



ADAPTATION FUND

INTRODUCTION TO THE ADAPTATION FUND

Readiness Write-shop

Recife, Brazil

May 2025



ADAPTATION FUND

OVERVIEW

Mandate & Mission

Medium-Term Strategy & Theory of Change

Updates from AFB44

Funding Windows

Adaptation Fund Growing and Maturing: Leader, Innovator and Catalyst for Adaptation Finance



2001

The Adaptation Fund is established under the UNFCCC Kyoto Protocol to finance concrete adaptation projects in developing countries

2007

The Fund is operationalised

2010

The first two projects are approved for USD 14 million

2019

The Fund starts officially serving the Paris Agreement (PA) and begins the transition to exclusively serve the PA

2023

Portfolio surpasses USD 1 billion

2030

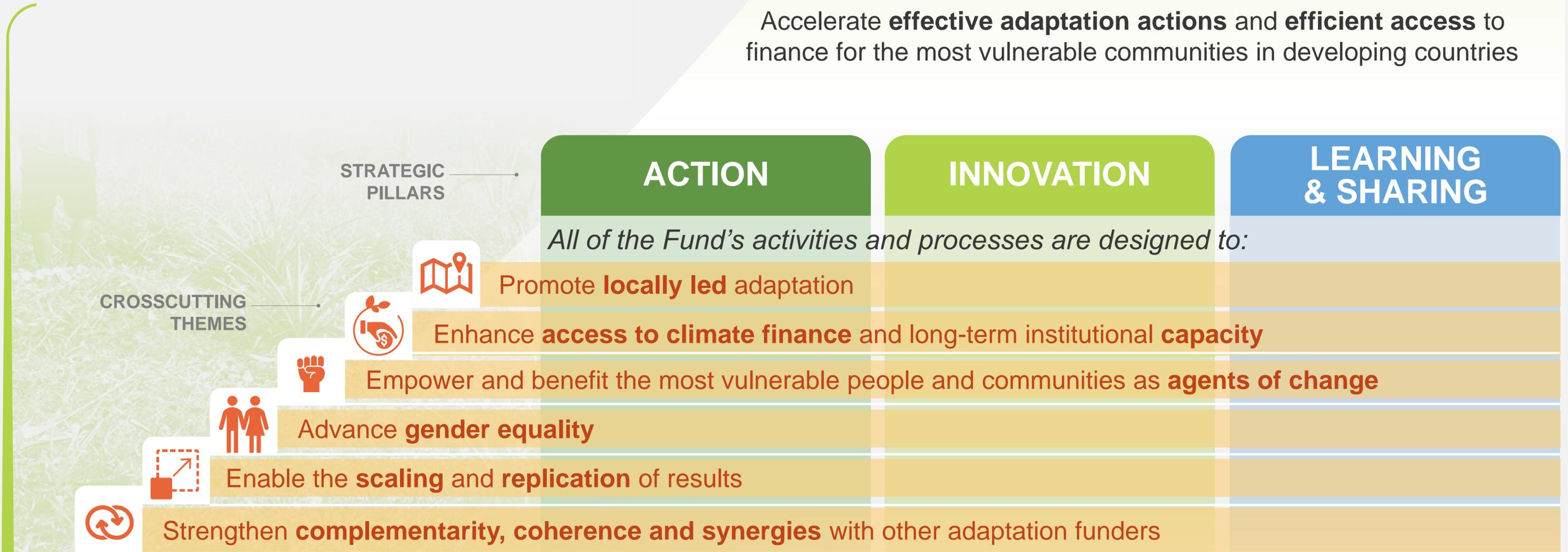
By 2030, will pursue efforts to at least triple annual outflows from the Adaptation Fund and other UNFCCC climate funds from 2022 levels



Medium-Term Strategy (2023-2027)

Theory of change

Finance concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of developing countries that particularly vulnerable to the adverse impacts of climate change.





