengthens sustainability by linking community adaptation priorities with khoroo, district, and municipal planning processes and supporting adaptation learning, NAP localization, and replication beyond the project period.

The project results framework has been designed to align with the Adaptation Fund Strategic Results Framework by combining locally led adaptation governance, institutional capacity strengthening, resilient housing and community infrastructure investments, and knowledge generation activities supporting long-term urban climate resilience in Mongolia's ger settlements (Table 11).

Figure 4. Community Governance, Decision Making and Adaptation Financing Framework



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Table 11. Project Results Framework alignment with AF Strategic Results Framework

Project Objective(s)	Project Objective Indicator(s)	Target	Adaptation Fund Outcome	Adaptation Fund Outcome Indicator	Grant Amount (USD)
Objective 1: Strengthen community resilience and locally led adaptation capacity in climate-vulnerable ger settlements	Percentage of targeted population participating in locally led adaptation awareness, planning, and implementation processes	• 20,000 community members reached through awareness, planning, and adaptation activities (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: Increase adaptive capacity of vulnerable households and communities to withstand climate-related risks through climate-resilient housing and neighborhood adaptation measures	Number of households and community-level assets benefiting from climate-resilient adaptation measures	• 2,000 households benefiting from climate-resilient housing and sanitation improvements • 8,000 direct beneficiaries (50% women) • 4 community resilience demonstration areas	**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
Objective 3: Strengthen technical workforce, institutional capacity, and locally led adaptation systems for climate-resilient urban resilience implementation	Number of institutions, community governance structures, and technical personnel with strengthened adaptation implementation capacity	• 100 trained local workers and institutional personnel (40% women) • 60 PGs established • 4 CACs accredited, registered, and operational • 4 Community Action Plans (CAPs) endorsed by participating khoroo administrations	**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 from targeted institutions increased	470,514
Total outcome level grant amount					**4,170,514**
Project Outcome(s)	**Project Outcome Indicator(s)**	**Target**	**Adaptation Fund Output**	**Adaptation Fund Output Indicator**	**Grant Amount (USD)**
Outcome 1: Community adaptation governance and locally led planning systems	• Number of PGs established and operationalized • Number of CACs established and functioning	• 60 PGs • 4 CACs • 4 CAPs	**Output 3.2:** Strengthened capacity of national and subnational stakeholders	**3.2.1** Number of technical committees/associations formed to	600,000

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established in target ger settlements	• Number of CAPs developed through participatory processes		and entities to capture and disseminate knowledge and learning	ensure transfer of knowledge	
Outcome 2: Technical workforce and institutional capacity strengthened for climate-resilient housing adaptation and locally led implementation	• Number of local workers and institutional personnel trained • Number of vocational training programmes incorporating climate-resilient housing modules • Number of municipal and community stakeholders trained on adaptation planning and implementation	• 100 trained personnel (at least 40% women) • 4 vocational training programmes • 120 municipal and community stakeholders trained	**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 (by gender)	470,514
Outcome 3: Vulnerable households and community infrastructure strengthened through climate-resilient housing and neighborhood adaptation measures	• Number of households receiving climate-resilient housing retrofits • Number of sanitation and drainage systems upgraded • Number of community-level resilience assets strengthened against climate risks	• 2,000 households receiving climate-resilient housing and sanitation improvements • 4 community resilience demonstration areas	**Output 4:** Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability	**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 learning, policy integration, technical guidance, and scaling approaches for locally led climate adaptation strengthened and disseminated	• Number of technical guidance materials, training tools, and adaptation knowledge products developed and disseminated • Number of municipal-community knowledge exchange and learning events conducted • Number of CAPs integrated into local planning processes • Number of policy dialogue and NAP localization processes informed by project lessons	• 6 technical guidance materials/tools developed • 8 knowledge exchange and learning events conducted • 4 CAPs integrated into local planning processes • 4 policy dialogue or NAP localization processes supported	**Output 3.2:** Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning **Output 7.1:** Policies, plans, and institutional mechanisms strengthened to promote climate resilience and locally led adaptation	**3.2.2** Number of tools and guidelines developed and shared with relevant stakeholders **7.1.1** Number of policies, plans, strategies, or institutional mechanisms strengthened or informed by adaptation interventions	600,000
Total output level grant amount					**4,170,514**

