

GEF-8 REQUEST FOR MSP (1-STEP) APPROVAL

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General Project Information

Project Information

Project Title:

Financial Inclusion and Resilience (FIRE): Leveraging Risk-Tolerant Crowdfunded Capital for Innovative Climate Adaptation

Region: Africa	GEF Project ID: 12119
Country(ies): Regional Madagascar Uganda	Type of Project: MSP
GEF Agency(ies): WWF-US	GEF Agency Project ID: G0071
Project Executing Entity(s): Kiva Microfunds	Project Executing Type: CSO
GEF Focal Area (s): Climate Change	Submission Date: 11/12/2025
Type of Trust Fund: LDCF	Project Duration (Months): 36
GEF Project Grant: (a) 1,601,376.00	GEF Project Non-Grant: (b) 0.00
Agency Fee(s) Grant: (c) 144,124.00	Agency Fee(s) Non-Grant (d) 0.00
Total GEF Financing: (a+b+c+d) 1,745,500.00	Total Co-financing 2,481,857.00
PPG Amount: (e) 50,000.00	PPG Agency Fee(s): (f) 4,500.00
PPG total amount: (e+f) 54,500.00	Total GEF Resources: (a+b+c+d+e+f) 1,800,000.00

Project Tags**CBIT: No NGI: No SGP: No Innovation: Yes Competitive Window: No****Project Sector (CCM Only):****Climate Change Adaptation Sector****Taxonomy:**

Stakeholders, Focal Areas, Biodiversity, Protected Areas and Landscapes, Community Based Natural Resource Mngt, Climate Change, Climate Change Adaptation, Private sector, Innovation, Sea-level rise, Livelihoods, Community-based adaptation, Least Developed Countries, Climate finance, Disaster risk management, Mainstreaming adaptation, Climate resilience, Influencing models, Deploy innovative financial instruments, Strengthen institutional capacity and decision-making, Demonstrate innovative approach, Financial intermediaries and market facilitators, Private Sector, Capital providers, Individuals/Entrepreneurs, Type of Engagement, Information Dissemination, Partnership, Consultation, Participation, Civil Society, Community Based Organization, Non-Governmental Organization, Communications, Awareness Raising, Beneficiaries, Local Communities, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Gender-sensitive indicators, Gender

results areas, Capacity Development, Access to benefits and services, Capacity, Knowledge and Research, Knowledge Exchange, Field Visit, South-South, Peer-to-Peer

Rio Markers

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
No Contribution 0	Principal Objective 2	Significant Objective 1	No Contribution 0

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”. (max. 250 words, approximately 1/2 page)

Communities in climate-affected regions increasingly face climate hazards such as droughts, floods, and storms, which raise credit risks and weaken their ability to access or repay financial services.^[1] As a result, financial institutions are retreating from lending and avoiding high-risk, underserved areas. This threatens the stability of microfinance institutions (MFIs) and the livelihoods of 1.4 billion financially excluded adults.^[2]

The project, called Financial Inclusion and Resilience Expansion (FIRE), will address these challenges in Uganda and Madagascar by innovating risk-tolerant crowdfunded capital to increase financial inclusion and support climate adaptation and resilience, particularly amongst communities in and around conserved areas. The project objective is to strengthen climate resilience of vulnerable communities by increasing their access to risk-tolerant, crowdfunded finance for climate adaptation. FIRE is selected through the 3rd round of the Challenge Program for Adaptation Innovation.

FIRE will survey or interview at least 500 borrowers and nine Kiva Lending Partners to assess climate risk and vulnerabilities (sub-indicator 3.8). Based on these assessments, the project will improve or create at least one financial product per country (three total), and develop a climate crisis support loan and a toolkit on best practices for MFIs in the region. FIRE will have at least 3,572 direct beneficiaries.

Key expected outcomes include increased resilience of financial institutions, access to climate-adaptive financial services, borrower capacity for risk management, and adaptation-focused lending amongst Lending Partners and the wider micro-finance sector.

^[1] Dorfleitner, Forcella, and Gerckens (2025). *Climate Change in Microcredit Portfolios: Evidence on Vulnerability, Adaptation and Implications for Inclusive Finance*. Available online: <https://onlinelibrary.wiley.com/doi/10.1002/bse.4178>

^[2] FSD Africa (2023). *Why financial inclusion remains crucial in Africa*. Available online: <https://fsdafrica.org/why-financial-inclusion-remains-crucial-in-africa/#:~:text=According%20to%20data%20from%20the,or%20no%20financial%20literacy%20support>

Project Description Overview

Project Objective

To strengthen climate resilience of vulnerable communities by increasing their access to risk-tolerant, crowdfunded finance for climate adaptation.

Project Components

Component 1 Increase Lending Partner resilience to climate change and capacity to provide climate-smart financing to borrowers.

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
564,383.00	1,565,037.00

Outcome:

Outcome 1.1

Improved climate smart financial products for Kiva Lending Partners and improved access for borrowers to new financial tools to combat climate risks, and finance to implement interventions that diversify and enhance their livelihoods, increasing their resilience to climate change.

Output:

1.1.1 Launch and utilize the Climate Compass

1.1.2 Successful delivery of Technical Assistance to MFIs

1.1.3 Development and delivery of improved climate-smart financial products such as microloans, insurance, and savings.

Component 2 Increase resilience to climate change at the borrower level

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
383,151.00	422,217.00

Outcome:

Outcome 2.1

Borrowers have a better understanding of climate impacts on their livelihoods, and solutions which increase their resilience to climate change

Output:

2.1.1 Identification of climate vulnerabilities at the borrower level.

2.1.2 Co-development of adaptation interventions with borrowers.

Component 3 Scaling Up of Adaptation Finance: using Kiva's capital as a catalyst to transform entire MFI loan portfolios and enhance adaptation efforts.

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
162,758.00	115,426.00

Outcome:

Outcome 3.1

Lending Partners have increased resilience to deploy capital even in a climate crisis.

Output:

3.1.1 Development of a climate crisis support loan that shores up institutions in the event of a climate shock to de-risk other commercial lenders.

3.1.1. Development of a toolkit of lessons and best practices for MFIs to decrease the climate risks of their whole portfolio and continue providing finance to high-risk communities.

Knowledge Management and Communications

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
272,594.00	106,456.00

Outcome:

Outcome 4.1

Knowledge products inform future climate adaptation initiatives undertaken by lending partners and the broader ecosystem.

Output:

4.1.1 Increased sector-wide knowledge sharing through dissemination of project lessons, including reports, case studies, webinars, and best practices.

M&E

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
80,190.00	31,289.00

Outcome:

M&E plan implemented for adaptive management.

Output:

A project-based monitoring and evaluation system.

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Component 1 Increase Lending Partner resilience to climate change and capacity to provide climate-smart financing to borrowers.	564,383.00	1,565,037.00
Component 2 Increase resilience to climate change at the borrower level	383,151.00	422,217.00
Component 3 Scaling Up of Adaptation Finance: using Kiva's capital as a catalyst to transform entire MFI loan portfolios and enhance adaptation efforts.	162,758.00	115,426.00
Knowledge Management and Communications	272,594.00	106,456.00
M&E	80,190.00	31,289.00
Subtotal	1,463,076.00	2,240,425.00
Project Management Cost	138,300.00	241,432.00
Total Project Cost (\$)	1,601,376.00	2,481,857.00

Please provide justification

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

Climate Change problems and threats

Communities in Uganda and Madagascar, are increasingly vulnerable to the accelerating impacts of climate change. Projections indicate that under high-emission scenarios, the frequency and intensity of extreme events such as droughts, heatwaves, and floods could rise by 20–50% by 2050.^[1] These shifts are already evident in East Africa, where a growing number of regions are facing destructive cycles of drought and flash flooding. The resulting environmental instability is disrupting agriculture, livelihoods, and the broader sustainability of local economies.

In Uganda, environmental and climate change threats such as soil erosion, landslides, and shifting precipitation patterns are undermining a largely agrarian economy. For example, between late 2020 and

early 2024, Uganda experienced a prolonged drought due to La Niña which affected crop yields in the region.^{[2]²} Agriculture accounts for 24% of GDP, employs 80% of the workforce, and represents 85% of exports.^{[3]³} These climate-induced disruptions jeopardize agricultural productivity, economic growth, and even political stability.^{[4]⁴}

Figure 1: Projections of the annual number of very hot days (daily maximum temperature above 35°C) for Uganda for different GHG emissions scenarios.^{[5]⁵}

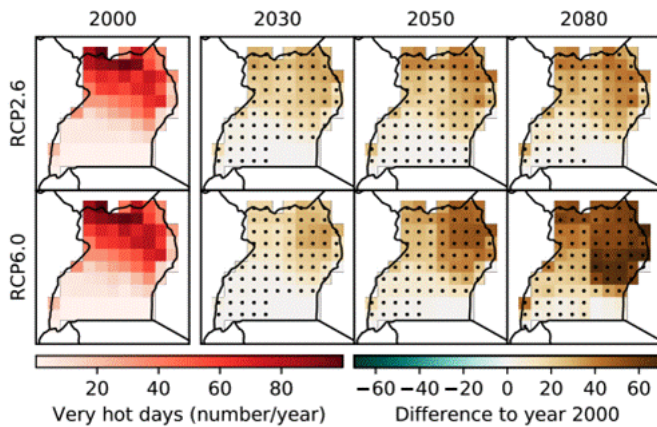
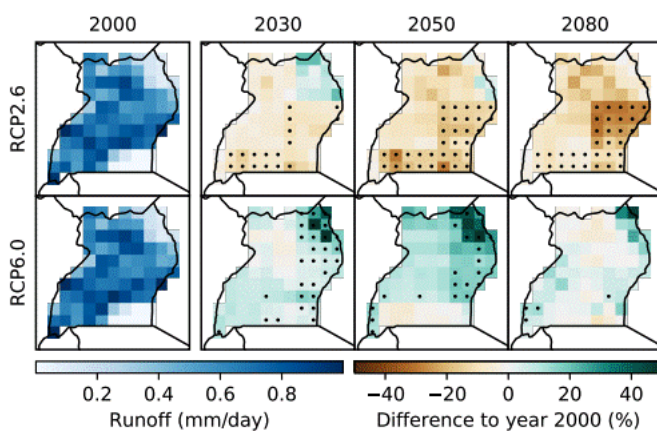


Figure 2: Water availability from precipitation (runoff) projections for Uganda for different GHG emissions scenarios.^{[6]⁶}



Madagascar’s vulnerability is even more acute. The country has experienced increasingly variable rainfall, intensified cyclones, and prolonged droughts, all of which have reduced agricultural yields, damaged infrastructure, and worsened food insecurity.^{[7]⁷} Drier-than-normal conditions have persisted in

Madagascar while there was excessive precipitation in the northeast of the country.^[8] Coastal erosion and saltwater intrusion, driven by rising sea levels, further threaten the livelihoods of coastal populations.^[9] In particular, cyclones are a significant risk to the country and are growing in intensity and frequency due to climate change. In 2024, cyclones in Madagascar caused localized floods, resulting in crop loss and infrastructure damage.^[10]

Figure 3: Water availability from precipitation (runoff) projections for Madagascar for different GHG emissions scenarios.^[11]

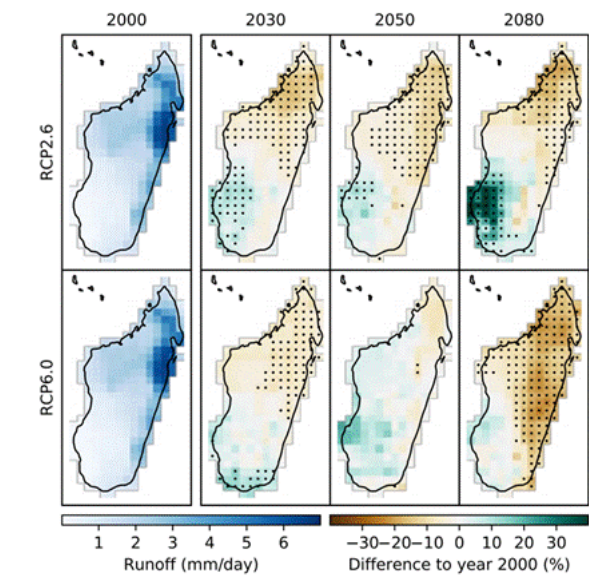


Figure 4: Projections of the annual number of very hot days (daily maximum temperature above 35°C) for Madagascar for different GHG emissions scenarios.^[12]

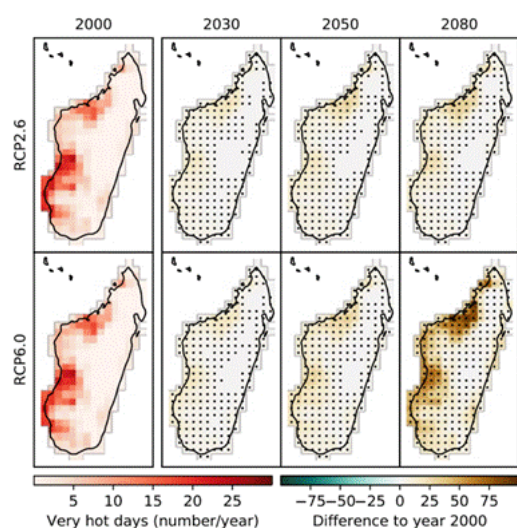
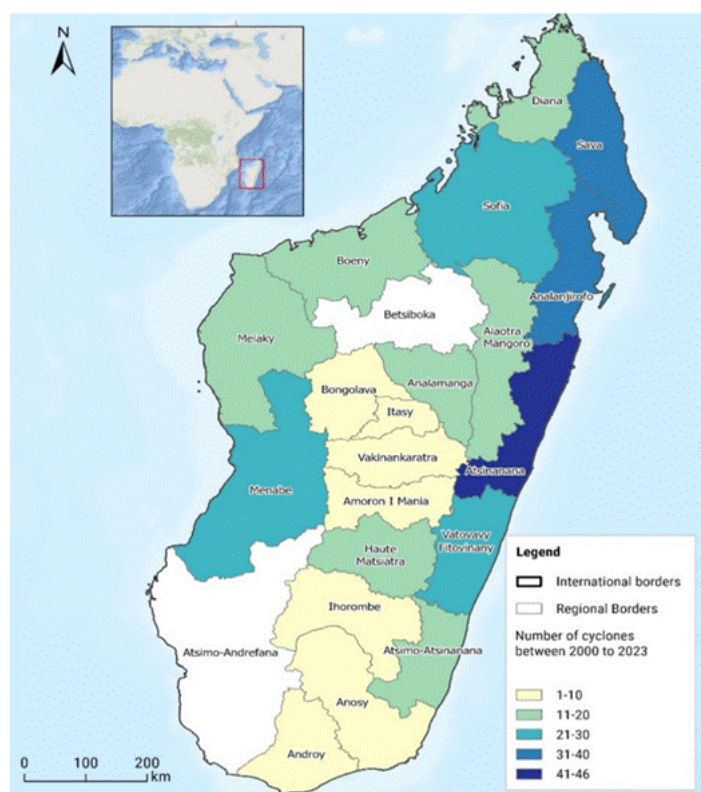


Figure 5: Cyclone exposure in Madagascar^[13]¹³



Increased Credit Risk and Financial Exclusion

The economic consequences of climate change extend into the financial sector. Disruptions to agricultural productivity have made smallholder farmers and low-income borrowers more vulnerable, elevating their credit risk and reducing their ability to access financial services. Following extreme climate events, default rates in microfinance and rural banking sectors have been observed to rise by 20-30%, deterring further investment in high-risk regions.^[14]¹⁴ The credit risks are amplified by a lack of financial buffers, limited

access to insurance, and the absence of usable collateral. Even when assets like land or livestock can be used as collateral, their value often depreciates rapidly in climate-vulnerable regions.^{[15]¹⁵} As climate risks rise, so does the cost of lending to vulnerable populations, deepening exclusion and weakening local resilience.

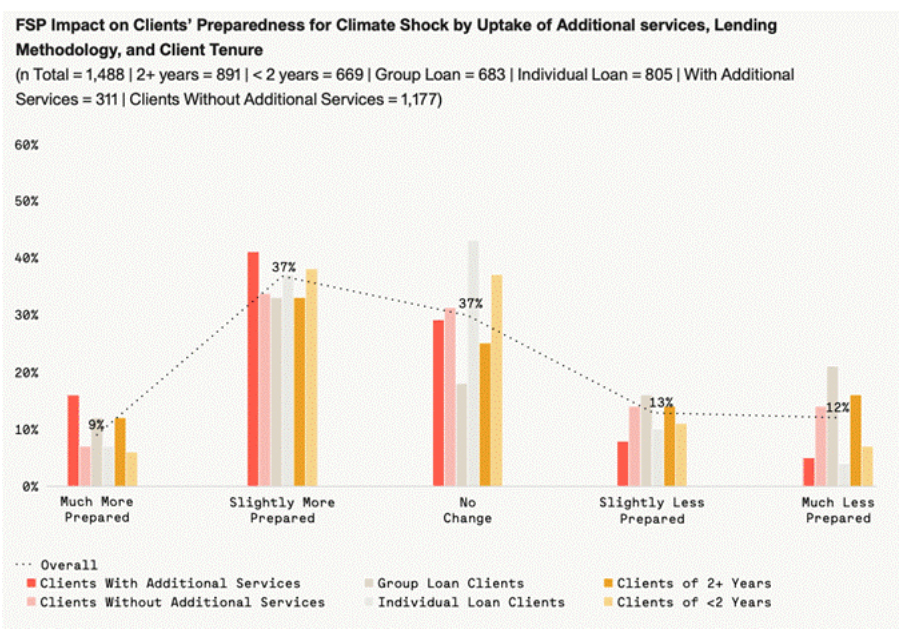
Underinvestment in Climate Adaptation Finance

Climate adaptation remains underfunded globally. The majority of finance is channeled into mitigation efforts, with only around 5-7% of global climate finance directed towards adaptation.^{[16]¹⁶} ^{[17]¹⁷} East Africa has particularly limited access to adaptation funding, with a minority of countries receiving most of the available funds. Kenya, for instance, receives significantly more climate finance than its neighbors due to its more established policies and strategic and regulatory framework for climate finance access and mobilization.^{[18]¹⁸} Loans remain the dominant mechanism for channeling adaptation finance where 61% are concessional and 7% are non-concessional. Institutional loans increase the debt burden for national governments and reduce the effective value of the received funds to only 64% of its face value due to costs of servicing and managing loans.^{[19]¹⁹}

Equitable distribution of funds is challenging, and access is not always correlated to need. Globally, the 10 largest recipient countries received 54% of funds while the bottom 10 recipient countries received less than 1%.^{[20]²⁰} There is an inverse correlation between emergency response funding and climate adaptation funding; countries that receive lower climate adaptation funding receive proportionately higher emergency response funding.^{[21]²¹} This is indicative of the higher complexity of accessing climate adaptation finance for states without high functioning public bodies for managing applications or national regulatory frameworks.