What is the Adaptation Fund's Comparative Advantage and What Makes it Unique?



DEDICATED TO ADAPTATION

Only multilateral fund dedicated to concrete climate adaptation for the most vulnerable countries and communities, including in LDCs and SIDS

DIRECT ACCESS

Pioneered the direct access approach, and 50% of portfolio reserved for direct access

GRANT FUNDING

Provides grant funding that finances the full cost of adaptation, and has no co-financing requirements

LOCALLY-LED ADAPTATION

Strategic focus on adaptation action that devolves access and decision-making to national, subnational, and local levels

INNOVATION FOCUSED

Proactively develops new, more effective ways to adapt, including pilot projects, proof-of-concept initiatives, and de-risking mechanisms

SUSTAINABLE INTERVENTIONS

Builds local capacities and targets interventions that catalyse impact beyond project/programme lifetime



AF Portfolio: Regional distribution

TOTAL 190 projects | US\$1,387.95 M

SUPPORT TO LDCs & SIDS

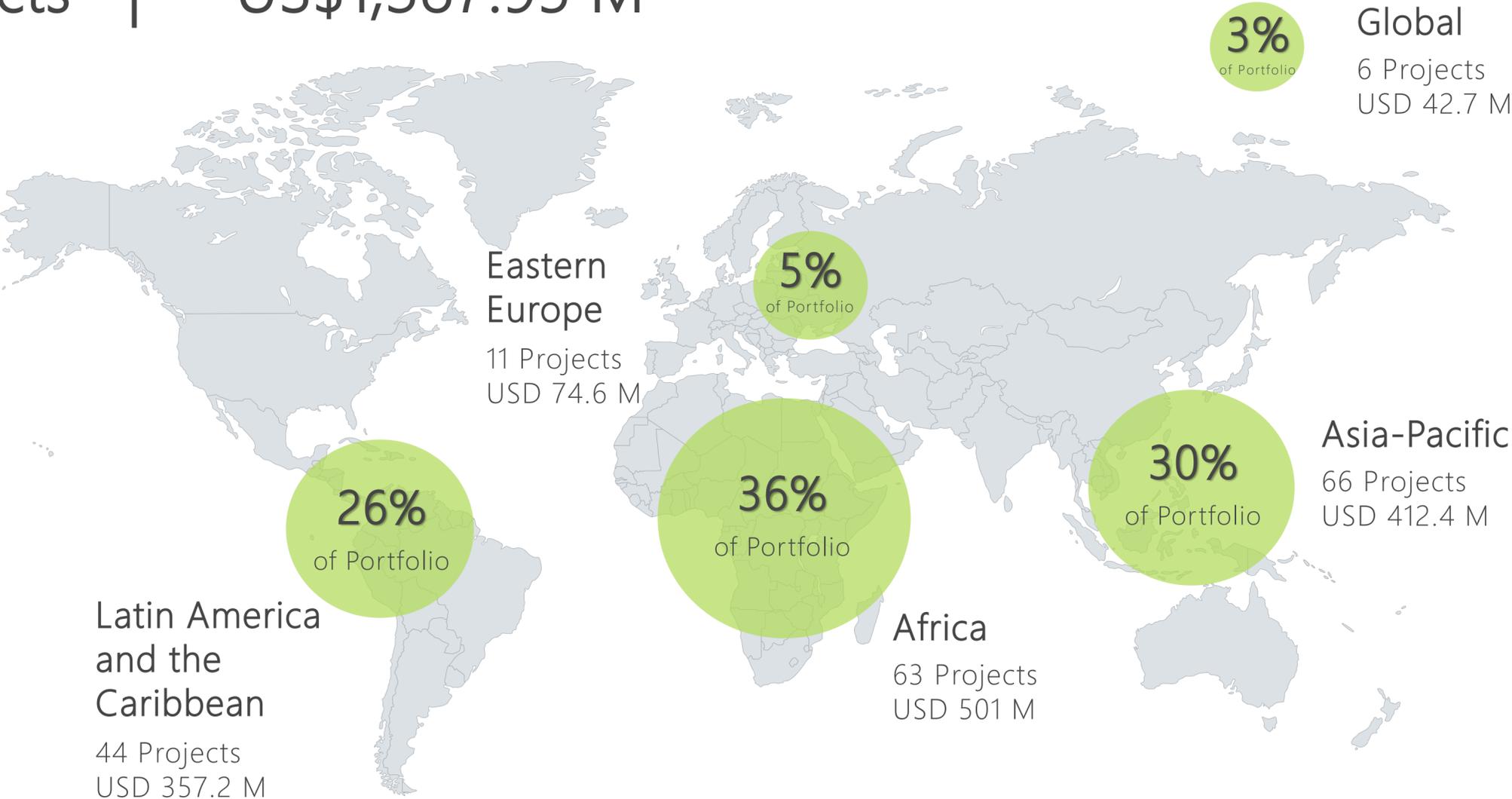
Almost half of AF portfolio in LDCs and SIDS