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

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 Special Envoy for Climate Change Ministry of Environment and Tourism Government Building-2, United Nations Street 5/2 ,Ulaanbaatar Mongolia Tel: +976 7000-0743/9908-678 Fax: +976 5126-4711 Email: z_batjargal@yahoo.com	Date: 9 September 2025
Munkhjargal Chuluunjav Advisor to the Minister of Environment and Climate Change Ministry of Environment and Climate Change Government Building-2, United Nations Street 5/2 ,Ulaanbaatar 15160, Mongolia Tel: +976 51-266426 Fax: +976 5126-4711 Email: meas@mecc.gov.mn, int.cooperation@mecc.gov.mn	Date: 16 February 2026
Ariuntuya Dorjsuren Director General, International Cooperation Division, Primary Contact Point for the Designated Authority of Mongolia to the Adaptation Fund Ministry of Environment and Climate Change Government Building-2, United Nations Street 5/2 ,Ulaanbaatar 15160, Mongolia Tel: +976 51-266426 Fax: +976 5126-4711 Email: meas@mecc.gov.mn, int.cooperation@mecc.gov.mn	Date: 21 July 2026

[3] 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.

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 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 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

MONGOLIA
MINISTRY OF ENVIRONMENT
AND CLIMATE CHANGE

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Date 21 July, 2026
Ref. 050/ 4405

TO: THE ADAPTATION FUND BOARD
C/O ADAPTATION FUND BOARD SECRETARIAT
EMAIL: SECRETARIAT@ADAPTATION-FUND.ORG
FAX: +1 202 522 3240/3245

Letter of Endorsement by Government

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

In my capacity as the Designated Authority for the Adaptation Fund in Mongolia, I am pleased to formally endorse the concept note entitled "Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian Ger Areas through Community Leadership", developed by the United Nations Human Settlements Programme (UN-Habitat) in consultation with relevant government institutions including the Ministry of Environment and Climate Change, local authorities, technical partners, and community stakeholders.

The proposed initiative addresses the increasing climate vulnerabilities of Mongolia's ger-area residents through a locally led adaptation approach. The project will strengthen the resilience of vulnerable households and communities by supporting climate-resilient housing improvements, safer heating and sanitation systems, workforce skills development, and strengthened local capacity for climate adaptation.

The Government of Mongolia recognizes the importance of community-led climate adaptation and the need to address climate risks at the household and neighbourhood levels. The proposed project will:

- Strengthen the climate resilience of housing and basic services in vulnerable ger settlements;
- Reduce exposure to climate-sensitive health risks associated with extreme cold, flooding, poor air quality, and inadequate sanitation;
- Empower local communities through participatory planning, decision-making, and implementation mechanisms;
- Build local technical capacity for climate-resilient construction and adaptation measures; and

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- Contribute to the implementation of Mongolia's National Adaptation Plan (NAP) and Nationally Determined Contributions (NDCs).

Accordingly, I confirm that the proposed concept note is consistent with Mongolia's national climate adaptation priorities and development objectives. I am pleased to endorse its submission to the Adaptation Fund under the Locally Led Adaptation Funding Window.

Yours sincerely,

ARIUNTUYA DORJSUREN
DIRECTOR GENERAL
INTERNATIONAL COOPERATION DIVISION
PRIMARY CONTACT POINT FOR
THE DESIGNATED AUTHORITY OF MONGOLIA
TO THE ADAPTATION FUND

Revised PFG Submission Form[1]

Project Formulation Grant (PFG)

Submission Date: 29 May 2026

Adaptation Fund Project ID:
Country/ies: Mongolia
Title of Project/Programme: Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian ger areas through Community Leadership
Type of IE (NIE/RIE/MIE): MIE
Implementing Entity: United Nations Human Settlement Programme (UN-Habitat)
Executing Entity/ies: Development Solutions NGO

A. Project Preparation Timeframe

Start date of PFG	1 November 2026
Completion date of PFG	31 January 2027

B. Proposed Project Preparation Activities ($)

The requested Project Formulation Grant (PFG) of USD 150,000 will support the preparation of a technically robust and policy-compliant full proposal under the Adaptation Fund's Locally Led Adaptation (LLA) funding modality. Building on the proven People's Process methodology, the PFG will finance the technical analyses, assessments, consultations, and proposal development activities required to strengthen the climate rationale, refine project design, establish evidence-based targeting, and ensure compliance with the Adaptation Fund's Environmental and Social Policy, Gender Policy, and Results Framework. A key focus of the PFG will be to address evidence gaps identified during the Concept Note review, including localized climate risks in ger areas, housing-climate vulnerabilities, and climate-health impact pathways. The PFG will also support assessment and prioritization of target ger areas, refinement of adaptation interventions, and development of implementation and governance arrangements for the full proposal.