In addition to national-level financing challenges, the role of local financial institutions is increasingly recognized. Financial service providers (FSPs) for instance, are an important part of delivering financing directly to ground-level borrowers, both to support adaptation efforts and to act as a first line of assistance when climate shocks occur. Evidence on their impacts on perceived resilience suggests that FSPs can contribute to strengthening client preparedness for climate-related shocks, highlighting their potential role within broader adaptation finance systems. A 2024 study of FSPs found that two in five FSP clients affected by a climate event report feeling better prepared due to their association with the FSP. As seen in the chart below, longer client tenure, access to additional services, and group lending are key to maximizing clients' sense of preparedness.

Figure 6: Financial Service Provider (FSP) Impact on Clients' Preparedness for Climate Shock by Uptake of Additional services, Lending Methodology, and Client Tenure^{[22]²²}



Degradation of Natural Resource-Based Livelihoods

Climate change is degrading vital natural resources—such as soil, water, and fisheries—that underpin rural livelihoods across East Africa. This erosion of ecosystem services reduces agricultural productivity, increases food insecurity, and weakens community resilience.^{[23]²³} In extreme cases, environmental shocks have led to climate-induced migration, adding stress to both origin and destination communities.^{[24]²⁴}

In Uganda, smallholder agriculture constitutes 89% of farming activity but faces steep challenges: average landholding sizes are small (0.97 ha), irrigation is almost nonexistent (0.7%), and few use fertilizer or improved seeds.^{[25]²⁵} Soil erosion alone costs the country an estimated 4-12% of GDP.^{[26]²⁶} In Madagascar, agriculture and fishing employ 78% of the workforce and provide key subsistence and export earnings, but are highly sensitive to cyclones, pests, drought, and flooding.^{[27]²⁷} The annual cost of land degradation in Madagascar is estimated at US\$1.7 billion. This is equal to 23% of the country's GDP. As a result, ecosystem services are deteriorated including the deterioration of food availability, soil fertility, carbon sequestration capacity, wood production, and groundwater recharge. These incur significant social and economic costs to the country.^{[28]²⁸} An additional area of impact is the response of communities to the pressures of climate change. Coping strategies themselves can put additional stress on ecosystems and biodiversity through several impact pathways such as habitat encroachment, deforestation, ground water extraction, chemically intensive agriculture, and new migration patterns.^{[29]²⁹}

Future narratives

FIRE's target countries, Uganda and Madagascar face a range of environmental threats as outlined above. However, when a vulnerability analysis combines the environmental threats with the countries' social and economic contexts, the countries are found to have some of the highest 'human vulnerability index' scores of the continent.⁴² The following drivers of change could influence the effectiveness of project activities:

- **Climate change impacts:** Changes in precipitation patterns and increasing temperatures threaten agricultural systems, especially in East Africa where many rely on rain-fed farming. These disruptions jeopardize food security and strain water resources, which become scarcer in moderate to severe scenarios. In the worst case, agricultural collapse leads to widespread hunger and water shortages.
- **Social and political stability:** Rising internal displacement, disease outbreaks, and resource scarcity increase social friction and strain public services. In weaker adaptation scenarios, these pressures undermine democratic institutions and escalate unrest. The two target countries vary in political stability.⁴³ The current political situation in each country could worsen with upcoming elections and increasingly severe weather.
- **Economic stability:** Climate-induced agricultural losses and health crises hinder economic growth, leading to rising poverty and unemployment. Financial institutions could also be affected by a global recession which would decrease their risk appetite. In moderate scenarios, some economic functions persist with external support, but in the most severe scenario, economies collapse under the weight of climate shocks and dwindling international aid. This limits the ability of states to invest in long-term development and even the maintenance of basic services.

Future scenarios

Scenario 1 (Favorable Conditions Scenario): Reduced global emissions and high national adaptation, stable economic growth, and stable political conditions.

- In Scenario 1, collective action on climate mitigation as well as anticipatory adaptation plans mean that target countries have adapted well to the inevitable consequences of climate change, but the worst effects have been avoided.
- Climate adaptation has been integrated into the development pathways of the target countries, utilizing the triple dividend of avoided losses, positive economic gains, and enhanced social and environmental benefits.⁴⁴
- While there are changes to precipitation patterns, agrarian economies in East Africa have been educating and preparing smallholders with technologies and farming methods to continue stable food production. Agricultural systems have been adapted so that fewer rely on rain-fed production.
- The states have used their adaptation plans to increase their abilities to respond to climate disasters. By improving responses, the risk of malnutrition and loss of life is minimized.
- This has allowed stable economic growth, with unemployment and poverty rates gradually falling. Political systems remain broadly stable, with corruption being addressed and democracies remaining intact.
- Favorable economic and political conditions and strong national climate adaptation action would likely enable greater uptake of climate-smart financial products, strong borrower resilience, and lower default rates.

Scenario 2 (Balanced Progress Pathway): Controlled global emissions and some national adaptation, generally stable economic and political conditions.

- In Scenario 2, global collective action to mitigate climate change has resulted in the phase out of the most carbon intensive fuels such as coal. There have been some attempts to integrate adaptation strategies into national development plans, with access to funding being made easier. However, environmental changes have had adverse effects on agricultural output in East Africa. Some countries have been able to roll out widespread smallholder farmer climate adaptation programs, though these efforts have been concentrated in the most developed and accessible regions. Agricultural production is now concentrated in the least vulnerable areas.
- While production of certain ‘cash crops’ (such as coffee) has decreased, farmers have been assisted in finding alternatives better suited to the shifting climatic conditions. Agricultural exports remain an important economic sector in the target countries.
- Vulnerable communities in coastal and upland regions have been forcibly displaced, increasing the number of internally displaced persons (IDPs). This has made it increasingly difficult to implement effective climate adaptation programs and health interventions.
- While water resources are becoming scarcer, governments have prioritized the development of infrastructure to provide sufficient water to most of their populations.
- The incidence of epidemics increases as a direct result of climate change, acting as a further hindrance to economic growth. Poverty, malnutrition, and unemployment rates increase, requiring some countries to increasingly draw upon emergency response funding.
- The states remain functioning, and able to respond to disasters. Though this requires significant government resources and international support. Developing and implementing longer term development plans becomes less feasible.
- Under this scenario, climate change, and economic and political instability could negatively affect MFI’s willingness to increase microfinance lending in the target countries. The resilience of borrowers may also be negatively affected, decreasing their *ability to repay their loans which could further reduce MFI’s risk appetite*.

Scenario 3 (High-Risk Future): *High global emissions and limited national adaptation, social unrest, and economic instability.*

- In Scenario 3, global efforts to mitigate climate change have been minimal and national efforts to develop and implement adaptation plans have been limited. Most countries now focus on their immediate national interests, with reduced global funding for aid and development.
- Agricultural output for many global regions has become unstable. East Africa has been particularly affected, with food and water resources becoming increasingly scarce, the target country economies have faltered to the point of collapse.
- Increased frequency of shock events compromises the ability of the state to respond and the number of IDPs is causing increasing social friction within countries. International emergency disaster funds and assistance are reduced, meaning national governments struggle at best to provide basic amenities and at worst to provide food and water.
- Social unrest, resulting from increasing unemployment, poverty, disease burden, and malnutrition, threatens the democratic stability of the target countries.
- Severe climate impacts, collapsing public services, and high borrower vulnerability in one or all of the target countries would negatively affect FIRE’s effectiveness, increasing loan defaults and limiting both the reach and sustainability of MFIs. Kiva Lending Partners would likely need to prioritize emergency needs and have limited institutional capacity to continue their participation in the project.

The future scenarios outlined above cover a broad spectrum of trajectories faced by the project's target countries. While significant external variables such as global emissions, economic conditions, and social and political stability are uncontrollable, the project's intended objective of expanding financial inclusion and resilience through leveraging risk-tolerant crowdfunded capital for climate adaptation will increase local resilience to these conditions. FIRE aims to increase borrowers' understanding of climate change on their livelihoods and uptake of solutions to increase their climate resilience as well as increasing knowledge of what climate adaptations are feasible to make and providing access to finance to implement them (Outcome 2.1). Achieving this will increase the effectiveness of local adaptation.

FIRE also seeks to increase Kiva Lending Partners' understanding of borrower climate vulnerabilities (Outcome 1.1), ability to deploy capital in the face of climate risks and the resilience of their portfolios (Outcome 3.1). These project interventions will allow MFIs to adapt to climate risks which will increase access to microfinance and thus increase borrowers' financial stability. The three drivers of change can have a significant impact on the project's success. However, FIRE aims to increase borrower climate resilience and financial stability, making project participants more resilient to potential changes.

Baseline scenario and barriers to project outcomes

Around 1.4 billion people are unbanked, without a safe way to save, borrow, or invest. When crises strike - whether a flood, drought, conflict, or economic shock - these individuals have no financial cushion or access to capital to recover. This lack of financial resilience perpetuates cycles of poverty and vulnerability, leaving communities especially exposed to the disruptions that are becoming more frequent with climate change, conflict, and economic volatility. Smallholder farmers, women, and small businesses often live one setback away from losing their livelihoods. A failed harvest, unexpected illness, or market disruption can trigger decisions with permanent consequences: selling off assets, pulling children out of school, or abandoning businesses altogether. For the unbanked, a single disruption can be devastating, erasing years of progress, deepening poverty and prolonging recovery.

At the same time, Kiva's research shows that even modest financial tools can transform this vulnerability into resilience. A small loan allows a farmer to invest in drought-resistant seeds before the rains fail, a shopkeeper to stock essential goods ahead of a supply chain breakdown, or a family to diversify income sources to withstand economic fluctuations. These interventions are preventive, enabling households to build resilience before emergencies escalate. Of the more than 5 million individuals Kiva has served in the past 20 years, over 80% have been women and agricultural businesses, reaching the very populations most impacted by a changing world.[\[30\]](#)³⁰

Kiva's climate resilience lending

Kiva operates as a global platform for financial inclusion, harnessing a network of over 300 "Lending Partners" — including microfinance institutions, social enterprises, NGOs, and other local financial service providers — to channel capital to underserved populations across more than 70 countries. Through its model, individual lenders (often contributing as little as USD 25) crowdfund loans that are aggregated and passed through these trusted intermediaries, which disburse and manage the loans directly to local borrowers. Borrowers often include micro-entrepreneurs (especially women), farmers, those affected by displacement, or enterprises in rural or marginalized settings who lack access to conventional banking.[\[31\]](#)³¹

Kiva has been actively expanding its climate-resilience work by directing platform flows and partner support toward climate-vulnerable people and smallholder farmers. As part of its impact strategy, Kiva aims to

support 1.1 million climate-threatened people by 2028.^{[32]³²}

To date, Kiva has reached 704,248 people with climate-smart loans and funded \$116,987,935 in loans for climate-threatened communities. In 2024, Kiva lenders funded nearly \$13M in loans to climate-vulnerable populations.^{[33]³³}

Kiva also publishes practical guidance on climate-smart lending for smallholders and water/energy projects.

Kiva partners with many institutions in developed and emerging markets (for example local chambers of commerce or financial inclusion networks) to extend zero-interest or low-interest loans in underserved communities.^{[34]³⁴}

FIRE will build on the existing relationships between Kiva and its Lending Partners in the target countries by partnering with selected MFIs to develop new financial products and adapt their portfolios to climate change and borrowers' needs.

Increase Lending Partner resilience to climate change and capacity to provide climate-smart financing to borrowers.

Lending partners are largely ill-equipped to assess, manage, and respond to climate-related risks within their portfolios. Most MFIs currently lack the technical capacity, tools, and financial strategies needed to develop and deploy climate-smart financial products tailored to the needs of climate-vulnerable borrowers, such as smallholder farmers, informal workers, and women-led enterprises.

Without targeted support, lending partners are likely to continue only offering conventional credit products that do not account for borrowers' exposure to climate risks such as droughts, floods, and shifting growing seasons. Lending Partners could also stop lending to climate-vulnerable populations altogether due to perceived default risk. This mismatch increases the likelihood of loan defaults in the face of climate shocks, weakening the financial sustainability of the MFIs themselves. During the project development phase, Kiva developed a diagnostic tool, the Climate Compass, to assess Lending Partners' climate vulnerabilities in their portfolios and identify areas for targeted adaptation finance. The Climate Compass aims to identify climate-related challenges organizations are facing and to help identify how Kiva can support Lending Partners and their clients in adapting and building resilience to climate change. Kiva has already begun assessments of MFIs in the target countries using the Climate Compass. Through the results of the Climate Compass survey,^{[35]³⁵}

Kiva has found that MFIs often lack access to climate risk data or analytical capacity to integrate climate considerations into credit risk assessment, portfolio management, or loan structuring. As a result, their exposure to climate-related financial risks remains hidden or underestimated, leaving them vulnerable to systemic shocks and portfolio losses.

Increase resilience to climate change at the borrower level

The baseline scenario relating to Component 2 is that borrowers in climate-vulnerable communities are largely excluded from financial products that support adaptation and resilience. The survey of MFIs' borrowers by 60 Decibels has already found that borrowers of Kiva Lending Partners are often accessing loans for the first time and could not easily find a good alternative source of finance. Findings from WWF's Climate Crowd initiative reinforce this: in Uganda and Madagascar, communities coping with drought, erratic rainfall, and income loss frequently resorted to borrowing. In Madagascar, for example, 26% of respondents reported increasingly taking loans, and in Uganda, 9% of respondents had borrowed to cope with crop losses. Yet only 1-2% of respondents reported direct access to formal microfinance services, while many relied instead on informal savings groups.^{[36]³⁶}

Borrowers are thus often inexperienced in accessing

microfinance and have limited borrowing options. Microfinance borrowers in the target countries already face challenges in accessing finance, and this is expected to worsen due to environmental shocks. As climate risks intensify, borrowers in high-risk areas are more likely to experience income shocks that lead to loan defaults. This increases their perceived credit risk, discouraging financial institutions from serving these communities. As a result, access to finance becomes even more limited in precisely the areas that need it most.

This cycle of financial exclusion could increase vulnerability, limit opportunities for livelihood improvement, and undermine the capacity of households to cope with or adapt to climate impacts. Without targeted support, these communities will face escalating risks and declining resilience, further entrenching poverty and inequality.

Scaling Up of Adaptation Finance: using Kiva's capital as a catalyst to transform entire MFI loan portfolios and enhance adaptation efforts.

Efforts to integrate adaptation finance into microfinance are fragmented and small in scale. Most MFIs lack access to concessional capital, technical support, or market incentives to prioritize climate adaptation within their lending portfolios or offer climate-smart financial products. Climate Crowd interviews highlight that in the absence of structured financial products, households already resort to ad hoc coping strategies such as borrowing from neighbors, joining small savings groups, or taking informal loans to cover income shortfalls.^[37] Without a proven model for transforming MFI portfolios toward climate-smart lending, broader uptake across the sector will likely remain limited.

The microfinance sector in East Africa also lacks sufficient experience on how climate-smart financial products can improve borrower resilience and institutional sustainability. This limits the ability of MFIs, investors, and regulators to make informed decisions about integrating adaptation strategies into financial systems, and hinders the development of scalable, replicable solutions.

Without Kiva’s capital and support, there will be no structured mechanism to build on initial successes and expand adaptation finance across the MFI sector in the target countries. This represents a missed opportunity to demonstrate impact at scale, crowd in additional investment, and drive a sector-wide shift toward climate-resilient financial inclusion.

Knowledge Management and Communications

Knowledge Management and Communications focus on the broader MFI sector, and is siloed with limited experience sharing. Without FIRE, there will be limited documentation, analysis, or dissemination of lessons learned related to climate-smart financial products within the MFI sector. MFIs and their partners would continue to operate within local contexts, and successful innovations or failures are rarely shared in ways that inform broader practice or policy.

Without a structured approach to knowledge management, valuable insights from pilot initiatives will remain isolated and underutilized. This limits opportunities for replication, scaling, or adaptation to different contexts and geographies.