LEAST DEVELOPED COUNTRIES

USD 420M
30% of portfolio

SMALL ISLANDS AND DEVELOPING STATES

USD 219M
16% of portfolio

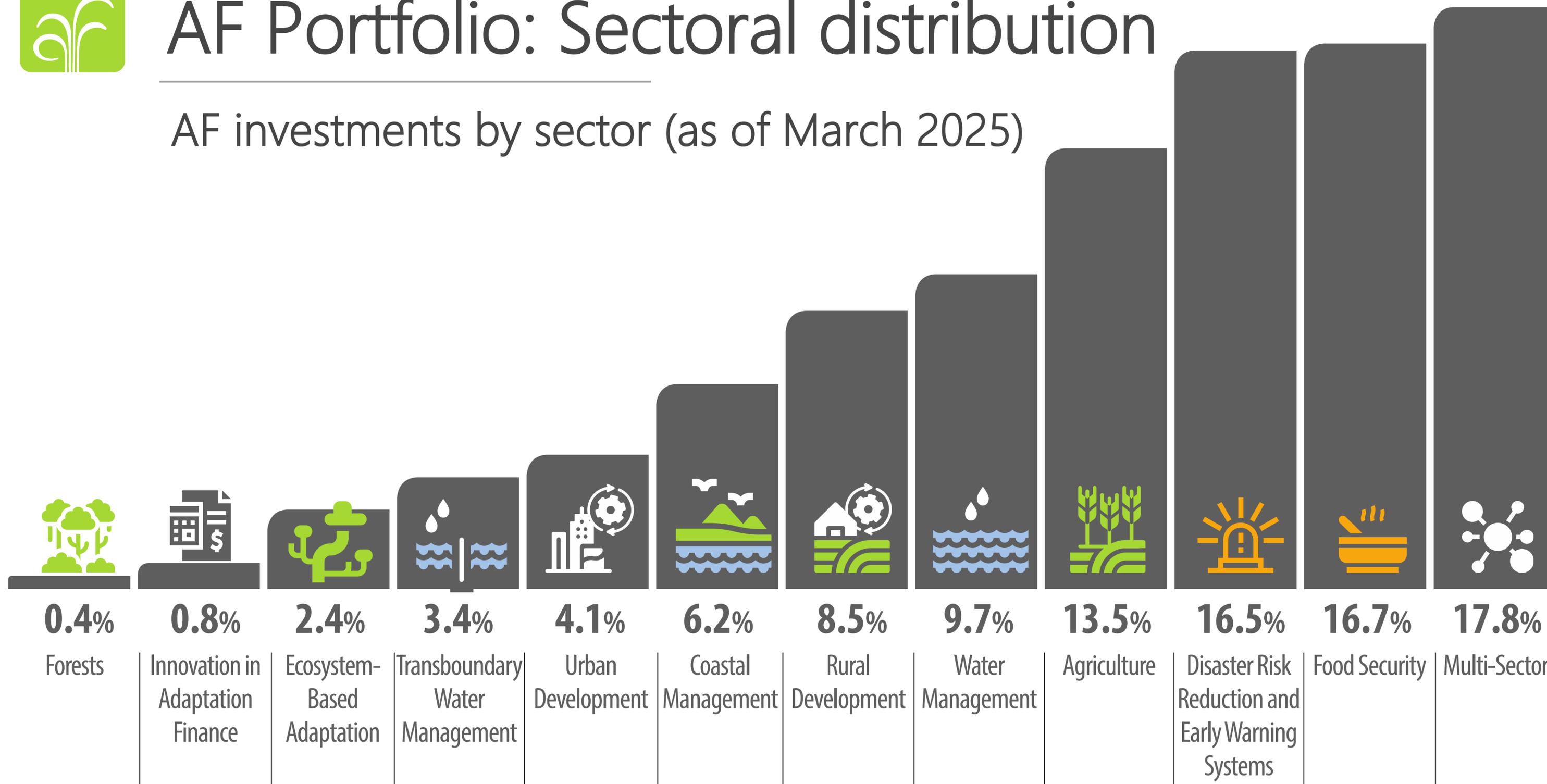


Growing demand for AF financing:
ALMOST US\$600M of proposals in active pipeline



AF Portfolio: Sectoral distribution