List of Proposed Project Preparation Activities	Output of the PFG Activities	US$ Amount	Budget note[2]
1. Technical Strengthening and Refinement of Project Design and Results Framework	Refined and quantified climate rationale; strengthened and elaborated project components and outputs; aligned results	60,000	Delivered through engagement of international and national experts. Covers technical inputs to strengthen and refine the Concept Note design, align

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

	framework; detailed log-frame, M&E framework, risk matrix, governance and financial flow arrangements; activity-based budget		with AF Results Framework, operationalize LLA governance arrangements, ensure compliance with Environmental & Social and Gender policies, and prepare a detailed disaggregated budget.
Targeted supplementary data collection and localized vulnerability validation	Consolidated climate exposure data; sample-based housing vulnerability analysis; validated cost benchmarks; refined targeting criteria to support transparent local prioritization	28,000	Covers short-term technical inputs, localized data collection support, analysis, and documentation necessary to meet Adaptation Fund appraisal standards.
LLA-focused stakeholder consultations and co-design workshops in selected ger areas	Documented validation of locally identified adaptation priorities; refined beneficiary selection criteria; co-designed community-level decision-making and accountability mechanisms	32,000	Covers facilitation, documentation, translation, logistics, and travel necessary to conduct structured consultations in selected ger areas and at national coordination level.
Full proposal drafting, consolidation, internal review, and submission preparation	Complete Adaptation Fund full proposal package ready for submission, including narrative sections, log-frame, M&E framework, detailed budget, risk matrix, ESS screening, gender-responsive measures, and annexes	18,000	Covers drafting time, consolidation meetings, technical editing, internal review, and final formatting to ensure that the proposal is coherent, internally consistent, and fully compliant with Adaptation Fund appraisal standards.
Sub-Total		138,000	
Implementing Entity's Management Fee (8.5%)	Oversight, quality assurance, technical supervision, coordination with executing entities, and compliance review throughout proposal development process	12,000	Covers oversight, technical quality assurance, fiduciary supervision, and coordination throughout the proposal development process.

Total Project Formulation Grant		**150,000**	

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

1. **Technical Strengthening and Refinement of Project Design and Results Framework:** This activity will be delivered through the engagement of an international climate adaptation and Adaptation Fund proposal specialist and national experts in urban resilience, housing, and Locally Led Adaptation (LLA). Building on the approved Concept Note, the experts will:
    - Strengthen and quantify the climate rationale affecting targeted ger areas, including extreme cold exposure, flooding, soil instability, and climate-related health vulnerabilities
    - Refine and elaborate the existing project components, outputs, and activities to meet full proposal requirements
    - Align and expand the results framework with measurable indicators consistent with the Adaptation Fund Results Framework
    - Elaborate governance and financing arrangements that operationalize Locally Led Adaptation principles
    - Prepare a comprehensive log-frame, monitoring and evaluation framework, and risk matrix
    - Ensure full compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy
    - Develop a detailed, disaggregated, and activity-based budget.

The requested funding covers the technical expertise required to strengthen, refine, and fully align the Concept Note design with Adaptation Fund appraisal standards and LLA requirements.

2. Targeted Supplementary Data Collection and Technical Validation: This activity will strengthen the evidence base of the full proposal and address key gaps identified during the Concept Note review. It will support:

- Assessment and prioritization of candidate ger areas based on climate risks, vulnerabilities, adaptive capacity, and community readiness
- Validation of localized climate and microclimate risks affecting ger settlements
- Assessment of housing vulnerabilities and climate-health risks in selected representative areas
- Sample-based collection and analysis of household and community-level data to support project design and targeting
- Consolidation and validation of climate, housing, health, and socio-economic evidence from local and secondary sources; and
- Refinement of adaptation measures, targeting criteria, and investment priorities.

These activities will strengthen the climate rationale, targeting approach, and implementation design of the full proposal while ensuring alignment with Locally Led Adaptation principles.