Table 1: Barriers, baseline, and project actions

Key barriers	Baseline scenario	Project actions to address the baseline and barriers
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Limited knowledge of and experience in developing climate-risk resilient financial products within Kiva's lending partners. A limited capacity for assessing and managing climate risks in MFI portfolios.	While risks vary depending on locations and portfolio diversity, they are likely to increase as the climate and environmental threats outlined above intensify. Without accurate understanding and assessment of climate impacts, risk can reach a critical level in portfolios. This could threaten the future of over-exposed MFIs in the case of an extreme event.	Providing MFIs with structured technical assistance and practical tools like the Climate Compass* will enable them to better understand and respond to climate-related risks. For MFIs, this support helps integrate climate considerations into lending practices, product development, and risk management. Alongside this, technical assistance will be made available for designing, deploying, and de-risking climate-smart financial products so that they are accessible to men, women, youths, and marginalized communities.
Perceived borrower vulnerability and limited adaptive capacity. MFIs can view smallholders in climate-vulnerable areas as high-risk due to the volatility of their incomes and heightened exposure to climate-related shocks.	This perception can lead to restrictive lending practices, such as higher interest rates, tighter credit terms, or complete exclusion from financial services. Without targeted efforts to reduce this perceived risk (such as through guarantees, improved borrower profiling, climate-resilient loan designs, or subsidized capital) MFIs may be unwilling to scale up lending. The financial exclusion experienced by many communities in the target countries would continue or potentially worsen.	The development of climate-smart financial products that will be better suited to borrowers in vulnerable communities (including women, youths, and minority groups) helps to reduce their vulnerability. MFIs will also gain a clearer understanding of loans to higher and lower risk clients, allowing them to balance portfolio risk. Finally, Kiva will offer financial backing to financial products and will provide risk-tolerant financing, helping to de-risk loans for MFIs and allow them to fund riskier products and populations.
Limited knowledge of climate risks among borrowers. Borrowers in many target areas do not have access to sufficient information regarding climate risks and adaptation opportunities. This issue disproportionately affects women, youths, and marginalized groups.	A lack of awareness and understanding among borrowers about climate risks, available adaptation practices, and how financial tools can support their resilience may result in low uptake or misapplication of these resources. If smallholders are not equipped with the knowledge to make informed decisions, they may continue with vulnerable farming practices, misuse financial products, or fail to recognize the value of climate insurance and savings mechanisms. This weakens the effectiveness of resilience-building efforts	Targeted technical assistance for borrowers will be provided alongside the climate-smart financial products developed during the project. This will equip borrowers (including men, women, youths, and marginalized groups) with knowledge of risks that are being faced and simultaneously facilitate their access to financial products to enable suitable adaptive strategies. The proposed participatory approach is better aligned with borrower realities, increasing the effectiveness of both financial products and on-the-ground adaptation efforts.
Limited access to finance for some communities, especially in and around conservation areas. Communities in the target countries, particularly those living in and around conservation areas, face difficulties in accessing financing due to geographic isolation.	Communities in the target countries, particularly those living in and around conservation areas, face significant challenges in accessing finance. Geographic isolation makes these communities difficult and costly for MFIs to reach, leading to limited presence of loan officers and higher operational costs. As a result, MFIs are less likely to serve these populations, leaving households and smallholders without access to credit or savings mechanisms. This financial exclusion constrains opportunities for investment in climate adaptation, sustainable livelihoods, and resilience-building practices.	The project will expand financial inclusion in remote and conservation-area communities by reducing the costs and risks for MFIs to serve these populations. This will be achieved through tailored, accessible financial products that minimize the need for costly physical outreach. FIRE will also provide technical assistance to MFIs, supporting them to extend services to harder-to-reach clients without compromising portfolio stability.
Extreme weather events. Severe weather events and climate-driven disruptions such as droughts and floods can devastate smallholder incomes and directly affect their ability to repay loans.	MFIs may face operational challenges such as reduced liquidity, increased default rates, and damaged infrastructure. Without mechanisms to manage these shocks (such as emergency credit lines, risk-pooling mechanisms, or adaptive business continuity planning) both borrowers and MFIs remain vulnerable to systemic setbacks.	Access to subsidized, risk-tolerant capital that helps MFIs continue lending during climate disruptions will be critical. Risk-tolerant capital acts as a buffer for MFIs facing heightened default risk during climate shocks. In this context, risk-tolerant capital refers to financing that is deliberately structured to absorb higher credit risk, delayed repayment, or temporary losses, enabling financial institutions to continue lending in climate-vulnerable areas where conventional commercial capital would typically withdraw. It enables them to continue lending when traditional capital sources may withdraw or tighten terms due to increased uncertainty. This ensures continuity of services for vulnerable communities when they need support most,

		preserving trust in the financial system and preventing long-term setbacks.
Risk of gender-based backlash (GBV and social resistance) linked to women's empowerment and increased access to finance. Women who experience improved livelihood opportunities and better decision-making power as a result of better access to credit could experience "backlash" & GBV from their intimate partners, family and community members.	In many communities, women's growing economic empowerment and financial independence may challenge existing gender norms. Women who access credit and improve their livelihoods may face backlash—including domestic or community-level gender-based violence (GBV), restrictions on mobility, or social stigma—from intimate partners, family members, or community leaders. These risks can discourage women and girls from applying for or fully utilizing loans, reducing their participation and benefit from financial inclusion programs.	FIRE will integrate a GBV-sensitive risk-mitigation approach within its Gender Action Plan and borrower engagement activities. The PMU may conduct awareness-raising and gender-transformative training with MFIs, communities, and borrowers to address harmful gender norms and promote shared decision-making around income and assets. Loan officers and partner staff may receive training on GBV risk identification, referral pathways, and safe communication with borrowers.

*The Climate Compass is a tool developed for this project designed to help Kiva understand how partner organizations are responding to the effects of climate change. First, it aims to identify what climate-related challenges an organization and its clients face. Second, it aims to help identify how Kiva can support partner organizations and their clients in adapting and building resilience to climate change.

Project approach to overcome Barriers and Build resilience

FIRE targets two interlinked drivers of climate vulnerability: (1) increasing climate threats such as droughts and floods, and (2) financial exclusion of climate-affected populations. These drivers reinforce one another. As climate shocks reduce agricultural yields and household incomes, borrowers become more likely to default on their loans, thus leading MFIs to withdraw from high-risk areas. This withdrawal further limits access to financial tools needed to invest in adaptation. Withdrawal from lending disproportionately affects women and youth more than other demographic groups. FIRE intends to break this cycle by enhancing MFIs' capacity to respond to the climate crisis with capital and tools to maintain lending in high-risk regions while also enabling borrowers to access adaptation finance.

Specifically, the project addresses these drivers through interventions at both the borrower and institutional levels. At the borrower level, gender-sensitive climate vulnerability assessments (Output 2.1.1), the identification and (co)development of adaptation interventions (Output 2.1.2), improved access to climate-smart financial products (Output 2.2.1), and interventions for diversifying and enhancing livelihoods (Output 2.1.2) combine to build an understanding of borrower contexts and provide a range of suitable options to reduce climate vulnerability. Research relating to Component 2 will be conducted through a bottom-up community driven approach, the guidelines for which are outlined in WWF's Climate Crowd tools.^[38] Key informant interviews are the primary research method, which has been designed to be sensitive towards communities yet producing valuable insights.

Collaboratively designing adaptation strategies and financial tools with borrowers ensures that solutions are gender responsive, locally relevant, practical, and more likely to be adopted. This participatory approach is better aligned with borrower realities, increasing the effectiveness of both financial products and on-the-ground adaptation efforts. Tailored solutions help borrowers to manage risks, stabilize incomes, and repay loans reliably. Outcome 2.1 will be realized through the support of Kiva and NGOs in building the capacity of borrowers to recognize climate risks and connect them with viable adaptation solutions. This represents a shift from the baseline scenario where borrowers often lack awareness of climate risks or the tools to respond.

Outputs at the MFI level are designed to increase institutional capacity for supporting borrowers' adaptation and institutional stability during extreme events. This supports the gradual reduction of climate vulnerabilities through increased insights into risks (Output 1.1.1) and the offering of climate-smart financial products (Output 1.1.3). Outcome 1.1 will shift the baseline by equipping MFIs with the capacity, tools, and financial innovation support needed to design and scale climate-smart financial products. As a result, borrowers in vulnerable regions in which the lending partners operate will gain access to financial services that directly support adaptation and diversification of livelihoods.

The practical results of the outputs will generate in a range of positive environmental and social benefits such as:

- Strengthening food production systems through diversification and innovation;
- Enabling adoption of clean energy and energy-efficient solutions;
- Improving water security and climate-resilient agriculture; and
- Enhancing local ecosystem resilience through sustainable land and resource use.

The risks outlined in the future scenarios pose a challenging context for FIRE to operate in. Such hazards include the intensification of climate-related risks in MFI portfolios and their inability to provide emergency financial support during extreme events. Project outputs have been designed to be resilient to these risks. By fostering an emphasis on building an understanding of risks through the Climate Compass tool alongside collaborative bottom-up approaches to intervention and product design, all products and interventions will be context specific and therefore more effective.

Outputs at the MFI level have also been designed to improve FIRE's resilience. For instance, the availability of a climate crisis support loan that shores up institutions in the event of a climate shock. This would allow the continuation of services and a wider climate-smart variety of products being offered, helping to decouple financial exclusion and climate induced pressures. Outcome 3.1 will build MFIs' capacity to assess and manage climate risks within their portfolios, and by leveraging Kiva's capital to de-risk early investments, the project will support a structural shift in how lending partners operate under climate stress. Instead of retreating from high-risk regions, MFIs will be better positioned to continue lending during or after climate shocks. This is a significant departure from the baseline, where lack of climate data and financial buffers makes MFIs risk averse.

An additional area of complexity that the project's outcomes must address involves systemic barriers to financial inclusion in the target countries. Financial literacy and gender inequality are two areas of concern. Financial literacy consideration will inform the design of climate smart financial products, ensuring that product terms are simple, transparent, and easy to understand. MFIs will provide additional support as needed. Barriers for financial inclusion of women represent a significant challenge and are addressed by the Gender Mainstreaming Plan. This plan guides efforts to promote equitable access and participation across all project components. Additionally, FIRE seeks to support resilience in the wider microfinance sector through knowledge sharing. Outcome 4 will produce, package, and disseminate practical, evidence-based knowledge drawn from the implementation process, pilot results, and borrower outcomes. This will change the baseline of isolated practice and limited cross-sector learning that is currently the status quo across much of the MFI sector.

Kiva has extensive experience in delivering increased financial inclusion to vulnerable and marginalized groups, who were widely considered to carry high financial risk. Since 2021, Kiva has worked with refugees and displaced persons, reaching 228,000 people with US\$144,500,000 of loans, and achieving a 96.3% payback rate.^[39]³⁹ The internal capacity and expertise to manage this program will be valuable in addressing the potential complex drivers of change in the future narratives.

³⁹ [\[39\]](#)

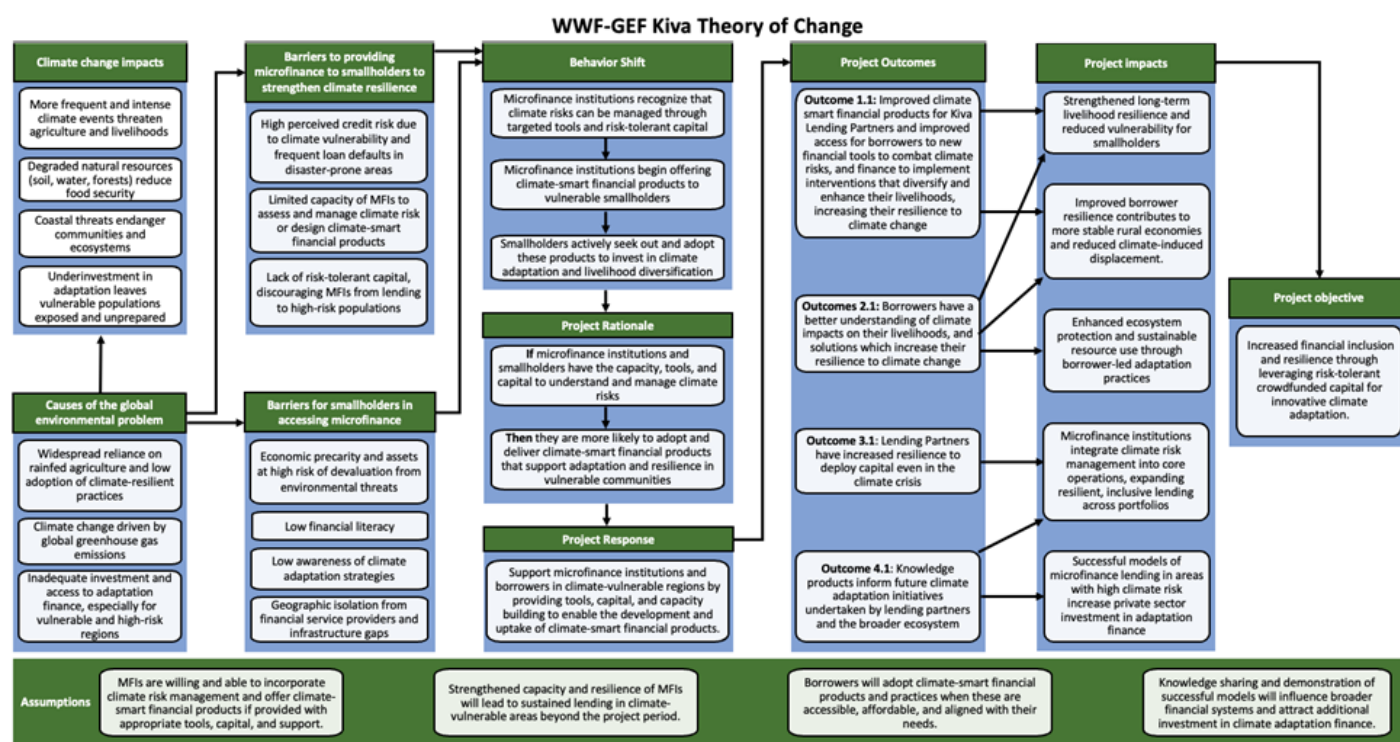
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A. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF’s policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here



The following text describes the Theory of Change:

Climate change is increasing the frequency and severity of shocks—such as droughts, floods, and erratic rainfall—particularly in Uganda and Madagascar. These events, compounded by ecosystem degradation and underinvestment in adaptation, disproportionately affect rural women, youth, and agriculture-dependent communities, undermining natural resources, food systems, and livelihoods.

Financial exclusion in these high-risk areas persists due to elevated credit risks, low financial literacy, and geographic isolation. Smallholders face barriers to accessing financial services, including limited awareness of climate risks, low financial literacy, and poor access to formal institutions. Simultaneously, MFIs lack the tools and capacity to assess and manage climate risks, leading to reduced lending or restrictive terms in vulnerable regions.

This project aims to shift behaviors on both the supply and demand sides. MFIs will be equipped with tools, technical assistance, and risk-tolerant capital to assess climate risks and offer climate-smart financial products. In this context, risk-tolerant capital refers to financing deliberately structured to absorb higher credit risk, delayed repayment, or temporary losses, enabling financial institutions to continue lending in climate-vulnerable areas where conventional commercial capital would typically withdraw. Smallholders,

especially those near conserved areas, will be empowered to adopt these products to build resilience and diversify livelihoods.

FIRE will support communities through participatory vulnerability assessments and co-development of locally appropriate adaptation interventions, financed via tailored financial products. Knowledge generated will be shared to promote broader uptake across the finance sector.

The project strategy makes the follow assumptions:

- MFIs will adopt climate risk management and offer tailored products with adequate support.
- Strengthened MFI capacity will sustain lending in vulnerable areas post-project.
- Borrowers will adopt climate-smart products if they are accessible, affordable, and relevant.
- Demonstrated success will influence broader financial systems and attract investment.

The expected project impacts for borrowers include strengthened long-term resilience, improved borrower incomes and reduced climate-induced displacement. In the long-term, there will likely be enhanced ecosystem protection and sustainable resource management through borrower-led adaptation practices as a result of support from the project in co-developing adaptation interventions. For MFIs, project support will allow these organizations to integrate climate risk management into their operations, expanding inclusive and resilient lending. In the long term, demonstration of successful climate finance models is expected to catalyze broader sectoral investment and contribute to more equitable and sustainable climate adaptation across East Africa.

PROJECT LOGIC AND COMPONENTS

Component 1 - Increase Lending Partner resilience to climate change and capacity to provide climate-smart financing to borrowers.

This component focuses on strengthening the capacity of selected Kiva Lending Partners to assess, manage, and respond to climate-related risks. It introduces tools and technical assistance to enable the development and delivery of new financial products that support borrowers in implementing climate adaptation strategies.

- **Outcome 1.1 - Improved climate smart financial products for Kiva Lending Partners and improved access for borrowers to new financial tools to combat climate risks, and finance to implement interventions that diversify and enhance their livelihoods, increasing their resilience to climate change.**

This outcome focuses on enhancing the ability of Lending Partners to offer targeted climate adaptation finance to their borrowers. Equipping MFIs with tools to manage and adapt to climate risk will help reduce loan default rates and improve institutional resilience, even as weather shocks and borrower vulnerability increase. Improvements in product design and risk analysis can support MFIs in maintaining financial service provision under increasingly difficult conditions. By improving product design and increasing the availability of tools such as loans, insurance, and savings specifically geared toward climate resilience, borrowers will be better equipped to manage climate risks and invest in sustainable livelihoods.

In developing and piloting climate-smart financial products, the project will apply a gender-responsive lens to ensure that product features, delivery mechanisms, and risk assessments reflect the constraints and priorities of women borrowers, who are disproportionately represented among climate-vulnerable micro-entrepreneurs and smallholder farmers. This

includes consideration of women's access to assets, income stability, caregiving responsibilities, and exposure to climate-related shocks.

The development of appropriate financial products paired with technical assistance is expected to improve institutional and borrower resilience in the long-term. The project will support at least one Lending Partner from each of the target countries. Kiva will select partners from its existing Lending Partner network in each country. Selection criteria will include whether partners already serve target populations such as smallholder farmers, as well as their interest and capacity to expand into climate-focused work. To assess readiness, Kiva will review partners' Climate Compass survey responses, hold follow-up discussions on capacity-building opportunities, and invite proposals. This process will identify the partners best positioned to implement successful projects. The selected Lending Partner in each country will be the one engaged in each MFI-related output.

- **Output 1.1.1 - Launch and utilize the Climate Compass**

The Climate Compass is a diagnostic tool developed by Kiva to assess Lending Partners' climate vulnerabilities in their portfolios and identify areas for targeted adaptation finance. It aims to identify climate-related challenges organizations are facing and to help identify how Kiva can support Lending Partners and their clients in adapting and building resilience to climate change. The survey asks organizations about their goals, organizational practices, staff training, strategies, client vulnerabilities, financial products, and services related to climate. FIRE will use the results of the Climate Compass to identify and co-develop interventions for institutions to manage climate risks (Output 2.1.2).