AF investments by sector (as of March 2025)

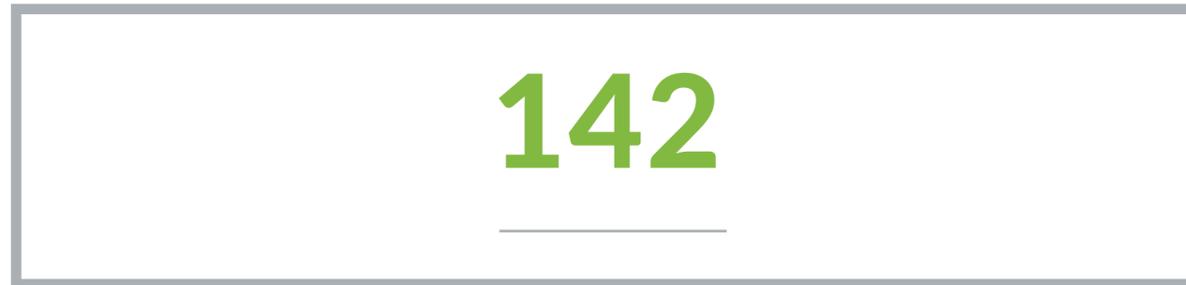




As of April 2025

Accredited Implementing Entities

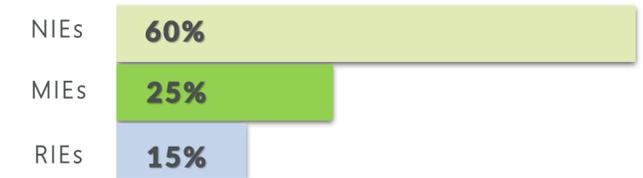
DESIGNATED AUTHORITIES



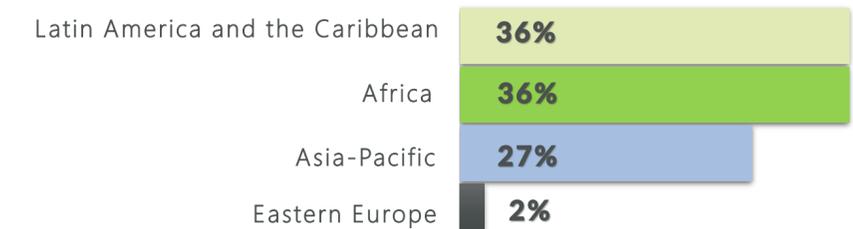
ACCREDITED IMPLEMENTING ENTITIES (TOTAL 60)