3. LLA-Focused Stakeholder Consultations and Co-Design: Structured stakeholder consultations will be conducted to validate and refine the project design in accordance with Locally Led Adaptation (LLA) principles. These consultations will apply participatory methods to ensure that local actors directly inform adaptation priorities and governance arrangements. The consultations will:

- Validate locally identified climate risks and adaptation needs
- Refine beneficiary selection and resource allocation criteria

- Co-design community-level validation, oversight, and accountability mechanisms
- Confirm institutional roles and coordination arrangements

These activities ensure that the full proposal embeds transparent, community-informed prioritization and clearly articulated devolved decision-making structures. The requested funding will cover facilitation, documentation, translation, logistics, and travel necessary to conduct structured consultations in selected ger areas and at national coordination level.

4. Full Proposal Drafting, Consolidation, and Finalization: Building on expert inputs, validated data, and stakeholder consultations, this activity will support the structured drafting, consolidation, and finalization of the full project proposal in accordance with the Adaptation Fund template and submission requirements. This includes:

- Completion of all narrative sections of the full proposal
- Finalization of the detailed log-frame and monitoring and evaluation framework
- Integration of Environmental and Social screening documentation and gender-responsive measures
- Development of risk management, sustainability, and implementation arrangements
- Technical review, quality assurance, and submission preparation.

The requested funding covers drafting time, consolidation meetings, technical editing, internal review, and final formatting to ensure that the proposal is coherent, internally consistent, and fully compliant with Adaptation Fund appraisal standards.

5. Implementing Entity Management Fee: The Implementing Entity (IE) management fee will cover oversight, technical quality assurance, fiduciary supervision, and coordination throughout the proposal development process. This includes review of consultant deliverables, verification of compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy, validation of financial and results frameworks, and coordination with executing entities and national stakeholders. The management fee ensures that the full proposal meets Adaptation Fund technical, fiduciary, and procedural requirements prior to submission.

For LLA Projects only: If requesting additional funding for LLA projects to enable devolving decision making to the local level, please specify the activities that would directly serve to enable devolving decision making to the lowest appropriate level and enable local actors to make informed decisions on how adaptation actions are defined, prioritized, designed, and implemented:

The Project Formulation Grant will support targeted activities that directly enable devolved decision-making and strengthen the integration of Locally Led Adaptation (LLA) principles into the full project proposal. These include:

1. Participatory validation of local adaptation priorities in selected ger areas to confirm climate risks, vulnerability profiles, and proposed adaptation measures.
2. Co-design of community-level governance and financing mechanisms, including transparent beneficiary selection criteria, community validation processes, and accountability channels.
3. Strengthening the local evidence base through supplementary data validation to support transparent and locally informed prioritization of adaptation investments.

Please provide justifications for their need and for the amount of additional funding required:

These formulation-stage activities ensure that local actors meaningfully influence the selection of target area, definition, prioritization, and structuring of adaptation actions within the full proposal. By embedding participatory validation, governance co-design, and locally grounded evidence into the proposal development process, the PFG strengthens alignment with the Adaptation Fund's LLA principles and enhances the transparency, equity, and sustainability of the proposed intervention.

C. Implementing Entity

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

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Raf Tuts		February 9, 2026	Oddy Angelo Barrios	(81-92) 724-7121	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, Zuunmod (provincial center), and 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 are characterized by limited infrastructure, winter air pollution, and increasing climate-related risks including flooding and extreme cold, which affect women and men differently due to differentiated household responsibilities, caregiving roles, and access to resources.

2. Methodology

The assessment used quantitative household surveys and qualitative consultations conducted during project preparation, including a housing condition survey covering 197 households, community consultations in climate-vulnerable ger areas, interviews with community leaders and local authorities, and review of national gender and housing statistics. The survey included female-headed families and households with elderly members or persons with disabilities. Preliminary findings indicated that female-headed households reported greater financial barriers to housing improvements and adaptation investments. Women respondents more frequently identified indoor air pollution, sanitation safety, and winter heating conditions as priority environmental health concerns.

3. Gender Roles in Ger Households

Women are primarily responsible for household heating management, sanitation, water use, and caregiving activities, including care for children, elderly family members, and persons with disabilities. Men are more frequently engaged in external construction work and housing repairs, although women also participate in maintenance activities. These roles increase women's exposure to indoor air pollution and poor housing conditions.