- **Output 1.1.2 - Delivery of Technical Assistance to MFIs**

This output will deliver capacity-building support tailored to each Lending Partner's context, including training, peer learning sessions, and advisory services on climate risk management, product innovation, and portfolio resilience. Technical Assistance will be provided to selected Lending Partners by dedicated providers, Kiva and potential non-profit partners such as JuST Institute and Spindle Design.^{[1]⁴⁰} Technical Assistance will support each organization in adapting their portfolios to climate change and developing financial products that respond to borrowers' needs.

- **Output 1.1.3 - Development and delivery of improved climate-smart financial products such as microloans, insurance, and savings.**

Lending Partners will be supported to design, pilot, and scale financial products that address the needs of borrowers in climate-exposed areas. Financial products supported by the project will focus on reducing vulnerability to climate shocks, strengthening adaptive capacity, and enabling livelihood continuity in climate-affected contexts. Examples of what the finance support include are water security and irrigation solutions, climate-resilient agricultural inputs, livestock and fisheries adapted to changing climatic conditions, resilience to extreme weather events, and financial instruments (loans, savings, insurance) designed to help households and micro-entrepreneurs absorb and recover from climate impacts.

Potential products include microloans, insurance, and savings specifically designed to facilitate the purchase of climate-resilient technologies and practices. Eligible investments under these loan products include:

- Improved water and sanitation products (e.g. clean water filters, water storage tanks, private toilet);

- Sustainable agriculture products (e.g. drought resistant crops, greenhouses, organic fertilizers, organic pesticides, crop rotation, drip irrigation, rainwater reservoirs, soil drainage systems, soil restoration, and wind & fire protection);
- Sustainable animal breeding or fishery products (e.g. aquaculture, managed grazing, improved animal varieties);
- Technologies that build resilience against extreme weather (e.g. solar water pumps for irrigation, biodigesters, solar lamps, solar home systems, solar refrigerators)
- Housing improvements (e.g. insulation, roof improvements).

These investments support adaptive capacity by enabling households to anticipate, absorb, and recover from climate impacts, while contributing to more resilient livelihood systems, improved public health outcomes, and sustainable water resource management in line with LDCF adaptation objectives. For example, Improved water and sanitation products contribute to climate adaptation by strengthening water security, reducing climate-related health risks, and enhancing the resilience of vulnerable households and livelihoods. Through access to climate-smart financial products, beneficiaries can invest in technologies such as water filters, storage systems, and improved sanitation infrastructure, which help manage increasing variability in water availability and reduce exposure to contamination during climate shocks such as floods and droughts. Specific loan products will be developed to respond to the needs identified during Lending Partners' and borrowers' climate vulnerability assessments.

Component 2 - Increase resilience to climate change at the borrower level

This component aims to strengthen the adaptive capacity of borrowers (selected Lending Partners' clients) by increasing their understanding of climate risks and supporting the adoption of context-specific adaptation strategies. Lending Partners will prioritize clients in areas most affected by climate change and in regions where there is demand for climate-smart products. Kiva will provide additional guidance on geographic priorities, for example encouraging a focus on areas near protected ecosystems where these align with the partner's criteria. Interventions will be co-developed with borrowers and the project team and supported by appropriate financing mechanisms.

- **Outcome 2.1 - Borrowers have a better understanding of climate impacts on their livelihoods, and solutions which increase their resilience to climate change.**

This outcome aims to build borrower awareness of climate threats and enhance their capacity to respond effectively. Through participatory and gender sensitive vulnerability assessments and the co-design of adaptation solutions, borrowers will be empowered to implement practical strategies for building resilience. This may include shifts in agricultural practices, energy use, water management, or livelihood diversification, supported by relevant financial products.

Success will be measured through surveys of borrowers involved in adaptation planning. A baseline survey—currently underway via 60 Decibels—will assess initial vulnerability and awareness, and endline results will be compared to track progress. Long-term impacts include stronger livelihood resilience, reduced vulnerability, more stable rural economies, and better ecosystem stewardship.

- **Output 2.1.1 - Identification of climate vulnerabilities at the borrower level.**

Borrowers' climate vulnerabilities will be identified through surveys and consultations conducted by Kiva and NGO partners. Kiva has already begun surveying borrowers using a survey administered by 60 decibels.

This survey assesses customers of selected Lending Partners for demographic information (e.g. gender, age, household size, education level, and income) and borrower sentiments on the selected Lending Partner's services, value for money, and accessibility. The survey also measures borrowers' climate resilience, including questions related to their adaptive practices knowledge, perceived shock preparedness, and perceived recovery time from potential environmental shocks. Kiva will use the 60 Decibels survey to understand the impact of microfinance on its selected Lending Partners' customers and use this data to co-develop adaptation interventions with borrowers.

Kiva will also assess communities in the target countries through the WWF's Climate Crowd tool to assess how climate change affects livelihoods, natural resources, agricultural practices, wildlife, and weather patterns. This data will be used to understand the climate realities communities face and identify possible interventions that can support these communities in improving their resilience to climate impacts while conserving the natural environment, particularly around conservation areas.

Surveys and workshops will capture the gender of participants and ensure that women's opinions are collected and used to inform project activities.

○ **Output 2.1.2 - Co-development of adaptation interventions with borrowers.**

Adaptation strategies (e.g. switching to drought-resistant crops, diversifying income sources, or adopting clean energy) will be co-developed by Lending Partners and borrowers collaboratively to reflect local conditions and borrower preferences. Co-development between Lending Partners and borrowers will be facilitated by a TA provider such as Spindle Design, that uses human-centered design principles to ensure financial products are effective, relevant, inclusive, and responsive to user needs. The PMU will ensure that borrower engagement is transparent and inclusive, with stakeholder consultations that promote equitable benefits for participating borrowers. These interventions will be linked to financial products offered by Lending Partners. FIRE aims to have at least 3,572 borrowers that have accessed financial products from Lending Partners involved in project, of which 40% are women. The target number of borrowers was estimated by the amount lent by Lending Partners in 2025 divided by average loan size (i.e. Uganda: \$1,000,000 / \$636 = 1,572 borrowers; Madagascar: \$500,000 / \$250 = 2,000 borrowers).

Component 3 - Scaling Up of Adaptation Finance: using Kiva's capital as a catalyst to transform entire MFI loan portfolios and enhance adaptation efforts.

This component leverages Kiva's risk-tolerant capital to support broader deployment of climate-smart lending. It aims to strengthen Lending Partner resilience during periods of climate stress and to institutionalize climate adaptation across MFI portfolios.

● **Outcome 3.1 - Lending Partners have increased resilience to deploy capital even in a climate crisis.**

This outcome seeks to ensure that Lending Partners can continue to operate and serve borrowers during and after climate shocks. By deploying flexible, risk-absorbing capital and developing crisis support products, FIRE will help stabilize institutional operations and maintain financial flows to vulnerable borrowers. It will also create a platform for longer-term integration of climate resilience into lending practices.

By supporting MFIs to continue lending during climate shocks, the climate crisis support loan will help prevent the exclusion of women borrowers during periods of heightened risk, when women are often the first to lose access to formal finance. Maintaining continuity of services during crises is a critical pathway for protecting women's livelihoods and economic agency.

○ **Output 3.1.1 - Development of a climate crisis support loan that shores up institutions in the event of a climate shock to de-risk other commercial lenders.**

This loan product will function as a financial shock absorber for microfinance institutions (MFIs) facing acute disruption from climate events such as floods, droughts, and extreme storms. Building on Kiva's experience with its COVID-19 Crisis Support Loan,^{[2]⁴¹}

 the product will be designed through consultation with lending partners to address the operational, liquidity, and portfolio stresses that arise during climate emergencies. By offering rapid, flexible capital with tailored terms—such as grace periods or extended tenors, the loan will enable MFIs to maintain essential operations, retain staff, and continue serving vulnerable clients at a time when revenue may be destabilized and default risk elevated. This continuity is critical to ensuring that communities reliant on microfinance are not cut off from credit precisely when they need it most to rebuild and adapt.

Beyond providing immediate liquidity, the Climate Crisis Support Loan is intended to shore up institutional resilience and reinforce confidence among other capital providers. By bolstering MFIs' balance sheets during crisis periods, it reduces perceived risk and helps prevent the withdrawal of commercial lenders or investors. FIRE will develop this loan product ahead of any specific emergency so that it is ready for deployment when needed.

The loan would be activated following defined climate-related shock events (e.g. droughts, floods, cyclones) that disrupt household incomes and livelihoods. Trigger mechanisms will be developed during implementation and may combine external data (such as meteorological alerts or disaster declarations) with partner-level indicators of localized portfolio stress.

The product will be designed as a short-term liquidity instrument, deployed at limited scale relative to partners' overall portfolios, with eligibility focused on climate-affected borrowers facing temporary income disruptions. Risk management will rely on conservative exposure limits, time-bound deployment, and alignment with partners' existing credit and risk management frameworks.

In addition to post-shock liquidity support, the Climate Crisis Support Loan may include a pre-event deployment window to finance small-scale capital investments that reduce exposure to climate risks and strengthen resilience ahead of anticipated climate shocks.

○ **Output 3.1.2 - Development of a toolkit of lessons and best practices for MFIs to decrease the climate risks of their whole portfolio and continue providing finance to high-risk communities.**

The Climate-Smart Lending Toolkit will consolidate learning from FIRE and other initiatives, offering MFIs practical guidance on designing climate-resilient financial strategies and maintaining services during environmental shocks. Developed by the Kiva Impact Team, this resource will provide Lending Partners with evidence-backed solutions to their biggest climate-related challenges.

Initiatives that will inform the Toolkit include:

1. Partner-Level Feedback - Kiva will collect partner-level feedback using the Climate Compass. This data will enable us to understand the types of climate-related challenges facing our partners, and where there are commonalities across the portfolio.
2. Borrower-Level Feedback - A summary of needs facing clients. Using 60 Decibels' Climate Module, Kiva will collect data from selected lending partners, in order to understand the

specific needs and areas of concern of clients. In addition, the project will leverage other borrower-level data sets to identify the top trends of needs facing borrowers.

3. A summary of research of evidence-based climate-smart solutions: Carry out an extensive literature and online research review to identify the top climate-smart solutions related to regenerative/sustainable agriculture, climate-smart finance, climate insurance, sustainable housing, water management, and renewable energy.

Component 4 - Knowledge Management and Communications

The final component supports the development and dissemination of knowledge products to enable replication and broader sectoral change. It focuses on documenting lessons, sharing experiences, and influencing financial institutions and adaptation policy across the region. Communications activities under Component 4 include (i) a press release at the start of the project; (ii) blog posts documenting lessons learned ongoing during the project, including efforts to increase understanding of observed adaptation challenges and responses on the ground; and (iii) a partner webinar to share project learnings and implementation experience.

In addition, FIRE will actively exchange experience and learning with other financial inclusion and inclusive microfinance initiatives, particularly those supported under the GEF Challenge Program for Adaptation Innovation. This includes structured knowledge sharing with projects implemented by Gawa Capital (GEF ID: 12118), WOCCU (GEF ID: 12011), AECF (GEF ID: 12013), Farm Africa (GEF ID: 11979), and REDCAMIF (GEF ID: 10434). FIRE will also collaborate with UNIDO's Climate Adaptation and Innovation Lab (CAIL) project (GEF ID: 11303), which supports learning and knowledge management across the Challenge Program portfolio, to ensure alignment of methodologies, dissemination of lessons learned, and amplification of successful models across regions and institutions.

- **Outcome 4.1 - Knowledge products inform future climate adaptation initiatives undertaken by lending partners and the broader ecosystem.**

This outcome aims to capture and share practical insights, case studies, and tools to FIRE will contribute to more informed climate adaptation efforts across the microfinance and development finance sectors, leading to integrated climate risk management and expanded resilient, inclusive lending across MFIs' portfolios. Successful models of microfinance lending in areas with high climate risk could also increase investment in adaptation finance in the long-term. In particular, knowledge products generated under the project will incorporate gender-differentiated insights and case studies, including lessons on designing and scaling climate-smart financial products that effectively serve women borrowers and women-led enterprises in climate-vulnerable contexts

- **Output 4.1.1 - Increased sector-wide knowledge sharing through dissemination of project lessons, including reports, case studies, webinars, and best practices.**

These materials will capture learning from the design, implementation, and outcomes of project activities and will be shared with Kiva's global partner network and the wider microfinance community to promote uptake and scale.

Knowledge management

FIRE will develop a knowledge management strategy to ensure that learnings and best practices for MFIs are effectively captured, analyzed, and shared. Component 4 of the project is dedicated to knowledge management and communications, with the goal of facilitating broader sector-wide change and informing future climate adaptation initiatives. Output 4.1.1 will focus on synthesizing and disseminating findings through reports, case studies, and webinars tailored to the wider micro-finance sector.

Kiva and its network of over 200 global lending partners bring extensive institutional experience in financing underserved and high-risk populations. Tools such as the Climate Compass (Output 1.1.1) and borrower-level vulnerability assessments (Output 2.1.1) will provide a baseline for understanding borrowers' and MFIs' needs and will serve as a foundation for new learning throughout the project. In addition, the project will review and build upon existing literature, tools, and data generated by other climate adaptation finance initiatives in the East Africa region, including past and ongoing GEF-funded projects.

FIRE will generate new knowledge products to support MFIs in building climate resilient portfolios. These will include gender sensitive case studies, webinars, and a toolkit. The project will also share information with communities via WhatsApp and will hold community consultation meetings to present data and co-develop interventions. All stakeholders, including MFIs, borrowers, and technical experts, will contribute to and benefit from an iterative learning process. These knowledge products will be distributed to Kiva's global partner network.

In parallel, the project is well-positioned to support the development and alignment of national policy frameworks in Uganda and Madagascar. The two countries emphasize financial inclusion and climate adaptation as central to their development strategies, though coordination between financial and environmental policy domains remains limited. In Uganda, the Parish Development Model (PDM) launched in 2022 promotes decentralized support to increase food security and incomes at the community level, with a strong focus on financial inclusion.^{[3]⁴²} Madagascar's National Climate Change Adaptation Plan (2021) seeks to integrate climate change issues into national sectoral plans and prioritizes local adaptation to climate change.^{[4]⁴³}

FIRE will provide evidence on how inclusive financial tools can support national adaptation priorities such as livelihood diversification, clean energy access, and climate-resilient agriculture. By documenting and sharing these findings, the project aims to support the evolution of a more resilient and inclusive financial ecosystem across the region.

Innovation and scaling up

FIRE uses an innovative and scalable approach to addressing the interconnected challenges of climate vulnerability and financial exclusion, particularly in climate-risk regions. The project operates directly within three of the five domains of innovation that are highlighted by the Scientific and Technical Advisory Panel.

- ***Innovative financing.*** This project will deploy novel financial products to underserved communities through the deployment of risk-tolerant crowdfunded capital to unlock finance for early-stage, locally tailored adaptation solutions that are often considered too risky for conventional funding. The financial products themselves are also innovative and will be designed to be accompanied by educating clients about environmental threats and adaptation strategies. The specific types of financial products to be developed will be determined during project implementation through consultations with MFIs and borrowers to assess financial needs and address market gaps. Potential products that may be created or improved by the project include the following:
 - Energy efficient products (examples include improved cooking stoves, biodigesters, energy efficient refrigerators, etc.)

- Improved water and sanitation products (examples include clean water filters, water storage tanks, private toilet)
- Sustainable agriculture products (examples include drought resistant crops, greenhouses, organic fertilizers, organic pesticides, crop rotation, drip irrigation, rainwater reservoirs, soil drainage systems, soil restoration, wind & fire protection, etc.)
- Sustainable animal breeding or fishery products (examples include aquaculture, managed grazing, improved animal varieties, etc.)
- Solar energy products (examples include solar water pumps, solar lamps, solar home systems, solar refrigerators, etc.)
- Housing improvements (examples include insulation, roof improvements, etc.)
- *Business model innovation.* Financial products will provide seed financing and early-stage capital to support business models in conventionally high-risk settings. For example, business loans for clean energy, and loans for agricultural technologies will support recipients to improve their resilience, secure financial returns, and generate environmental and social benefits.
- *Institutional innovation.* Kiva's lending partners (MFIs) will be supported in enhancing their institutional capacity to better support vulnerable clients in building their climate resilience. By increasing awareness of portfolio risks, as well as capacity to offer additional products and support to clients, the project is innovating what an MFI model can achieve.

Sustainability

Sustainability of FIRE's outcomes is embedded through institutional strengthening, catalytic finance, and knowledge dissemination. At the institutional level, the project builds durable capacity within Kiva Lending Partners to assess and manage climate risk through tools and practices that are intended to persist beyond the project period. Outputs such as the Climate Compass (Output 1.1.1) and tailored technical assistance for MFIs (Output 1.1.2) are designed to be integrated into partners' core operations, enabling continued development and deployment of climate-smart financial products after project completion.

Financial sustainability is supported through the use of Kiva's risk-tolerant crowdfunded capital as a catalytic instrument rather than a temporary subsidy. By de-risking early-stage climate-smart products and piloting a Climate Crisis Support Loan (Output 3.1.1), the project is expected to strengthen Lending Partners' confidence in serving climate-vulnerable borrowers and improve their ability to attract additional concessional and commercial capital over time. These mechanisms reduce the likelihood of lending withdrawal during climate shocks and support ongoing financial inclusion in high-risk contexts.

Scaling Up

Building on Kiva's global reach and its successful partnerships in over 75 countries, the project is well-positioned for scaling and replication. FIRE is explicitly designed as a pilot within Kiva's global lending network. Lessons learned from implementation, including product design, portfolio risk management, and borrower outcomes, will be synthesized and shared through the Climate-Smart Lending Toolkit and other knowledge products (Output 3.1.2 and Output 4.1.1). Kiva will disseminate these learnings across its broader network of Lending Partners and use the evidence generated to mobilize additional funding to replicate and expand similar activities with other partners in climate-vulnerable regions.

Additionally, lessons learned from the project, including case studies, webinars, and an MFI toolkit will be shared publicly, ensuring that successful models are accessible to a broad range of stakeholders. Over time, successful implementation of this project can serve as proof-of-concept to demonstrate the viability of crowd-

sourced adaptation finance. Documented outcomes on borrower resilience, institutional stability, and product performance can reduce perceived risks and catalyze greater participation by other financial actors.