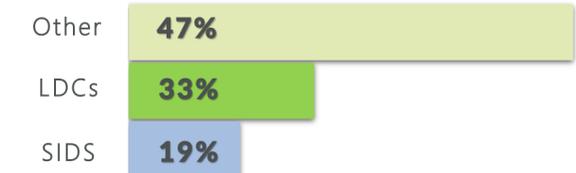
ACCREDITED IMPLEMENTING ENTITIES BY TYPE



ACCREDITED NIEs AND RIEs BY REGION



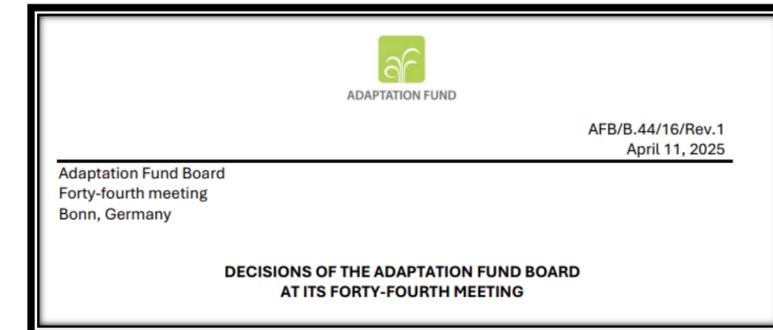
LDCs AND SIDS AMONG ACCREDITED NIEs





Programming Updates from the 44th Meeting of the AF Board

- Country cap has increased to from 20 million to **USD 40 million**
- Single-country project/programme size has increased from USD 10 million to **USD 25 million**
- Regional project/programme size has increased from USD 14 million to **USD 30 million** (regular and LLA)
- New **regional project/programme window for locally-Led adaptation**
- New Expression of Interest to be issued for the **AFCIA Partnership**



44th Meeting of the Adaptation Fund Board, April 2025



Adaptation Fund

Funding Windows



PILLAR	FUNDING WINDOW	ACCREDITED ENTITY TYPE	MAXIMUM FUNDING AMOUNT
ACTION	Single Country	NIE, RIE, MIE	Up to USD 25 Million <i>per Project/Programme (within USD 40 million cap)</i>
	Regional/LLA Regional	RIE, MIE	Up to USD 30 Million <i>per Project/Programme</i>
	LLA Single Country Projects/Programmes	NIE, RIE, MIE	USD 5 Million <i>per Project/Programme</i>
	Project Scale Up	NIE	USD 100,000 <i>per Grant</i>
INNOVATION	Small (single country)	NIE	USD 250,000 <i>per Project USD 750,000 with learning</i>
	Large (single country or regional)	NIE, MIE, RIE	USD 5 Million <i>per Project/Programme</i>
	Adaptation Fund Climate Innovation Accelerator	Non-accredited	Up to USD 250,000 <i>per Grantee/Innovator</i>
LEARNING & SHARING	Learning Grants	NIE	USD 500,000 <i>per Grant USD 750,000 with innovation</i>
READINESS	Readiness Support Package Grant	NIE	USD 150,000 <i>per NIE</i>
	Technical Assistance Grant for the Environmental and Social Policy and Gender Policy	NIE	USD 25,000 <i>per NIE</i>
	Technical Assistance Grant for the Gender Policy	NIE	USD 10,000 <i>per NIE</i>



Project Formulation Grants (Available to NIE, RIE, MIE)

	Less than USD 2M	USD 2M to 5M	USD 5M and above	Locally-led adaptation
Single country projects	\$50,000	\$100,000	\$150,000	\$150,000 +\$100,000*
Regional projects and programmes			\$150,000 (2 countries min.) +\$15,000 per additional country Max \$250,000	\$165,000 (3 countries min.) +\$15,000 per additional country Max \$350,000* <small>*(+ \$100,000 on a case-by-case basis)</small>