4. Gender-Differentiated Vulnerabilities

The assessment identified several vulnerabilities that disproportionately affect women.

- Women experience higher exposure to indoor smoke and carbon monoxide due to heating and caregiving responsibilities during winter.
- Women reported safety and hygiene concerns related to outdoor pit latrines during winter and extreme weather conditions.
- Flooding, water infiltration, and poor insulation increase household vulnerability, while women often manage these risks and care for affected family members.
- Female-headed households reported greater financial barriers to housing improvements and safer heating systems.

Vulnerabilities were further compounded in low-income households and households with elderly members or persons with disabilities, where women often carried disproportionate caregiving and household management responsibilities during periods of extreme weather and environmental stress.

5. Barriers to Participation

Barriers limiting women's participation include caregiving responsibilities, limited access to technical information, financial constraints, and lower representation in community decision-making structures. These barriers may affect access to training opportunities, community-managed adaptation financing mechanisms, and community governance mechanisms.

6. Opportunities for Women's Empowerment

The project creates opportunities for women's empowerment through training on climate-resilient housing improvements, targeted support for female-headed households, inclusion of women in Primary Groups and Community Adaptation Councils, and increased awareness of indoor air quality, sanitation safety, and climate resilience.

7. Implications for Project Design

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

- Prioritization of safe and energy-efficient heating systems, ventilation improvements, sanitation upgrades, and community-managed adaptation financing mechanisms under Component 3
- Targeting of female-headed and vulnerable households in adaptation financing
- Gender participation targets in Primary Groups and Community Adaptation Councils, and training programmes
- Development of a Gender Action Plan during the full proposal stage

The project will also promote gender-responsive participation within community governance structures, training programmes, and adaptation planning processes.

These measures will help ensure that project interventions reduce gender inequalities, strengthen women's participation in adaptation decision-making, and improve resilience for women and vulnerable households.

8. Next Steps

During full proposal preparation, a Gender Action Plan will operationalize gender-responsive measures identified in this assessment through gender-sensitive implementation measures, gender-responsive indicators, sex-disaggregated data collection, participation targets, and accountability mechanisms consistent with the Adaptation Fund Gender Policy.

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, and Community Engagement

Project Interventions

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

Intermediate Outcomes

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

Long-Term Outcomes

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

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 continue integrating community priorities into urban planning processes.
- 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 enables lessons from pilot interventions to inform future adaptation planning and policy development

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 technical support from national implementing partners.

Annex 3. Summary of Initial Stakeholder Consultations

1. Solutions for Health Roundtable Meeting

Date: 12 December 2024

Participants: Representatives from national ministries, Municipality of Ulaanbaatar, WHO, UN-Habitat, technical agencies, and development partners.

Key Issues Discussed: Environmental health risks, air pollution, poor housing conditions, unsafe sanitation, flooding, climate change impacts, and need for multisectoral action.

Outcomes Relevant to the Project: The consultation highlighted the need for integrated climate-resilient housing, sanitation, ventilation, indoor air quality improvement, and community resilience interventions in ger areas. The discussions informed development of the integrated “Healthy Homes” adaptation approach and institutional coordination activities under the project.

2. National Urban Forum – Urban Health Session

Date: 24 December 2024

Participants: National and municipal stakeholders involved in urban development, health, and climate-related sectors.

Key Issues Discussed: Urban health vulnerabilities, air pollution, inadequate housing and sanitation, climate vulnerability of urban populations, urban resilience, governance, and financing mechanisms.

Outcomes Relevant to the Project: The consultation reinforced the importance of integrating health and climate resilience into urban planning, strengthening local governance, promoting innovation, and supporting community participation and adaptive learning approaches.

3. Community Focus Group Discussions in Ger Areas

Dates: 23–25 June 2025

Locations: Songinokhairkhan District (Khoroos 24 and 26) and Sukhbaatar District (Khoroos 16, 18, and 20)