Additionality

FIRE generates adaptation benefits for communities across the two target countries. As highlighted in the Theory of Change, financial exclusion is a driver of climate vulnerability, especially for communities in areas that are exposed to extreme weather and rely on agriculture for their livelihoods.

Although extensive research identifies financial exclusion as a major contributor to vulnerability and limited livelihood opportunities, and despite its prominent recognition in national policy frameworks, there are still too few projects actively addressing this issue. As shown in Table 2, which situates this project within the broader climate adaptation landscape, financial inclusion remains an underexplored approach to climate adaptation.

FIRE will develop new financial products (Output 1.1.3) to be offered to communities across the target countries, which are suited for borrowers in traditionally higher risk contexts. These financial products likely would not be created without support from the project due to limited capacity within MFIs to develop and implement new financial products focused on climate adaptation. MFIs will also receive technical assistance (Output 1.1.2) to support them in implementing these new financial products and adapting their portfolios to climate risk and ensuring that lending can continue even in climate crisis (Outcome 3.1).

Without GEF funding, Kiva would not be able to support its lending partners in expanding their financial products to communities in the target countries to improve climate adaptation and financial inclusion.

The project will also contribute to knowledge sharing in the broader finance sector, by sharing best practices for MFIs on creating a climate resilient portfolio (Output 3.2.1). This will facilitate additional financial inclusion for communities outside the reach of Kiva's immediate network of lending partners.

By enabling loans for borrowers to adopt sustainable practices (e.g. clean energy use and sustainable agriculture), the project is expected to generate indirect environmental benefits.

Relevant stakeholders and private sector engagement

This project will bring together a diverse set of stakeholders to co-develop and deliver inclusive, climate-resilient financial solutions. Each plays a role in achieving the project's objectives and contributing to GEBs and adaptation benefits.

It should be noted that MFI borrowers and local communities could not be engaged at the proposal stage, as they will only be identified once Kiva's Lending Partners have been selected and the project is underway. However, the project's core approach is to co-develop climate-smart loan products in collaboration with these borrowers and communities. In its initial phase, the project will engage them directly to assess their vulnerability to climate risks and capture their insights on the financial products that would best strengthen their resilience to climate change.

A formal validation workshop was not held during project development as only a small number of Kiva Lending Partners will ultimately be selected for participation in the project, and partners are not known at time of project development. Given Kiva's long-term relationships with Lending Partners, it would be premature and potentially damaging to introduce a project and associated funding that may not involve them. However, Lending Partners did participate in the Stakeholder Convening Event described above, and the goals of the

validation workshop will be addressed during the inception workshop. At that stage, Kiva Lending Partners will be selected and assured of their involvement in the project.

Additionally, the project is intentionally partner-led, so not all details have been defined during the project development phase. Partners with the greatest potential to design and deliver effective solutions for their customers will be selected in the early implementation phase. Once selected, these partners will identify the borrowers and communities to engage. From there, Kiva will work with them to understand the climate threats they face and co-develop appropriate financial solutions.

Kiva

Kiva is the Executing Agency for this project. It is the central coordinating institution and crowdfunding platform. It provides lines of credit to vetted Lending Partners. These are typically MFIs who will operate in the target countries. Kiva's role will be to conduct due diligence on their lending partners and engaged MFIs. Due diligence will ensure partners meet standards for impact, financial performance, and legal compliance. Kiva's Lending Partners are also assigned a credit tier, which determines the amount of finance available.^{[5]⁴⁴} Kiva will also work directly with lending partners to collaboratively develop climate-smart financial products and support institutional capacity building (Output 1.1.1 and Output 1.1.2). Finally, Kiva will take the leading role in coordinating lesson-sharing and knowledge dissemination (Output 4.1.1). By facilitating access to risk-tolerant capital, Kiva enables MFIs to innovate and scale products that support renewable energy access, water access, climate-smart agriculture, and livelihood diversification (Output 2.2.1 and Output 2.2.2). Therefore, directly contributing to emissions reductions and increased community resilience.

Lending partners

Private Sector Stakeholders include Kiva Lending Partners, which are Financial Service Providers (FSPs). They are direct beneficiaries of the project to offer new or improved climate smart loan products to climate affected communities/customers. Kiva will work with selected Kiva partners to implement the project by providing capacity building funds to create new climate smart loan products, improve existing ones, and/or reach new climate affected communities. They will also receive additional Kiva financing or lower cost Kiva financing for climate smart loan products.

Borrowers (end-users)

Borrowers are the primary project beneficiaries. FIRE will work with both underserved communities and microfinance customers affected by climate change in Uganda and Madagascar. While these groups may overlap, the project intentionally works with both, that lack access to financial services to expand financial inclusion for climate-affected populations. As direct beneficiaries, they are already experiencing the impacts of climate change and stand to gain from access to climate-smart financial products provided by MFI partners.

FIRE will conduct key informant interviews with at least 500 microfinance borrowers and community members who are most vulnerable to climate change. Borrowers will engage in need assessments with lending partners and NGO partners to co-identify climate risks and financial needs (Output 2.1.1). These interviews will capture their experiences with shifting weather patterns, the impacts on their livelihoods, the coping strategies they employ, and their resulting needs. Once the data has been analyzed, findings will be presented back to the

communities, and finance-ready project ideas will be co-developed with at least 250 individuals. Adaptation strategies will be co-developed based on need and context, with examples such as agricultural technology, diversified livelihoods, or clean energy access (Output 2.1.2). Accessing and using climate-smart financial products (Output 2.2.1) is the primary related outcome. By adopting climate-resilient practices and technologies, borrowers will contribute directly to ecosystem services, reduced emissions, and enhanced local climate resilience.

To ensure inclusivity, the interviews and consultations will be conducted with a strong emphasis on gender balance, aiming for equal participation of men and women. Special effort will also be made to include marginalized groups and the youths. The one-on-one interview format further ensures that community members can speak openly and honestly about the challenges they face.

Central Banks of Madagascar and Uganda

Ministries within the two governments that will be involved in this project include the Ministry of Finance's National Coordination of Microfinance (CNMF) in Madagascar, and The Uganda Microfinance Regulatory Authority (UMRA). They must be consulted in order to request approval to increase a Kiva credit line or introduce new loan products.

NGOs

The non-governmental organizations that have been identified as stakeholders in this project include the European Microfinance Platform (e-MFP) Green Inclusive and Climate Smart Finance Action Group, Mercy Corps, VisionFund International Climate SMART Project Team, Umoja Wildlife Conservancies of Uganda. NGOs will be consulted, given their expertise in subject matter and/or hired to provide capacity building support to Kiva Lending Partners or local communities involved in the project. These actors may be engaged to address specific risks or to provide technical or educational based support. This could be providing insurance and risk-sharing tools to support financial resilience, contributing technical expertise and community engagement, or implementing complementary activities. These organizations will extend the project's reach, helping integrate ecosystem services, insurance coverage, and knowledge-sharing that reinforce both adaptation and global environmental goals.

Indigenous Peoples and Local Communities

FIRE will work with local communities and microfinance customers affected by climate change in Uganda and Madagascar. Note that these could be two distinct groups given that the project will likely work with both existing microfinance customers and local communities that do not have access to microfinance products as the project aims to expand financial inclusion for climate affected communities. They are direct beneficiaries of the project as they are affected by climate change and could benefit from access to climate-smart financial products from MFI partners. They will be invited to participate in surveys or consultations to identify local climate hazards and co-develop new or improved financial product solutions. From there, they may be involved in workshops or trainings on the new or improved financial products, and offered access to them.

[1] Please see the Stakeholder Engagement Plan for more information on potential partners.

[2] Miller (2020). *Introducing Crisis Support Loans, how we can support our Field Partners*. Available online: <https://www.kiva.org/blog/introducing-crisis-support-loans-how-we-can-support-our-field-partners>

[3] Ministry of Gender, Labour, and Social Development (2022). *Simplified guide on the Parish Development Model*. Available online; <https://www.kamuli.go.ug/sites/files/The%20Parish%20Development%20Model%20-%20Revised%20Simplified%20Guide-April%202022.pdf>

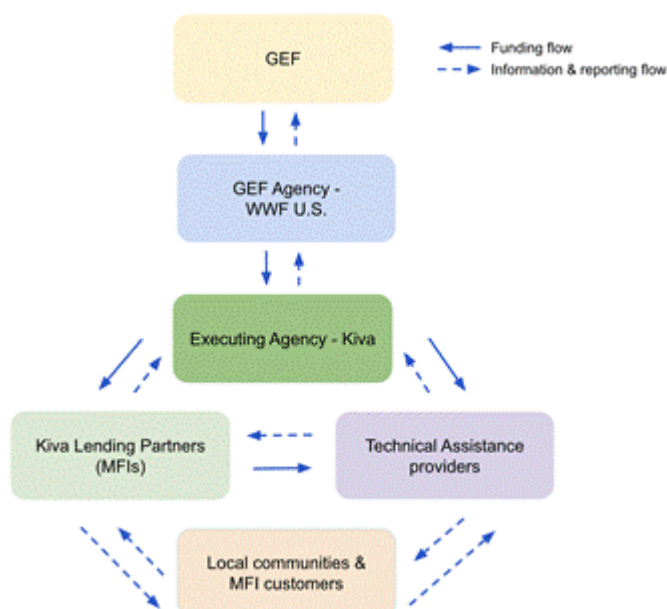
[4] UNFCCC (2021). *National Adaptation Plan of Madagascar*. Available online: <https://unfccc.int/documents/488094>

[5] Kiva (n.d.) *Due diligence for Lending Partner loans*. Available online: <https://www.kiva.org/about/due-diligence/lending-partner-role>

Institutional Arrangement and Coordination with Ongoing Initiatives and Project.

Please describe the Institutional Arrangements for the execution of this project, including financial management and procurement. If possible, please summarize the flow of funds (diagram), accountabilities for project management and financial reporting (organogram), including audit, and staffing plans. (max. 500 words, approximately 1 page)

Flow of Funds



The diagram illustrates the flow of funding, information, and reporting of the key project participants as follows. Note that Kiva will pay both TA providers directly (for the borrower level TA) but also pay through the MFIs (as often for TA it works better when the MFI is the client).

- GEF Agency: WWF-US
 - Provides support and oversight to ensure the project's objective and results are achieved, while also offering additional assistance as requested by the EA.
 - Liaises between the EA and the GEF Secretariat, facilitating reporting and ensuring compliance with GEF and WWF policies and standards. Responsibilities include approving annual work plans and budgets, overseeing the transfer and appropriate use of GEF funds, coordinating the final evaluation, reviewing project audits, certifying operational and financial completion, and arbitrating or resolving conflicts that cannot be settled by the EA.
- The Executing Agency (EA): Kiva
 - Responsible for the implementation of the project, including day-to-day project management and oversight, and all project impact monitoring and reporting.
 - Leads the overall project strategy, coordination, management and execution, including stakeholder management and communication.

- o Serves as the primary liaison with all project bodies, ensuring accurate reporting to the GEF Agency, and facilitating the effective execution of the project's objectives and components.
- o Develops the project components through a collaborative, bottom-up approach, thus ensuring the project meets the needs and expectations of key stakeholders.
- o Ensures the perspectives of stakeholders are integrated and considered in the project's components.
- o Facilitates knowledge sharing, collaboration and best practices to strengthen the project's impact.
- Kiva Lending Partners (MFIs): To be determined during the beginning of project implementation. The following partners have already been identified as potential project partners: Baobab+ Madagascar, Crédit Epargne Formation (CEFOR), Cycle Connect, EBO SACCO, FINCA Uganda, Mountain Harvest, Opportunity Bank Uganda, UGAFODE Microfinance, Vahatra, and VisionFund Uganda. Partners will be selected based on the needs assessment (i.e. Climate Compass) and capacity building project proposals that the MFIs will be asked to submit to Kiva.
 - o Provides information about climate challenges that customers and MFIs face, barriers to address those challenges, and opportunities to create solutions with project capacity building funds.
 - o Serves as key implementing partner for MFI capacity building to create new climate smart loan products, improve existing ones, and/or reach new climate affected communities.
- Technical Assistance providers: local NGOs in each country; to be determined during project implementation based on needs assessments and selected projects. Kiva's external capacity-building partnerships will focus on two levels: 1) Borrower level: Deepening understanding of borrower experiences and needs, and increasing borrower awareness of climate risks and solutions, and 2) MFI level: Using borrower insights to inform, test, and launch new product designs, as well as improve marketing and customer engagement.
 - o Works with local communities to better understand changes in climate they are experiencing, impacts to livelihoods, and coping mechanisms.
 - o Co-develops adaptation strategies with local communities that increase their resilience to climate change.
- Local Communities and MFI customers: Beneficiaries of the project, not involved in project management.

Lending Partner Selection Process

Kiva has undertaken advanced screening and engagement with potential Lending Partners during project preparation and is confident that the institutions identified are well aligned with the project's objectives. At the same time, given the short project duration, uncertainty around the timing of GEF approval and incoming funding, and dynamic country contexts, Kiva has intentionally progressed partner engagement to the furthest stage that is appropriate prior to project effective start date.

This selection process included reviewing which existing partners in the target countries currently serve smallholder farmers and have both the interest and capacity to expand into climate-focused programming. Kiva then reviewed these partners' Climate Compass survey responses and conducted follow-up discussions with select organizations to assess capacity-building opportunities.

In Uganda, Kiva plans to work with Ebo Sacco as our primary partner, given their target populations and interest in climate work. Following the CEO endorsement and Agency approval, Kiva will request a formal capacity-building proposal from Ebo Sacco. In parallel, Kiva will pick up discussions with two potential secondary partners, including UGAFODE Microfinance and VisionFund Uganda. Both MFIs sent representatives to the project's climate workshop in March 2025 and they are aware of the potential capacity-building opportunity. Kiva anticipates that it will take approximately six weeks to request and review capacity-building proposals and select a second partner in Uganda.

In Madagascar, the project is considering three potential Lending Partners: Baobab+ Madagascar, Crédit Épargne Formation (CEFOR), and Vahatra. Given recent political uncertainty in Madagascar and the timing of GEF funding, Kiva has paused short of formal commitments. Partner selection will be finalized within approximately eight weeks following the project's effective start date, once operating conditions are confirmed.

Will the GEF Agency play an execution role on this project?

If so, please describe that role here and the justification.

The WWF GEF Agency will **not** play an execution role on the project.

Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing (max. 500 words, approximately 1 page)

This proposed project will likely focus on western and/or central Uganda and will aim to coordinate closely with the recently submitted WWF GEF project "Promoting climate-resilient ecosystems and livelihoods in the landscapes of Greater Virunga (with focus on Kisoro and Rubanda Districts) and Lake Kyoga (Serere District)".

During project implementation, Kiva will coordinate with the UNDP GEF project in Madagascar titled, "Enhancing the adaptation capacities and resilience to climate change in rural communities in Analamanga, Atsinanana, Androy, Anosy and Atsimo Andrefana in Madagascar."

The project will be implemented in close coordination with other GEF-funded initiatives under the Challenge Program for Adaptation Innovation, including projects implemented by Gawa Capital (GEF ID: 12118), WOCCU (GEF ID: 12011), AECF (GEF ID: 12013), Farm Africa (GEF ID: 11979), and REDCAMIF (GEF ID: 10434). FIRE will participate in program-level learning events, joint knowledge products, and peer exchange activities facilitated by UNIDO's Climate Adaptation and Innovation Lab (CAIL) project (GEF ID: 11303). This coordination will ensure consistency of approaches, accelerate uptake of best practices, avoid duplication of effort, and maximize the global impact of GEF investments in climate-resilient financial inclusion.

Existing GEF projects within target countries

Table 1 below identifies forthcoming, ongoing, or completed GEF projects in the target countries that are thematically similar to the Kiva project. These projects focus on climate adaptation in agriculture, financial inclusion, ecosystem-based adaptation, and/or rural resilience. Most existing GEF projects focus on public sector-led infrastructure, watershed management, or ecosystem restoration. The Kiva project is distinctive in its private-sector delivery model and focuses on unlocking climate finance at the micro level. The project management team will seek out lessons learned from ongoing and completed GEF projects in the target countries to inform project activities. In turn, as the Kiva project generates borrower- and MFI-level data on climate vulnerabilities and adaptation finance, it can provide valuable insights to inform the scaling and targeting of broader resilience efforts across the region.