Optional 3-step approach: All regional and single-country LLA only



Maximum at *Pre-concept* stage is **20% of the maximum total PFG applicable** (only regional and LLA)





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THANK YOU

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Climate Change Specialist, Programming and Innovation Team



ADAPTATION FUND

Climate Adaptation Rationale

Readiness Write-shop
Recife, Brazil
May 2025

Why We Need an Adaptation Rationale



Climate impacts are increasing in severity and frequency, especially for vulnerable communities

E.g., Increasing droughts and flash floods in East Africa threaten agriculture and water supply.



Not all interventions qualify as adaptation or are well-targeted

E.g., Installing a new irrigation system without linking it to changing rainfall patterns may address productivity, but not climate risk.



A clear **adaptation rationale** helps connect: **Climate risks**, **Vulnerabilities**, **Interventions**, **Expected outcomes**

E.g., If a project supports mangrove restoration in coastal areas, the rationale should show how this reduces storm surge exposure.



Highlight alignment with national priorities:

Refer to NAP, NDC, or climate policy priorities as justification



Combining greywater reuse and agroforestry systems technique in semiarid regions of Brazil (UNDP-AFCIA)

Solution combines capacity building with an integrated greywater reuse system and agroforestry technology to combat drought and food insecurity.

Key outcomes include increased water availability for domestic use during the dry season and establishing irrigated agroforestry plots to enhance food security for peasant families.



What is a Climate Adaptation Rationale?

It's the *underlying logic* that explains why a proposed intervention qualifies as adaptation

E.g., "Rainfall has become erratic, leading to crop failure. The project introduces climate-smart agriculture and weather advisories."



It connects **stakeholder priorities** to **adaptation goals** and links those to **specific actions and benefits**

E.g., Community consultations + NAP priority on food security → Project focuses on crop diversification and training.



Helps justify:

E.g. Why is community-based water management prioritized? Because local sources are drying due to prolonged dry seasons.

Why this intervention?

For whom will it work?

What climate risks will it address?



Types of Adaptation Benefits

Benefit Type	Definition	Example
Exposure	Reduces the frequency/magnitude of climate hazard experienced	Flood barriers, early warning systems. <i>E.g., Raising embankments in flood-prone areas reduces exposure to floodwaters.</i>
Sensitivity	Reduces the damage caused by a hazard that still occurs	Drought-resistant crops, heat-proof housing <i>E.g., Switching to heat-resistant crops ensures yields even during heatwaves.</i>
Adaptive Capacity	Increases ability to manage/respond to climate impacts or opportunities	Training programs, local planning support <i>E.g., Training women farmers to access weather services and microcredit enhances long-term resilience.</i>



Why a Strong Adaptation Rationale Matters

Improves design: Aligns interventions with real climate risks.

E.g., Instead of generic livelihood support, the project targets flood-resilient aquaculture based on risk maps.

Enhances equity: Makes clear *who* benefits and *how*.

E.g., Focuses on Indigenous women in mountainous regions who are particularly vulnerable to landslides.

Supports learning: Facilitates tracking of what works and why.

E.g., Mid-term review can assess if improved drainage has actually reduced flood days in peri-urban neighborhoods.

E.g., M&E indicators should link back to the rationale—tracking reduced exposure or improved adaptive capacity.

Builds credibility: Justifies adaptation funding with transparency.

E.g., Strong rationale helps defend budget choices and demonstrate how adaptation goals are met.