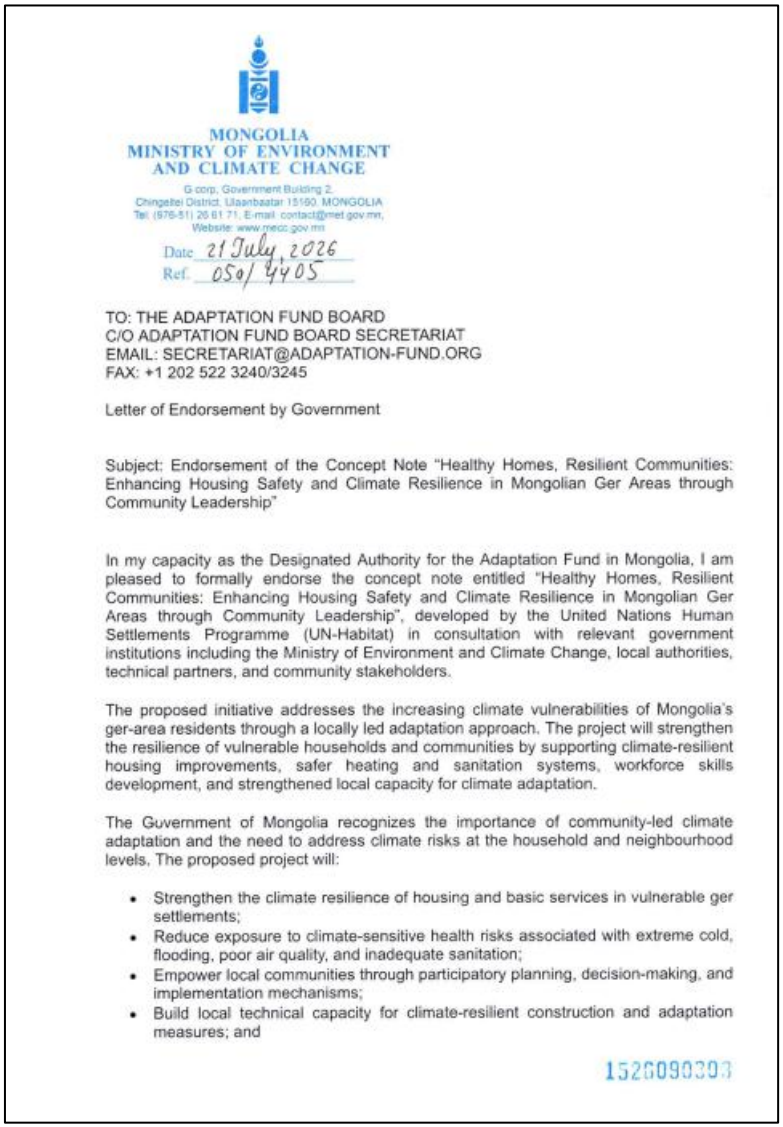
Participants: 43 community participants (31 women and 12 men), including elderly residents and vulnerable households.

Key Issues Discussed: Flooding, freeze-thaw damage, poor insulation, unsafe heating, ventilation problems, indoor air pollution, sanitation challenges, soil contamination, erosion, drainage problems, and limited access to financing for housing improvements.

Community Priorities Identified: Improved insulation, ventilation systems, flood-resilient sanitation, drainage improvements, energy-efficient heating solutions, soil stabilization, and technical and financial support for climate-resilient housing improvements

Outcomes Relevant to the Project: Findings informed development of Component 3 adaptation measures and locally led adaptation approaches, including climate-resilient housing retrofits, sanitation adaptation, drainage and neighborhood resilience measures, and community-based implementation approaches.

Annex 4. Endorsement Letter



MONGOLIA
MINISTRY OF ENVIRONMENT
AND CLIMATE CHANGE

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Chingeltei District, Ulaanbaatar 15160, MONGOLIA
Tel: (976-51) 26 61 71, E-mail: contact@met.gov.mn,
Website: www.mecc.gov.mn

Date 21 July, 2026
Ref. 050/4405

TO: THE ADAPTATION FUND BOARD
C/O ADAPTATION FUND BOARD SECRETARIAT
EMAIL: SECRETARIAT@ADAPTATION-FUND.ORG
FAX: +1 202 522 3240/3245