Table 1: Related GEF projects in the target countries

Uganda	
Project	Fostering water security and catchment resilience in Uganda's Cattle Corridor [1] ⁴⁵
Status	Concept approved
GEF Agency	Conservation International
Executing Agencies	Ugandan Ministry of Water and Environment and the Africa Innovations Institute
Key themes	Water security; agriculture; climate adaptation
Description	The project will promote sustainable and climate-resilient land and water management by enhancing access to safe and clean water, resilient and sustainable alternative livelihoods, fostering policy coherence and local level climate adaptation, strengthening coordination and knowledge management, and deploying a gender sensitive monitoring and evaluation system.
Project	Strengthening the adaptive capacity and resilience of communities in Uganda's watersheds [2] ⁴⁶
Status	Project approved
GEF Agency	African Development Bank
Executing Agency	Ministry of Agriculture, Animal Husbandry and Fisheries
Key themes	Infrastructure development; water management
Description	The project aims to build the adaptive capacity of rural communities and reduce their vulnerability to climate change and variability through integrated watershed management, climate-resilient infrastructure, and sustainable agriculture. The GEF Agency for this project is the African Development Bank.
Project	Integrating climate resilience into agricultural and pastoral production in Uganda, through a farmer/agro-pastoralist field school approach [3] ⁴⁷
Status	Project approved
GEF Agency	United Nations Environment Programme
Executing Agency	Ministry of Water and Environment
Key themes	Climate adaptation; agriculture; education
Description	The adaptation objective of this project is to build climate resilience in the agricultural sector as an effective means of reducing vulnerability and disseminating community-level adaptation measures. Climate change resilient agriculture and livestock practices in Uganda will be disseminated at the household, farm and community levels through existing structures, and through a larger-scale of agro-ecological/ watershed (catchment) management approaches to building resilience and increasing productivity.
Project	Reducing the climate change vulnerability of local communities in Uganda through EbA in forest and wetland ecosystems [4] ⁴⁸
Status	Project approved
GEF Agency	Food and Agriculture Organization

Executing Agency	Ministry of Agriculture, Animal Industry and Fisheries
Key themes	Climate adaptation; livelihoods
Description	The project aims to strengthen the capacity of communities and government to implement Ecosystem-based Adaptation (EbA) interventions in forest and wetland ecosystems in Uganda. EbA interventions will be used in pilot sites around forests and wetlands, and training will be provided to local and national government to implement EbA as a tool to adapt to climate change.
Project	The African Nature-Based Tourism Platform – a response to COVID-19
Status	Project approved
GEF Agency	WWF-US
Executing Agency	WWF-US
Key themes	Conservation, eco-tourism, COVID recovery
Description	The African Nature-Based Tourism Platform will connect funders to the communities and small and medium enterprises (SMEs) most in need of funding support, with a goal of mobilizing at least \$15 million to support communities and SMEs in COVID-19 recovery efforts and to build greater resilience into the nature-based tourism business model into the future.
Madagascar	
Project	Upscaling ecosystem-based adaptation for Madagascar's coastal zones [5] ⁴⁹
Status	Concept approved
GEF Agency	Food and Agriculture Organization
Executing Agency	Ministry of Agriculture, Animal Industry and Fisheries
Key themes	Climate adaptation; livelihoods
Description	The project aims to upscale some of the best practices identified by the first stage of the project, specifically in the areas of ecosystem (mangrove) rehabilitation, and livelihood diversification.
Project	Promoting climate adaptation and resilience through innovation and entrepreneurship for green jobs in Madagascar [6] ⁵⁰
Status	Project approved
GEF Agency	United Nations Industrial Development Organization
Executing Agency	Ministry of Environment and Sustainable Development
Key themes	No documents or descriptions are currently available for this project.
Description	No documents or descriptions are currently available for this project.
Project	Enhancing the Adaptation Capacities and Resilience to Climate Change in Rural Communities in Analamanga, Atsinanana, Androy, Anosy, and Atsimo Andrefana [7] ⁵¹
Status	Project completed
GEF Agency	United Nations Development Program
Executing Agency	National Climate Change Coordination Office
Key themes	Community adaptation; financial inclusion

Description	The project aims to strengthen the capacities of five vulnerable communities to cope with the additional risks posed by climate change and variability for livelihood opportunities. One element of this is to provide financial credit products to local communities.
Project	Enabling climate resilience in the agriculture sector in the Southwest region of Madagascar [8] ⁵²
Status	Project completed
GEF Agency	African Development Bank
Executing Agencies	Ministry of Agriculture and the Ministry of Environment and Forests
Key themes	Water security; infrastructure development; climate adaptation
Description	The project aimed to promote adaptation in Madagascar by ensuring that agricultural water infrastructure planned under a business-as-usual scenario is modified so as to be resilient in the face of climate change; that the vulnerability of the catchment to cyclones and flooding is reduced, and that local agricultural livelihoods are adapted to climate change through water management and health interventions.

Related non-GEF projects in Africa

The table below lists non-GEF projects aligned with the Kiva project's focus on climate adaptation through financial inclusion, rural resilience, and climate-smart agriculture in Africa. For example, the Africa Rural Climate Adaptation Finance Mechanism and the Project for Financial Inclusion in Rural Areas share strong thematic alignment with the Kiva project, in their focus on expanding access to finance for vulnerable populations and using concessional or de-risked capital to enable adaptation. There is potential for cross-learning on financial product design, borrower engagement strategies, and results measurement approaches with these projects. The Kiva project could also benefit from accessing the technical resources, networks, or lessons learned from these programs in order to enhance project interventions.

Table 2. Overview of non-GEF projects in Africa

Project	Rural Integrated Climate Adaptation and Resilience Building Project [9] ⁵³
Target country / region	The Gambia
Project leader	Ministry of Environment, Climate Change and Natural Resources
Donor / lender	UN World Food Program
Project value	US\$10,000,000
Implementation period	2022 - 2027
Description	The project's aim is to enhance adaptive capacity of rural populations through support to climate-resilient and diversified livelihoods. Smallholder farmers are identified as a key vulnerable rural group, though the project is not solely targeting smallholder farmers. One project outcome is that 45,000 of the direct beneficiaries will benefit from activities to increase access to financial services (financial literacy, savings, micro-finance and micro insurance) to enhance investments in climate-resilient agriculture.
Project	Africa Rural Climate Adaptation Finance Mechanism. [10] ⁵⁴
Target country / region	Kenya, Uganda, Tanzania, and Rwanda
Project leader	Green Climate Fund, IFAD, Local Financial Institutions
Donor / lender	Green Climate Fund, IFAD
Project value	US\$200,000,000
Implementation period	2023 - ongoing
Description	The project aims to enhance the resilience of farmers and businesses in rural areas across the four target countries. GCF will provide concessional financing to local lending partners, who in turn will provide access to finance to rural borrowers. GCF will therefore de-risk loans to rural borrowers. There will also be grant funding available to local financial institutions so that they are able to build capacity and offerings in line with the program.
Project	Project for Financial Inclusion in Rural Areas. [11] ⁵⁵
Target country / region	Uganda
Project leader	Government of Uganda and IFAD
Donor / lender	IFAD
Project value	US\$29,000,000
Implementation period	2013 – 2022
Description	The goal of this project was to sustainably increase access to, and use of, financial services by the rural population in Uganda. The project held a focus on supporting rural women and community-based savings and credit cooperatives. Ongoing work to scale up community-based savings and credit groups to ensure inclusion of communities that are currently not served by financial service providers.
Project	Upscaling Climate-smart Agriculture via Micro Finance. [12] ⁵⁶
Target country / region	Tanzania
Project leader	Wageningen Economic Research, CARE International, and Sokoine University of Agriculture
Donor / lender	CARE (research project)
Project value	Not specified
Implementation period	2018 – 2020
Description	The project aimed to provide practical and conceptual insight through business training and financial services (through village savings and loans associations). These initiatives will support community-based adaptation action plans helping to empower communities and aid climate change mitigation. The project emphasizes social and gender inclusiveness.

Project	Strengthening Climate Resilience and Adaptation through Financial Services: Research for CGAP's Climate Resilience. [13] ⁵⁷
Target country / region	Nigeria
Project leader	CGAP (Consultative Group to Assist the Poor)
Donor / lender	FCDO
Project value	US\$325,900
Implementation period	2022 – 2023
Description	CGAP's climate resilience project aimed to offer guidance to financial inclusion stakeholders on the role that financial services can play in helping the vulnerable to reduce the impact of and adapt to specific climate risks. The project included the creation and testing of a conceptual framework and research methodology for describing, understanding, and researching the nexus between climate and financial inclusion.
Project	Financial Inclusion and Entrepreneurship Scaling Project. [14] ⁵⁸
Target country / region	Malawi
Project leader	Ministry of Industry and Trade, Reserve Bank of Malawi
Donor / lender	World Bank
Project value	US\$86,000,000
Implementation period	2020 – 2025
Description	The project consists of the following components; liquidity enhancement for MSMEs, de-risking/risk capital support, scaling of entrepreneurship and building firm capabilities, enhancement of the enabling environment for supporting the financial inclusion and growth of entrepreneurs, and project implementation support.

[1] GEF (2025). *Fostering water security and catchment resilience in Uganda's Cattle Corridor*. Available online: <https://www.thegef.org/projects-operations/projects/11696>

[2] GEF (2025). *Strengthening the Adaptive Capacity and Resilience of Communities in Uganda's watersheds*. Available online: <https://www.thegef.org/projects-operations/projects/10203>

[3] GEF (2025). *Integrating Climate Resilience into Agricultural and Pastoral Production in Uganda, through a Farmer/Agro-Pastoralist Field School Approach*. Available online: <https://www.thegef.org/projects-operations/projects/7997>

[4] GEF (2025). *Reducing the Climate Change Vulnerability of Local Communities in Uganda through EbA in Forest and Wetland Ecosystems*. Available online: <https://www.thegef.org/projects-operations/projects/8035>

[5] GEF (2025). *Upscaling Ecosystem-based Adaptation for Madagascar's Coastal Zones*. Available online: <https://www.thegef.org/projects-operations/projects/10939>

[6] GEF (2025). *Promoting climate adaptation and resilience through innovation and entrepreneurship for green jobs in Madagascar*. Available online: <https://www.thegef.org/projects-operations/projects/11710>

- [7] GEF (2025). *Enhancing the Adaptation Capacities and Resilience to Climate Change in Rural Communities in Analamanga, Atsinanana, Androy, Anosy, and Atsimo Andrefana*. Available online: <https://www.thegef.org/projects-operations/projects/5632>
- [8] GEF (2025). *Enabling climate resilience in the agriculture sector in the Southwest region of Madagascar*. Available online: <https://www.thegef.org/projects-operations/projects/5233>
- [9] Adaptation Fund (2025). *Project description*. Available online: <https://www.adaptation-fund.org/project/rural-integrated-climate-adaptation-and-resilience-building-project-ricar-2/>
- [10] Green Climate Fund (2025). *Project description*. Available online: <https://www.greenclimate.fund/project/fp220>
- [11] IFAD (2025). *Project description*. Available online: <https://www.ifad.org/en/w/projects/1100001630>
- [12] CCAFS (2025). *Project description*. Available online: <https://ccafs.cgiar.org/index.php/research/projects/upscaling-climate-smart-agriculture-micro-finance-tanzania-global-challenges-programme-project>
- [13] FSD Africa (2023). *Project description*. Available online: <https://fsdafrica.org/projects/strengthening-climate-resilience-and-adaptation-through-financial-services-research-for-cgaps-climate-resilience-project/>
- [14] World Bank Group (2025). *Project description*. Available online: <https://projects.worldbank.org/en/projects-operations/project-detail/P168577>

Core Indicators

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

META INFORMATION – LDCF

LDCF true	SCCF-B (Window B) on technology transfer false	SCCF-A (Window-A) on climate Change adaptation false
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Is this project LDCF SCCF challenge program?
true

This Project involves at least one small island developing State(SIDS).
false

This Project involves at least one fragile and conflict affected state.
false

This Project will provide direct adaptation benefits to the private sector.
true

This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs).
false

This project will collaborate with activities begin supported by other adaptation funds. If yes, please select below

Green Climate Fund false	Adaptation Fund false	Pilot Program for Climate Resilience (PPCR) false
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This Project has an urban focus.
false

This project will directly engage local communities in project design and implementation
true

This project will support South-South knowledge exchange
true

This Project covers the following sector(s)[the total should be 100%]: *

Agriculture	80.00%
Nature-based management	0.00%
Climate information services	0.00%
Coastal zone management	0.00%
Water resources management	10.00%
Disaster risk management	0.00%
Other infrastructure	0.00%
Tourism	0.00%
Health	0.00%
Other (Please specify comments) clean energy	10.00%
Total	100.00%

This Project targets the following Climate change Exacerbated/introduced challenges:*

Sea level rise true	Change in mean temperature true	Increased climatic variability true	Natural hazards true
Land degradation true	Coastal and/or Coral reef degradation true	Groundwater quality/quantity true	

CORE INDICATORS – LDCF

	Total	Male	Female	% for Women
CORE INDICATOR 1 Total number of direct beneficiaries	3,572	2,143.00	1,429.00	40.01%
CORE INDICATOR 2 (a) Area of land managed for climate resilience (ha) (b) Coastal and marine area managed for climate resilience (ha)	0.00 0.00			
CORE INDICATOR 3 Number of policies/plans/ frameworks/institutions for to strengthen climate adaptation	0.00			
CORE INDICATOR 4 Number of people trained or with awareness raised	45	27.00	18.00	40.00%
CORE INDICATOR 5 Number of private sector enterprises engaged in climate change adaptation and resilience	3.00			

SUB INDICATOR 1

	Total	Male	Female
1.1 Number of direct beneficiaries from more resilient physical and natural assets	0	0	0

1.2 Number of direct beneficiaries with diversified and strengthened livelihoods and sources of income	3572	2,143	1,429
1.3 Number of direct beneficiaries from the new or improved climate information services including early warning systems	0	0	0
1.4 Number of youth (15 to 24 years of age) benefiting from the project	0	0	0
1.5 Number of elderly (over 60 years of age) benefiting from the project	0	0	0
1.6 Increased income, or avoided decrease in income (per capita in \$ across all relevant beneficiaries)	0		

SUB-INDICATOR 2

2.1 Hectares of agricultural land

0

2.2 Hectares of urban landscape

0

2.3 Hectares of rural landscape

0

2.4 Hectares of forests

0

2.5 Hectares of marine area

0

2.6 Hectares of freshwater area

0

2.7 Number of residential houses

0

2.8 Number of public buildings

0

2.9 Number of irrigation or water structures

0

2.10 Number of fishery or aquaculture ponds or cages

0

2.11 Number of ports or landing sites

0

2.12 Km of road

0

2.13 Km of riverbank

0

2.14 Km of coast

0

2.15 Km of stormwater drainage

0

2.16 Number of new adaptation technologies supported

0

SUB INDICATOR 3

3.1 Number of policies/plans developed and strengthened that will mainstream climate resilience

(regional, national, sub-national)

0

3.2 Number of systems and frameworks established for continuous monitoring, reporting and review of climate adaptation impacts

0

3.3 Number of national climate policies and plans enabled, including national adaptation planning processes

0

3.4 Number of institutional partnerships or coordination mechanisms established or strengthened

0

3.5 Number of institutions with increased capacity to plan, implement, monitor, and report for climate adaptation

3

3.6 Number of institutions with increased capacity to attract, and manage climate adaptation finance

0

3.7 Number of local community organizations benefitting from and/or engaged in institution strengthening, partnerships, or financing

0

3.8. Number of climate risk and vulnerability assessments conducted

500

SUB INDICATOR 4

4.1 Number of people trained or made aware of climate change impacts and appropriate adaptation responses	Total	Male	Female
a) National government	0	0	0
b) Local government	0	0	0
c) Local community organizations	0	0	0
d) Extension services	0	0	0
e) Hydromet and disaster risk management agencies			

	0	0	0
f) School children, university students, and teachers	0	0	0
g) Youth	0	0	0

SUB INDICATOR 5

	Total	Male	Female
5.1 Amount of investment mobilized (US\$) from private sector sources			
5.2 Number of entrepreneurs supported for climate adaptation or resilience	0		
5.3 Total financial value of lines of credit and/or investment funds			
5.4 Number of MSMEs incubated/accelerated with technical assistance, financial matchmaking, and/or direct financing			

Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	Moderate	Assessment: Each of the two target countries is vulnerable to climate change and is already experiencing increasing frequency and intensity of climate shocks. Projections suggest that future scenarios of recurrent droughts and natural disasters will be severe, resulting in more frequent crop failures and higher rates of internally displaced persons. For certain financial products developed under the project (e.g. crop insurance), repeated failures will render the product unsustainable at considerable cost to MFIs and Kiva. Mitigation: By improving risk awareness across portfolios and diversifying exposure, MFIs will reduce vulnerability to localized shocks. However, if major climate events still occur, Kiva and its Lending Partners will activate adaptive response mechanisms. In such cases, lending may pivot temporarily toward recovery and resilience loans (e.g., restocking, livelihood restoration), and the Climate Crisis Support Loan will provide short-term liquidity to MFIs facing repayment disruption. Kiva's flexible crowdfunding model also allows reallocation of capital to maintain lending continuity in affected regions.

		Residual risk remains moderate, given potential systemic shocks beyond the control of MFIs or the project.
Environmental and Social	Low	Assessment: As discussed in the Gender Mainstreaming Plan, women are disproportionately excluded from financial offerings and products. There is a risk that the work of this project will perpetuate this exclusion. Mitigation: Kiva's record in improving women's financial inclusion is strong, with 80% of loans offered to female clients. This is in direct contrast to statistics from conventional loan offerings. Therefore, Kiva can reach women and will continue its efforts with this project. The Gender Mainstreaming Plan offers additional guidance on ensuring strong female representation by addressing a lack of technology access, financial illiteracy, and cultural barriers. Additionally, Kiva lending policies prohibit Field Partners from extending credits or loans to Kiva borrowers who are in any way engaged in (i) prostitution, (ii) the sale or trafficking of adult or child pornography, (iii) lethal weapons, including but not limited to, firearms (iv) narcotics or illicit drugs, the offer or sale of which are illegal or otherwise prohibited in the Field Partner's country, or who (v) who are otherwise engaged in criminal activities, including activities that could be related to terrorism. This exclusion applies to loans displaying evidence of harmful child labor, as defined by the International Labor Organization. If participation data or monitoring reveals persistent gender or social exclusion, Kiva will apply adaptive management measures such as targeted outreach campaigns, revising product design, or introducing incentive structures for female borrowers to rebalance uptake.
Political and Governance	Moderate	Assessment: On 12 January 2026, Uganda will hold national elections. Political violence due to the elections is becoming more likely due to pre-election crackdowns on opposition parties and growing tension. While the project activities are not dependent on government cooperation, political instability could compromise the ability of MFIs to continue normal operations. Additionally, the October 2025 coup in Madagascar underscores the broader regional volatility that could have indirect effects on investor confidence and cross-border financial flows within East Africa. Mitigation: The situation will be continually monitored by Kiva, who are already working in Uganda and Madagascar. Kiva has experience navigating emergency political situations. In such cases, Kiva collaborates closely with partners unable to meet repayment terms, helping to delay repayment requirements and support the implementation of their business continuity plans. For example, in 2024, Kiva's two partners in the Democratic Republic of the Congo were forced to temporarily suspend operations due to a political coup. Kiva worked alongside them to safely resume operations as conditions stabilized. Kiva will continue to monitor political developments closely through its in-country networks. If unrest disrupts lending, Kiva will temporarily suspend or adapt operations to ensure staff and borrower safety, extend grace periods on repayments, and activate its business continuity framework used in past crises.