Priorities → Interventions → Adaptation Benefits → Outcomes



Presenting an Adaptation Rationale When Data Is Limited

Acknowledge data gaps transparently

- *E.g., “Local climate projections at district level are unavailable, but national climate trend data and community observations show increasing variability in rainfall.”*

Use qualitative and experiential evidence

- *E.g., Farmers in Northern Malawi report crop failure every 3–4 years due to shifting rainfall patterns; elders recall riverbanks breaching more frequently over the past decade.*

Leverage proxy indicators and regional trends

- *E.g., IPCC and national reports show the Sahel region will face more frequent droughts; although localized data is missing, adaptation options are consistent with regional risk projections.*

Focus on vulnerability pathways

- *E.g., Women-headed households rely on rain-fed agriculture, lack irrigation or savings; the project builds food storage and water access to reduce exposure and sensitivity.*

Use participatory assessments and perception data

- *E.g., Focus groups in coastal Bangladesh identified salinization and drinking water shortages as top concerns—project responds with rainwater harvesting systems.*

Highlight alignment with national priorities

- *E.g., “This intervention aligns with the country’s NDC (Priority 3: resilient agriculture) and the NAP’s call for improved water access in climate-vulnerable districts.”*



Strengthening Climate Resilience in Livelihoods and Coastal Ecosystems of the Central Pacific of Panama (Case Study)

CLIMATE RISKS	VULNERABILITIES	ADAPTATION INTERVENTIONS	EXPECTED BENEFITS
Sea level rise	Coastal erosion & saline intrusion	Mangrove restoration, risk mapping	 Reduces Exposure
Stronger storms & floods	Infrastructure damage, fishery loss	Nature-based coastal defenses	 Reduces Sensitivity
Long dry seasons & droughts	Livelihood instability (agriculture)	Climate-smart agriculture, aquaponics	 Builds Adaptive Capacity
ENSO variability & rainfall shifts	Insecure water access	Rainwater harvesting, irrigation tech	  Sensitivity + Capacity
Rural poverty, gender gaps	Limited decision-making power	Gender-sensitive capacity building	 Builds Adaptive Capacity
Poor data & planning tools	Inadequate risk management	Early warning systems, vulnerability platforms	  Exposure + Capacity



(Case study continued)

Sector: Coastal management

PROJECT COMPONENT	KEY ACTIVITIES	CLIMATE RISK ADDRESSED	ADAPTATION BENEFITS
Component 1: Livelihoods & Ecosystems	Climate-smart farming, aquaculture, tourism diversification	Droughts, sea level rise, economic instability	 Adaptive Capacity,  Sensitivity,  Exposure
Component 2: Climate Information & Risk Reduction	Early warning systems, vulnerability mapping, sea level monitoring	Extreme events, floods, ENSO	 Exposure,  Sensitivity
Component 3: Capacity & Knowledge	Training, gender mainstreaming, local governance support	Institutional vulnerability, gender gaps	 Adaptive Capacity
Cross-cutting (All Components)	Nature-based solutions, community-led planning	Multiple risks (drought, erosion, storms)	All three:   





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Key Criteria for Adaptation Fund Project/Programmes



COUNTRY ELIGIBILITY

- Country party to the Kyoto Protocol and/or Paris Agreement
- Developing country vulnerable to climate change



NATIONAL ALIGNMENT & COUNTRY DRIVEN

- Project endorsed by country's Designated Authority (LOE)
- Consistent with national policies, strategies and plans
- Meets national technical standards



PROJECT ELIGIBILITY

- Climate adaptation justification
- ESP & GP compliant
- Cost effective and sustainable
- Avoids duplication
- Robust learning systems



Key Criteria for Adaptation Fund Project/Programmes



RESOURCE AVAILABILITY

- Requested project funding within country cap
- IE management fee at or below 8.5% and project/programme execution costs at or below 9.5% for single country projects



- IE fee and EE cost at 10% each for regional projects

ELIGIBILITY OF ENTITY

- Project submitted through an accredited entity



IMPLEMENTATION ARRANGEMENTS

- Adequate arrangement for project management
- Financial and project risk management
- M&E clearly defined
- Project results framework with targets and indicators disaggregated by sex