Letter of Endorsement by Government

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

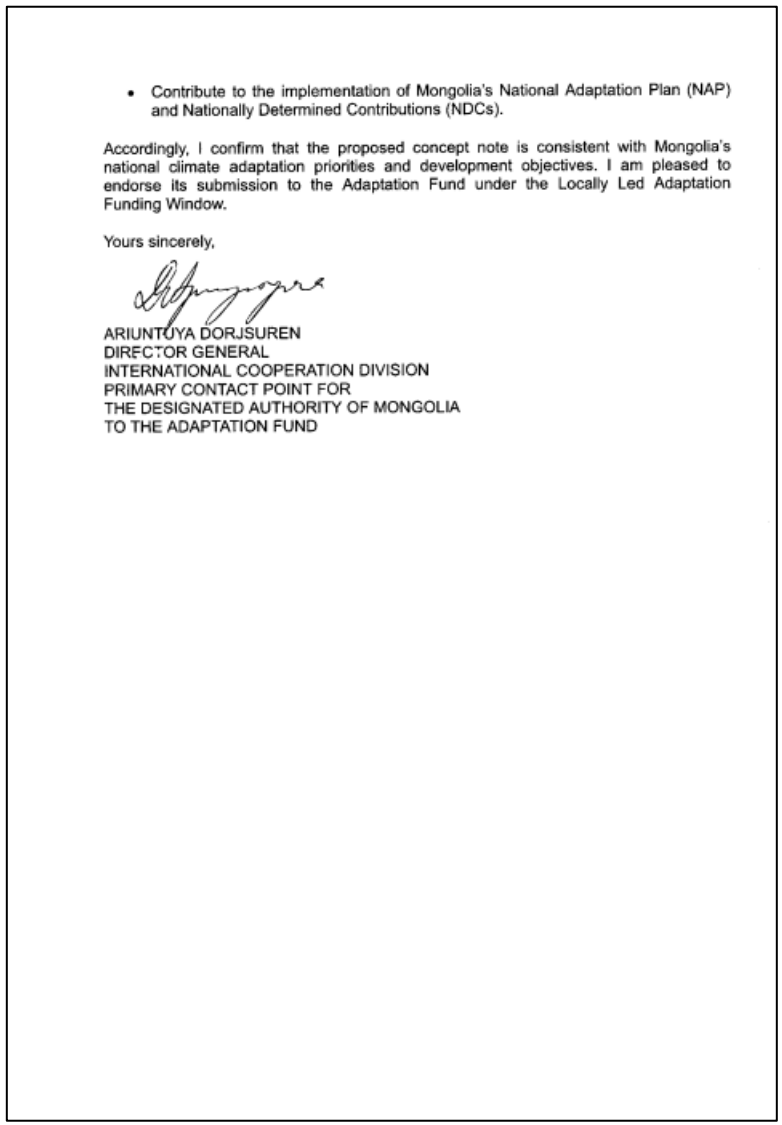
In my capacity as the Designated Authority for the Adaptation Fund in Mongolia, I am pleased to formally endorse the concept note entitled "Healthy Homes, Resilient Communities: Enhancing Housing Safety and Climate Resilience in Mongolian Ger Areas through Community Leadership", developed by the United Nations Human Settlements Programme (UN-Habitat) in consultation with relevant government institutions including the Ministry of Environment and Climate Change, local authorities, technical partners, and community stakeholders.

The proposed initiative addresses the increasing climate vulnerabilities of Mongolia's ger-area residents through a locally led adaptation approach. The project will strengthen the resilience of vulnerable households and communities by supporting climate-resilient housing improvements, safer heating and sanitation systems, workforce skills development, and strengthened local capacity for climate adaptation.

The Government of Mongolia recognizes the importance of community-led climate adaptation and the need to address climate risks at the household and neighbourhood levels. The proposed project will:

- Strengthen the climate resilience of housing and basic services in vulnerable ger settlements;
- Reduce exposure to climate-sensitive health risks associated with extreme cold, flooding, poor air quality, and inadequate sanitation;
- Empower local communities through participatory planning, decision-making, and implementation mechanisms;
- Build local technical capacity for climate-resilient construction and adaptation measures; and

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- Contribute to the implementation of Mongolia's National Adaptation Plan (NAP) and Nationally Determined Contributions (NDCs).

Accordingly, I confirm that the proposed concept note is consistent with Mongolia's national climate adaptation priorities and development objectives. I am pleased to endorse its submission to the Adaptation Fund under the Locally Led Adaptation Funding Window.

Yours sincerely,

ARIUNTUYA DORJSUREN
DIRECTOR GENERAL
INTERNATIONAL COOPERATION DIVISION
PRIMARY CONTACT POINT FOR
THE DESIGNATED AUTHORITY OF MONGOLIA
TO THE ADAPTATION FUND

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