INNOVATION

Institutional and Policy	Low	Assessment: FIRE will contribute to existing policy directions and focuses of the two target countries. There will be some institutional shifts for lending partners as they aim to expand offerings and deepen their understanding of portfolio risks. MFIs could struggle to implement these new offerings, especially in cases where there are limited resources and capacity within the MFI. Mitigation: Kiva and technical assistance providers will work directly with MFIs in workshops to develop a clear understanding of their needs and potential opportunities for support. Kiva will develop strategies that are tailored to each Lending Partners' capabilities, thus mitigating the risk of Lending Partners developing strategies that are not achievable. FIRE is fully aligned with national adaptation and financial inclusion priorities, and Kiva has established working relationships with relevant regulatory authorities. If approval delays or policy shifts occur, the PMU will engage national regulators through WWF country offices and adapt timelines or product terms as needed to maintain compliance.
Technological	Low	Assessment: Project activities are only reliant on basic technology (i.e. readily available and dependable online software for video conferencing, mobile banking technology, document drafting, and desktop research). Mitigation: Kiva and Lending Partners will combine digital tools with in-person engagement to ensure inclusion of borrowers with limited connectivity. If technology access remains a barrier, the project will deploy offline-compatible tools and community-based data collection, or adapt delivery through intermediary organizations (e.g., savings groups). Residual risk is low as hybrid engagement models are already built into the project approach.
Financial and Business Model	Moderate	Assessment: Providing loans and financial products to underserved and vulnerable communities has traditionally been seen as high-risk by MFIs and financial institutions. The risk of defaults, loss of collateral, and high insurance payouts are risks undermining the business model. Mitigation: FIRE provides risk-tolerant capital to buffer Lending Partners during shocks, complemented by the Climate Crisis Support Loan to stabilize liquidity. If systemic defaults occur despite these measures, Kiva can reallocate capital from its broader crowdfunding platform, introduce repayment restructuring, and mobilize co-financing from aligned investors to preserve continuity.

EXECUTION

Capacity	Low	Assessment: Kiva will work with 2-3 lending partners per country, with whom there is already a strong business relationship. All lending partners must work through a due diligence process to ensure financial stability and social and environmental safeguards. All MFIs participating in the project are doing so on a voluntary basis and likely have capacity to participate. Mitigation: The project provides targeted technical assistance to Lending Partners to build capacity on climate risk assessment, product innovation, and portfolio
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		resilience. If capacity gaps persist during implementation, Kiva will adjust TA delivery (e.g., extending support duration, pairing weaker partners with higher-capacity peers, or deploying additional short-term advisors). The PMU will also track institutional readiness through semi-annual reviews to ensure adaptive reallocation of TA resources.
Fiduciary	Low	Assessment: The risk of mismanagement of project funds or non-compliance with fiduciary responsibilities is low given the established %governance structure, due diligence assessments, and oversight mechanisms. Mitigation: Kiva's track record of finding and working with trusted partners is strong, indicated through its high loan repayment rate (96%). The stringent due diligence processes that have been developed over several years will continue to be used and enhanced. However, if any irregularities or deviations are detected, Kiva will suspend disbursements to the affected partner, conduct an immediate audit review, and implement corrective measures before resuming funding.
Stakeholder	Low	(MFI) Assessment: Although the success of the project is dependent on collaboration with MFIs, these relationships are already established. Participating MFIs wish to work on the project and expand their operations. There is the possibility that loan recipients are unable to repay loans, though Kiva has established guidelines that will be used to ensure borrowers are not financially stricken in this case. The risk that participation will negatively affect MFIs and other stakeholders is minimal. Mitigation: The project includes structured engagement processes at all stages, with a Stakeholder Engagement Plan outlining roles and feedback mechanisms. If stakeholder participation declines or conflicts arise, the PMU will hold targeted consultations to realign expectations, reinforce communication through focal points, and adjust engagement formats (e.g., virtual sessions, smaller working groups) to maintain inclusivity and momentum. Residual risk is low due to proactive engagement and inclusive governance design. (Borrowers): Assessment: Borrowers in climate-vulnerable contexts face heightened risks from climate shocks, income volatility, limited financial literacy, and social exclusion. These factors, which especially affect women, youth, and marginalized groups, may constrain adoption of climate-smart financial products, limit participation in adaptation activities, and increase repayment risk during periods of environmental stress. Social norms, mobility constraints, and unequal access to information may further reduce inclusive engagement if not addressed. Mitigation: Risks are mitigated through a participatory, inclusive borrower-level design approach. Gender-sensitive and community-based climate vulnerability and needs assessments (Output 2.1.1) ensure borrower priorities and constraints inform adaptation interventions and financial product design. Adaptation strategies and associated financial products are co-developed with borrowers (Output 2.1.2), enhancing relevance, uptake, and ownership. Targeted technical assistance improves borrower

		understanding of climate risks, financial terms, and adaptation options, while Lending Partners are encouraged to apply inclusive outreach and product features aligned with the Gender Action Plan, reducing default risk and supporting equitable access to climate adaptation finance.
Other		Assessment: Potential unforeseen risks such as geopolitical instability or economic downturns could impact investment flows and project uptake. This is a risk for the wider impact of the project but is not within the project scope during implementation. Mitigation: The project will maintain flexibility and adaptive management strategies to respond to emerging risks, ensuring resilience in implementation. If global disruptions reduce lending flows or borrower repayment capacity, Kiva can temporarily shift disbursements toward stabilization and recovery products, activate the Climate Crisis Support Loan for institutional liquidity, and engage its broader network of investors for rapid capital mobilization.
Overall Risk Rating	Low	While several risks exist, the project has built-in mitigation measures that reduce the likelihood and impact of major obstacles. As the project builds on Kiva's experience and network, the risks can be managed effectively.

B. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Explain how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this. (max. 500 words, approximately 1 page)

Alignment with LDCF Programming Strategy

This project is fully aligned with the GEF-8 Least Developed Countries Fund (LDCF) programming strategy [1]⁵⁹, specifically Priority Area 1: Scaling Up Adaptation Finance and Priority Area 2: Strengthening Innovation and Private Sector Engagement. As an LDCF-funded intervention, the project applies catalytic grant finance to address systemic barriers that limit the scale, effectiveness, and inclusiveness of climate adaptation finance in Least Developed Countries.

Alignment with Priority Area 1: Scaling Up Adaptation Finance

The project directly supports Priority Area 1 by strengthening the institutional and operational conditions required for effective mobilization, deployment, and tracking of adaptation finance. It addresses key barriers identified in the LDCF strategy, including limited institutional capacity to integrate climate risk into financial decision-making and constrained access to finance for locally led adaptation actions.

Through targeted technical assistance and capacity building, the project enhances the ability of financial institutions and relevant stakeholders to incorporate climate risk considerations into lending and investment processes, and to improve monitoring of adaptation outcomes. These interventions contribute to greater policy and investment coherence and support alignment between national adaptation priorities and financial flows, thereby strengthening the enabling environment for scaling up adaptation finance.

Alignment with Priority Area 2: Strengthening Innovation and Private Sector Engagement

The project strongly aligns with Priority Area 2 by catalyzing private sector-led adaptation solutions by supporting microfinance institutions. LDCF grant resources are used to reduce risk, address capacity constraints, and enable the development and uptake of adaptation-oriented financial products and business models.

The project strengthens financial institutions' capacity to use climate information in credit and risk assessment, expand access to finance for climate-vulnerable MSMEs and local producers, and support innovation in climate-resilient practices. By improving the commercial viability and scalability of adaptation investments, the project helps build a pipeline of bankable opportunities and strengthens the business case for private sector engagement in climate adaptation.

Alignment with national priorities

FIRE aligns with key national priorities expressed in the national policies of Uganda and Madagascar, all of which emphasize adaptation in agriculture, water security, and financial inclusion. [\[2\]⁶⁰](#) [\[3\]⁶¹](#) [\[4\]⁶²](#)

Uganda

In Uganda, there is a wide array of relevant climate change and economic national strategies, many of which are currently being consolidated into a more cohesive national framework. The project's aims are closely tied to Ugandan national strategies and the country's priorities, including the following frameworks:

- Uganda's National Adaptation Plan (NAP), launched in 2023 with support from UNEP and the Green Climate Fund, aims to shift from project-based interventions to a coordinated, long-term adaptation strategy. [\[5\]⁶³](#) The NAP emphasizes building a shared national understanding of climate scenarios, conducting district-level climate risk assessments, and strengthening institutional capacity for adaptation planning. The project's focus on climate vulnerability assessment and local-level resilience will support these objectives.

- Uganda's National Climate Change Policy (NCCP), approved in 2015, is the country's primary climate policy framework.^{[6]⁶⁴}
- It prioritizes reducing vulnerability to climate impacts, addressing extreme weather, building resilience across the economy, and setting up institutional mechanisms to coordinate the national climate response. These objectives strongly align with the project's efforts to increase resilience among MFIs and borrowers, improve access to adaptation finance, and integrate climate risk into financial systems.
- Uganda Vision 2040 is a national development strategy that envisions a transition from a subsistence to a modern, prosperous society.^{[7]⁶⁵}
- Vision 2040 identifies the need for greater investment in adaptation and mitigation, especially through private sector engagement, an area where the Kiva project directly contributes.
- The Ugandan Green Growth Development Strategy (UGGDS) promotes inclusive green growth, income and livelihood enhancement, resource efficiency, and climate-smart development.^{[8]⁶⁶}
- The Parish Development Model (PDM) is a 2022 strategy that aims to bring subsistence households into the formal economy by decentralizing planning and funding to the parish level.^{[9]⁶⁷}
- By broadening access to climate-smart financial products and working through community-level lending partners, the project supports the core goals of the PDM: increased household incomes, food security, and local ownership of development solutions.

Madagascar

In Madagascar, the project is well aligned with the country's National Climate Change Adaptation Plan (2021), which serves as its primary framework for adaptation.^{[10]⁶⁸}

The plan sets out three overarching priorities: strengthening governance for adaptation, implementing sectoral programs, and financing adaptation actions. It outlines specific goals that closely mirror the aims of the Kiva project such as enhancing the resilience of rural populations and the agricultural sector (especially in the drought-prone south), building climate-resilient livelihoods in the fisheries sector, and supporting innovation and technological uptake to achieve adaptation outcomes. By expanding access to financial tools that enable adoption of resilient practices and technologies, the project supports both rural and sectoral resilience priorities. Its borrower-led, bottom-up design also complements the Plan's emphasis on localized, need-driven interventions.

- [1] GEF (2022). *GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund for the GEF-8 Period Of July 1, 2022, To June 30, 2026 and Operational Improvements*. Available online: https://www.thegef.org/sites/default/files/documents/2022-06/EN_GEF.LDCF_SCCF_32.04.Rev_01_GEF%20Programming_Strategy_Adaptation_Climate_Change_LDCF_SCCF_GEF8_July_2022_June%202026_Operational_Improvements.pdf
- [2] UNEP (2023). *Uganda to Tackle Climate Crisis with National Adaptation Plan*. Available online: <https://www.unep.org/gan/news/press-release/uganda-tackle-climate-crisis-national-adaptation-plan>
- [3] UNFCCC (2021). *National Adaptation Plan of Madagascar*. Available online: <https://unfccc.int/documents/488094>
- [4] Climate Change Laws (2021) *National Climate Change Response Strategy 2021-2026*. Available online: https://climate-laws.org/document/national-climate-change-response-strategy-2021-2026_6154
- [5] UNEP (2023). *Uganda to Tackle Climate Crisis with National Adaptation Plan*. Available online: <https://www.unep.org/gan/news/press-release/uganda-tackle-climate-crisis-national-adaptation-plan>
- [6] Ministry of the Environment and Water (Uganda) (2015). *National Climate Change Policy*. Available online: <https://www.mwe.go.ug/sites/default/files/library/National%20Climate%20Change%20Policy%20April%202015%20final.pdf>
- [7] Green Policy Platform (2007). *Vision 2040*. Available online: <https://www.greenpolicyplatform.org/sites/default/files/downloads/policy-database/UGANDA%20Vision%202040.pdf>
- [8] Global Green Growth Institute (2017). *Uganda's GGDS*. Available online: <https://gggi.org/wp-content/uploads/2019/03/Uganda-Green-Growth-Development-Strategy-20171204.pdf>
- [9] Ministry of Gender, Labour, and Social Development (2022). *Simplified guide on the Parish Development Model*. Available online: <https://www.kamuli.go.ug/sites/files/The%20Parish%20Development%20Model%20-%20Revised%20Simplified%20Guide-April%202022.pdf>
- [10] UNFCCC (2021). *National Adaptation Plan of Madagascar*. Available online: <https://unfccc.int/documents/488094>

C. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

1) Does the project expect to include any gender-responsive-measures to address gender gaps or promote gender equality and women's empowerment?

Yes

If the project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

Closing gender gaps in access to and control over natural resources;

Improving women's participation and decision-making; and/or

Yes

Generating socio-economic benefits or services for women.

Yes

2) Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes has been clearly articulated in the Project Description (Section B) and that a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier;

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in Annex E).

Yes

Please provide overall Project/Program Risk Classification

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
	Low		

D. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described during Project Preparation in the Project Description and that these activities have been budgeted.

Yes

Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate and these benefits translate in supporting the achievement of global environmental benefits (GEF Trust Fund) or adaptation benefits (LDCF, SCCF). This section identifies the direct beneficiaries from the project.

FIRE will deliver substantial socioeconomic benefits at both national and local levels by increasing access to climate-adaptive finance for vulnerable populations in Uganda and Madagascar. At the local level, FIRE enables a range of borrowers, including smallholder farmers, women-led enterprises, and informal workers, who are often excluded from formal financial systems to access tailored financial products such as microloans, insurance, and savings products. These products will be co-developed with borrowers to support locally relevant adaptation practices, including climate-resilient agriculture, clean energy, and diversified livelihoods. Enhanced access to finance supports communities to invest in adaptation strategies that increase their income stability, reduce exposure to climate shocks, and improve food and water security.

At the national level, FIRE strengthens the capacity of selected Kiva Lending Partners, to assess and manage climate risks. Through technical assistance from the project, MFIs will be better equipped to integrate climate risk management into their portfolios and sustain lending during and after climate shocks. This strengthens the financial ecosystem's resilience and supports broader economic stability in the face of increasing climate volatility.

These socioeconomic benefits directly support adaptation by increasing financial inclusion in high-risk areas, thereby breaking the cycle of exclusion and vulnerability. Borrowers equipped with financial tools and climate knowledge are better able to anticipate, absorb, and recover from climate shocks, leading to greater long-term resilience. MFIs that are more resilient can maintain service continuity in crises, ensuring that capital continues to flow to the most vulnerable when it is most needed.

The direct beneficiaries of the project include:

- At least 3572 borrowers, 40% of whom will be women, will co-develop and adopt climate adaptation strategies financed by new or improved loan products. These borrowers will benefit from increased awareness of climate risks and improved capacity to implement adaptive measures; and
- At least three Kiva Lending Partners, who will receive technical assistance to develop and deliver climate-smart financial products, and to integrate climate risk into portfolio management.

ANNEX A: FINANCING TABLES

GEF Financing Table

Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional / Global	Focal Area	Programm ing of Funds	Grant / Non- Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
WWF-US	LDCF	Regional	Climate Change	LDCF Global/Re	Grant	1,601,376.0 0	144,124 .00	1,745,500.00

				gional support				
Total GEF Resources (\$)						1,601,376.00	144,124.00	1,745,500.00

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount (\$)

50000

PPG Agency Fee (\$)

4500

GEF Agency	Trust Fund	Country/ Regional / Global	Focal Area	Programming of Funds	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
WWF-US	LDCF	Regional	Climate Change	LDCF Global/Regional support	50,000.00	4,500.00	54,500.00
Total PPG Amount (\$)					50,000.00	4,500.00	54,500.00

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
Total GEF Resources (\$)					0.00

Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
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CCA-1-2	LDCF	1,601,376.00	2,481,857.00
Total Project Cost (\$)		1,601,376.00	2,481,857.00

Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Civil Society Organization	Kiva	In-kind	Recurrent expenditures	2,481,857.00
Total Co-financing (\$)				2,481,857.00

Please describe the investment mobilized portion of the co-financing

Not Applicable

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	10/31/2025	Renae Stenhouse		renae.stenhouse@wwfus.org
Project Coordinator	10/31/2025	Heike Lingertat		heike.lingertat@wwfus.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name of GEF OFP	Position	Ministry	Date (Month, day, year)
Patrick Ocailap	Deputy Secretary to the Treasury / GEF Operational Focal Point	Ministry of Finance, Planning, and Economic Development (Uganda)	8/12/2025
Dr Hery A. Rokotondravony	GEF Operational Focal Point	Ministere de l'Environnement et	8/13/2025

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ANNEX C: PROJECT RESULTS FRAMEWORK

Please indicate the page number in the Project Document where the project results and M&E frameworks can be found. Please also paste below the Project Results Framework from the Agency document.

Term	Definitions
Financial inclusion	The provision and accessibility of affordable, appropriate financial services to individuals and businesses, particularly those underserved by traditional financial institutions.
Risk-tolerant	Willing to accept higher levels of uncertainty or potential loss in pursuit of impact, particularly in early-stage, unproven, or innovative contexts.
Crowdfunded capital	Financial resources raised from a large number of individual contributors who each invest small amounts to collectively support a project or cause.
Climate adaptation	The process of adjusting systems, practices, and behaviors to minimize the harmful effects of climate change and take advantage of potential opportunities.
Climate smart	Designed to address climate-related risks by integrating climate resilience and adaptation considerations into the financial products.
Kiva Lending Partners	Financial Service Providers that offer products such as savings, insurance, and adaptation loans to borrowers. Kiva channels financing to borrowers through these Lending Partners, who can also access Kiva funding to develop new financial products.
Borrowers	Individuals, businesses, or organizations that receive funds from Kiva Lending Partners with the obligation to repay the amount under agreed terms.
Solutions	Practical measures or approaches that help individuals or communities adapt to climate impacts and strengthen their resilience, such as improved farming practices, water management, diversified livelihood options, or access to climate-responsive finance.
Increased resilience	Enhanced ability to anticipate, withstand, and adapt to climate-related shocks or stresses.
Capital	Financial resources such as funds or assets used to support investment, operations, or growth.
Climate crisis	The urgent and escalating global challenge caused by climate change, characterized by increasingly severe weather events, environmental degradation, and social and economic impacts that threaten ecosystems, livelihoods, and human well-being.
Knowledge products	Tangible or digital resources, such as toolkits, presentations, or case studies, designed to capture, share, and apply knowledge for informed decision-making and action.
The broader ecosystem	The wider network of microfinance institutions, stakeholders, and supporting entities globally that influence financial inclusion for individual borrowers.
Adaptive project management	A flexible and iterative approach to managing projects that emphasizes continuous learning, feedback, and adjustments to improve effectiveness and respond to changing conditions.
Monitoring and evaluation system	A structured framework for tracking progress, assessing performance, and measuring the impact of the project in line with WWF-GEF Agency requirements.

RESULTS FRAMEWORK PRODOC – Expanding Financial Inclusion and Resilience: Leveraging Risk-Tolerant Crowdfunded Capital for Innovative Climate Adaptation

Objective/Outcome	Indicator / unit (LDCF Core Indicators)	Method/ source	Frequency	Responsible	Disaggregation	Baseline	YR1	YR2	YR3
Project Objective: To strengthen climate resilience of vulnerable communities by increasing their access to risk-tolerant, crowdfunded finance for climate adaptation	1.2 Number of direct beneficiaries with diversified and strengthened livelihoods and sources of income (sex disaggregated) ⁷³	Review of Kiva Lending Partners' lending activity, i.e. number of borrowers accessing financial products from Lending Partners involved in project	Close	Kiva	Men and women	0 (no borrowers have accessed financial products from Lending Partners involved in project)			3,572 borrowers that have accessed financial products from Lending Partners involved in project, of which 40% are women ⁷⁴
	3.5 Number of institutions with increased capacity to plan, implement, monitor, and report for climate adaptation	Survey of Kiva Lending Partners that received technical assistance from the project. Gender of survey participants will be captured. Number of respondents saying that their ability to decrease risk in their portfolios has 'somewhat increased', or 'significantly increased' due to project support.	Close	Kiva		Survey to be administered to Lending Partners at the beginning of project implementation to understand Lending Partners' capacity to decrease climate risks in their portfolios.			3 Lending Partner institutions (number of survey respondents indicating increased capacity to decrease climate risks in their portfolios)
	4: Number of people trained or with awareness raised	Number of Kiva Lending Partner personnel members that received training from the project through technical assistance, workshops, and advisory support to strengthen institutional capacity for climate-smart lending.	Close	Kiva	Men and women	0 (no Lending Partner personnel members have been trained by the project)			45 personnel members, of which 18 (40%) are women. ⁷⁵

Outcome 1.1: Improved climate smart financial products for Kiva Lending Partners and improved access for borrowers to new financial tools to combat climate risks, and finance to implement interventions that diversify and enhance their livelihoods, increasing their resilience to climate change.	3.8 Number of climate risk and vulnerability assessments conducted (Climate Compass surveys completed by Lending Partners).	Review of Climate Compass survey results	Close	Kiva	N/A	9 Kiva Lending Partners have completed the climate compass during the project proposal period	9 Kiva Lending Partners in the target countries completed the Climate Compass survey		
	Number of climate-smart financial products developed or improved by Kiva Lending Partners as a result of project activities	Review of Kiva Lending Partners' climate-smart financial products	Close	Kiva	N/A	0 (no existing climate-smart financial products as a result of project activities)			3 financial products, at least one per country
Outcome 2.1: Borrowers have a better understanding of climate impacts on their livelihoods, and solutions which increase their resilience to climate change	3.8 Number of climate risk and vulnerability assessments conducted (Interviews or surveys of borrowers aimed at understanding borrowers' vulnerabilities to climate change)	Conduct key informant interviews using the Climate Crowd tool, analysis of data, presentation of data back to communities, and consultation to develop a pipeline of finance-ready projects Gender of survey participants will be captured.	Close	Kiva	Men and women	0 (no borrowers have been engaged by the project)	500 borrowers surveyed and/or interviewed, of which at least 40% will be women. 250 borrowers engaged to develop finance-ready projects, of which at least 40% will be women.		
Outcome 3.1: Lending Partners have increased resilience to deploy capital even in climate crisis.	Number of climate crisis support loans	Review of climate crisis support loan	Close	Kiva	N/A	0 (no existing climate crisis support loan being disbursed by Kiva Lending Partners as a result of project activities)			1 climate crisis support loan developed

	Number of toolkits of lessons and best practices for MFIs to decrease the climate risks of their whole portfolio and continue providing finance to high-risk communities	Review of toolkit	Close	Kiva	N/A	0 (no existing toolkit)			1 toolkit developed and shared with MFIs
Outcome 4.1: Knowledge products inform future climate adaptation initiatives undertaken by lending partners and the broader ecosystem.	Number of knowledge products with best practices, lessons learned, and guidance aimed at supporting MFIs in increasing climate resilience published and disseminated	Review of knowledge products	Close	Kiva	N/A	0 (no existing knowledge products developed by the project)	1 press release		1 webinar 1 report with project lessons and case studies
M&E plan implemented for adaptive management	Number of Executing Agency (EA) planning meetings or workshops held where M&E data (including RF indicators) were discussed and used for adapting the annual workplan and budget	Summaries of EA planning meetings and workshops and adapted workplans and budgets sent to the PSC	Annual	Kiva/M & E Officer	N/A	No planning meetings or workshops held	1 EA planning meeting/workshop where M&E data was discussed and used for adapting annual workplan and budget	1 EA planning meeting/workshop where M&E data was discussed and used for adapting annual workplan and budget	1 EA planning meeting/workshop where M&E data was discussed and used for adapting annual workplan and budget

ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)
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	Budgeted Amount	Amount Spent To date	Amount Committed
International Consultancies Consultancies and contracts to develop project and relevant related materials(drafting the project document, safeguards, gender)	50,000.00	50,000.00	
Total	50,000.00	50,000.00	0.00

ANNEX E: PROJECT MAP AND COORDINATES

Please provide geo-referenced information and map where the project interventions will take place

Location Name	Latitude	Longitude	GeoName ID
Madagascar	-18.777	46.854	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Uganda	1.365188	32.30465	

Location Description:

Activity Description:

Please provide any further geo-referenced information and map where project interventions are taking place as appropriate.

ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

Attach agency safeguard screening/assessment report(s), including ratings of risk types and overall project/program risk classification as well as any management plans or measures to address identified risks and impacts.

Title

Stakeholder Engagement Plan Kiva Annex

GenderActionPlan_WWFGEFKiva_Updated3

Annex ESMF Kiva WWFGEF

ANNEX G: BUDGET TABLE

Please explain any aspects of the budget as needed here

Expenditure Category	Detailed Description	Budget notes and assumptions #	Component (USD)							Responsible Entity
			COMPONENT 1	COMPONENT 2	COMPONENT 3	COMPONENT 4	Project M&E	PMC	Total Project	
Grants/ Sub-grants	Output 1.1.2: Capacity building training for partner 1 in either Madagascar or Uganda	1	80,507	-	-	-			80,507	Kiva
	Output 1.1.2: Capacity building training for partner 2 in either Madagascar or Uganda	2	80,508	-	-	-			80,508	Kiva
	Output 1.1.2: Capacity building training for partner 3 in either Madagascar or Uganda	3	80,507	-	-	-			80,507	Kiva
	Output 2.1.1: Capacity building training for borrower climate vulnerabilities	4	-	67,500	-	-			67,500	
	Output 2.1.1: Capacity building training for borrower climate vulnerabilities	5	-	67,500	-	-			67,500	
	Output 2.1.1: Capacity building training for borrower climate vulnerabilities	6	-	67,500	-	-			67,500	
Total Grants/ Sub-grants			241,522	202,500	-	-	-	-	444,022	
Contractual services – company	Evaluator - Terminal evaluation	7	-	-	-	-	50,190		50,190	Kiva

Total Contractual Services - Company							50,190	-	50,190	
Local Consultants	Output 3.2.1: A specialized Salesforce consulting partner from People to People will be used to execute the activities	8			72,432				72,432	Kiva
Total Local Consultants					72,432	-	-	-	72,432	
Salary and benefits / staff costs	GEF Project Manager (Senior Project Manager)	9	-	-	-	-		118,300	118,300	Kiva
	Full time PMU (Investment Director) for Components 1,2,3	10	99,817	99,817	49,909	-			249,543	Kiva
	Full time PMU (Africa Investment Manager) for Components 1	11	116,794	-	-	-			116,794	Kiva
	Full time PMU (Impact Manager) for Components 1,2,3	12	80,834	80,834	40,417	-			202,085	Kiva
	Full time PMU (Impact Director) for Components 4	13	-	-	-	100,894	20,000		120,894	Kiva
Total Staff Costs			297,445	180,651	90,326	100,894	20,000	118,300	807,616	Kiva
Trainings, Workshops, Meetings	Output 4.1.1: Development of two (2) knowledge reports. Synthesis of project learnings and partner outcomes, writing, editing, and design for publication	14	-	-	-	36,675			36,675	Kiva
	Output 4.1.1: Organization of three (3) global webinars. Content development, speaker	15	-	-	-	75,000			75,000	Kiva

	coordination, recording, and editing, Live interpretation and translation (e.g., French/Spanish), Technical hosting and platform management									
	Output 4.1.1: Production of four case studies. Documentation of partner approaches and results, writing and design	16	-	-	-	26,675			26,675	Kiva
	Output 4.1.1: Facilitation of two in-person knowledge-sharing workshops. Preparation, facilitation, and documentation of key takeaways	17				16,675			16,675	
	Output 4.1.1: Translation of key knowledge products. Translation of reports, case studies, and webinar materials into priority languages	18				16,675			16,675	
	M&E activity: Reflection workshops with partners and capacity building providers	19					10,000		10,000	
Total Trainings, Workshops, Meetings						171,700	10,000	-	181,700	
Travel	Travel for Project Manager to Madagascar	20	12,708	-	-	-			12,708	Kiva
	Travel for Project Manager to Uganda	21	12,708	-	-	-			12,708	Kiva
			25,416	-	-	-	-	-	25,416	Kiva
Other Operating Costs	Total final audit cost for three years	22	-	-	-	-		20,000	20,000	Kiva
Total Other Operating Costs			-	-	-	-	-	20,000	20,000	Kiva

Grand Total			564,383	383,151	162,758	272,594	80,190	138,300	1,601,376	
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Budget Notes and Assumptions

1	For output 1.1.2 Capacity building training for partner 1 in either Madagascar or Uganda budgeted at \$80.5K. It will include development and delivery of improved climate-smart financial products such as microloans, insurance, and savings in Madagascar. Services potentially to include loan product design, market assessment, staff training, portfolio climate risk analysis, etc. This portion is covered by the GEF budget and not by Kiva Cofinancing.
2	For output 1.1.2 Capacity building training for partner 2 in either Madagascar or Uganda budgeted at \$80.5K. It will include development and delivery of improved climate-smart financial products such as microloans, insurance, and savings in Madagascar. Services potentially to include loan product design, market assessment, staff training, portfolio climate risk analysis, etc. This portion is covered by the GEF budget and not by Kiva Cofinancing.
3	For output 1.1.2 Capacity building training for partner 3 in either Madagascar or Uganda budgeted at \$80.5K. It will include development and delivery of improved climate-smart financial products such as microloans, insurance, and savings in Madagascar. Services potentially to include loan product design, market assessment, staff training, portfolio climate risk analysis, etc. This portion is covered by the GEF budget and not by Kiva Cofinancing.
4	For output 2.1.1 Capacity building training for borrower climate vulnerabilities. This assessment will support borrowers to have a better understanding of climate impacts on their livelihoods, and solutions which increase their resilience to climate change. The total budget is \$67.5K. This is financed by GEF.
5	For output 2.1.1 Capacity building training for borrower climate vulnerabilities. This assessment will support borrowers to have a better understanding of climate impacts on their livelihoods, and solutions which increase their resilience to climate change. The total budget is \$67.5K. This is financed by GEF.
6	For output 2.1.1 Capacity building training for borrower climate vulnerabilities. This assessment will support borrowers to have a better understanding of climate impacts on their livelihoods, and solutions which increase their resilience to climate change. The total budget is \$67.5K. This is financed by GEF.
7	One M&E contractor or firm to help conduct a terminal evaluation to conclude the project at \$50K. The output is a project-based monitoring and evaluation system. This is financed by GEF. The Kiva Impact Director will spend around 17% of their time on the M&E portion of this grant, totaling \$20K of the total \$121K salary cost.
8	For output 3.2.1: A specialized Salesforce consulting partner from People to People will support the development of a toolkit of lessons and best practices for MFIs to decrease the climate risks of their whole portfolio and continue providing finance to high-risk communities. This portion is covered by the GEF budget and not by Kiva Cofinancing. The budget is \$72K.
9	A Kiva staff member who is partially budgeted to this grant as the GEF Project Manager is budgeted at \$118K total personnel expense over the lifetime of the grant. 100% of this total will be covered by the PMC. The total PMC is \$138K or 10% of the subtotal components at \$1.38M. The GEF Project Manager's salary will be budgeted to work on Component 1, 2 & 3. The role is Senior Project Manager. The Project Manager will lead the day-to-day implementation, coordination, and reporting of the FIRE project, ensuring all activities are delivered on time, within scope, and in compliance with GEF requirements. The role involves overseeing project workplans, tracking progress against milestones and indicators, and proactively managing risks and implementation challenges. The Project Manager will coordinate closely with Kiva teams, Lending Partners, Technical Assistance providers, and GEF to ensure strong alignment and effective stakeholder engagement. They will also support grant compliance, donor reporting, and financial oversight, while establishing and maintaining robust project management systems and processes.
10	This Kiva FTE (Investment Director) will have 40% of their time part time budgeted to deliver outputs for Component 1, 40% towards Component 2 and 20% towards Component 3. The total salary of \$250K is covered by GEF over the lifetime of the grant. This role will focus on the activities listed for Component 1, 2 and 3. The Investment Director will lead the investment strategy and portfolio oversight for the FIRE project, ensuring alignment between capital deployment, climate resilience objectives, and risk management priorities. The role is responsible for designing and implementing innovative financial instruments, including a climate crisis support loan, and integrating climate risk considerations into investment decisions and portfolio design. The Investment Director will oversee portfolio performance, approve Lending Partner participation, and ensure robust monitoring frameworks are in place to manage financial, impact, and risk outcomes. They will also provide strategic leadership across internal teams and external partners, supporting co-financing opportunities and ensuring investment activities are aligned with overall project objectives.
11	This Kiva FTE (Africa Investment Manager) will have 100% of their time part time budgeted to deliver outputs for Component 1. The total salary of \$117K is covered by GEF over the lifetime of the grant. This role will focus on the activities listed for Component 1. The Africa Investment Manager will lead engagement with Lending Partners under the FIRE project, serving as the primary point of contact and building strong, trust-based relationships to support effective implementation. The role involves guiding partners through the Climate Compass assessment, ensuring data quality, and identifying priority areas for technical assistance. Working closely with the Impact Manager and Project Manager, the Africa Investment Manager will coordinate project activities, communicate partner needs, and support alignment across teams. They will also monitor partner performance and contribute to investment-related decisions where relevant to project objectives.
12	This Kiva FTE (Impact Manager) will have 40% of their time part time budgeted to deliver outputs for Component 1, 40% towards Component 2 and 20% towards Component 3. The total salary of \$202K is covered by GEF over the lifetime of the grant. This role will focus on the activities listed for Component 1, 2 and 3. The Impact Manager will lead the design and implementation of technical assistance and evidence-building activities under the FIRE project, translating partner needs into structured interventions that strengthen climate resilience. The role involves developing and overseeing TA engagements, including defining scopes of work, managing providers, and ensuring delivery of high-quality results aligned with project objectives. The Impact Manager will also drive the project's learning agenda by collecting and analyzing data, synthesizing insights, and producing practical tools and knowledge products for partners. Working closely with internal teams, the role will ensure strong alignment across project implementation, monitoring, and reporting.
13	This Kiva FTE (Impact Director) will spend around 83% of their time part time budgeted to deliver outputs for Component 1 and 17% of their time on M&E activities. The total salary of \$121K is covered by GEF over the lifetime of the grant and split between \$101K for Component 4 and \$20K for M&E activities. This role will focus on the activities listed for Component 4 and M&E.
14	For component 4, Kiva will develop two knowledge reports which will be a synthesis of project learnings and partner outcomes, writing, editing, and design for publication around \$36.7K.
15	For component 4, Kiva will develop three global webinars in english, spanish and french. \$75K has been budgeted to support content development, speaker coordination, recording, and editing, live interpretation and translation (e.g., French/Spanish), technical hosting and platform management

1 6	For component 4, Kiva will produce four case studies. \$26.7K is budgeted to support documentation of partner approaches and results, writing and design
1 7	For component 4, Kiva will facilitate two in person knowledge sharing workshops. A budget of \$16.7K will support preparation, facilitation, and documentation of key takeaways.
1 8	For component 4, Kiva will translate the key knowledge products into priority languages. A budget of \$16.7K will support this translation of reports, case studies, and webinar materials into the priority languages.
1 9	As part of M&E activities, the Senior Project Manager (GEF Project Manager) will host reflection workshops throughout the lifetime of the grant talking to partners and capacity building providers to ensure the strategy is sound, the project is tracking and discuss if any adaptations should be made. The total will be \$10K.
2 0	This is the travel cost for the project manager to travel to Madagascar as part of Component 1 budgeted around \$13K
2 1	This is the travel cost for the project manager to travel to Uganda as part of Component 1 budgeted around \$13K
2 2	This is an approximate cost for the final audit estimated by our auditors at \$20K, which will be covered by the GEF budget.