



Adaptation Fund: Case for Investment and Resource Mobilization

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Compelling Attributes of the Adaptation Fund

Consultations with Adaptation fund donors, recipient countries and other partners have revealed multiple attributes that make the Fund a unique and vital part of the global climate finance system to address the climate adaptation and resilience needs of developing countries.

Legacy and Promise for Impact

- **Tangible Outcomes through People-Centered Adaptation** 195+ projects with measurable outcomes across sectors from food security to water management to disaster early warning systems.
- **History of Impact and Return on Investment** 15+ year history of impact with 50+ million beneficiaries for USD 1.39 billion invested plus a rich knowledge base on climate adaptation solutions.
- **Strong and Growing Demand** USD 980+ million pipeline of high-quality projects in 2025.

Empowering Local Leadership for Scalable and Sustainable Systems Change

- **Direct Access and Locally Led Adaptation** By prioritizing direct access and LLA, the Fund supports county-owned solutions grounded in local knowledge and responsive to regional contexts.
- **Focus on Capacity Building and Readiness** The Fund invests in institutional capacity through its Readiness Program, supporting durable capacity for accreditation, project design, and management.
- **Innovation in Adaptation Solutions** The Fund's Innovation Facility supports new, more effective adaptation solutions using pilot projects and proof-of-concept initiatives to foster learning and scaling.
- **Scalability** The Fund's funding model often catalyzes larger-scale investments by others, through small-scale project interventions in early stages that demonstrate replicability and scaling potential.

Unique and Effective Governance

- **Trust and Broad Credibility** The Fund is uniquely trusted by both developed and developing countries, with a reputation for transparent governance and a track record of effective fund distribution.
- **Representative Governance Structure** The governance model balances inclusivity (including CSO engagement) with operational efficiency, facilitating streamlined, transparent decision-making.

Strong and Agile Processes and Systems that Partners Can Leverage

- **Streamlined and Agile Processes** The Fund has a lean and efficient operating processes and systems that allow for fast resource allocation and disbursement while enabling flexible support.
- **Established Systems and Scalable Program Infrastructure** Donors can leverage the Fund's Results Based Management systems and infrastructure, including accreditation processes, environmental and social safeguards, and monitoring, evaluation, and knowledge systems.

Compelling Reasons for Investing Through the Adaptation Fund

Adaptation Fund partners have identified several compelling attributes of the Adaptation Fund that make for a compelling case for investment in and through the Fund. This section describes these 11 attributes, or reasons for investment, briefly summarizing supporting evidence for each and offering reflections on how each attribute may resonate with different audiences. The compelling attributes are grouped in four key clusters:

- Legacy of and promise for impact
- Empowering local leadership for scalable and sustainable systems change
- Unique and effective governance
- Strong and agile processes and systems that donors and partners can leverage

These compelling attributes are drawn from discussions with Adaptation Fund staff and consultations with external partners. While each attribute may resonate differently with different audiences, all are relevant to the broad case for investment in and through the Adaptation Fund.

Legacy of and Promise for Impact

1. Tangible Outcomes through People-Centered Adaptation

The Adaptation Fund is the only fund uniquely focused on providing grant funding for concrete adaptation projects that benefit the most vulnerable communities and populations. Projects supported by the Adaptation Fund provide tangible benefits for people, from building climate-resilient flood early warning systems to protect people and livelihoods in Uganda to implementing protection technologies to foster aquaculture resilience in Peru that directly benefit the well-being of fisher communities. These targeted, people-centered investments not only build lasting climate resilience, but also generate broader development impacts and benefits, including improving population health, alleviating food insecurity, sustaining livelihoods, and enhancing education. Since 2010, the Adaptation Fund has benefited more than 45.8 million people and contributed to a wide range of tangible outcomes that are tracked through the Fund's Strategic Results Framework and other mechanisms. With the adaptation finance gap estimated at almost US\$400 billion a year, the Fund's projects play a critical role in closing this gap and delivering outcomes to people in communities most at risk from climate change.

Since its inception, Adaptation Fund investments have flowed to projects in more than 100 developing countries, financing 199 concrete adaptation projects (as of 2025) and an additional 150 technical assistance and readiness initiatives.¹ As of June 2024, Fund-supported projects have created, protected, or restored over 728,000 hectares of natural habitats and safeguarded 181,000 meters of vulnerable coastline, strengthening ecosystem resilience to climate-induced stresses. Its investments have also supported measurable, large-scale outcomes, including the protection or restoration of over 728,000 hectares of natural ecosystems and the establishment of 577 early warning systems. These systems, alongside strengthened public health and disaster preparedness infrastructure, generate some of the highest returns among adaptation sectors by reducing mortality, morbidity, and long-term disruption. The Fund has also supported the introduction or revision of at least 116 policies aimed at addressing climate risks.

¹ About Adaptation Fund. <https://www.adaptation-fund.org/about/> and Adaptation Fund. *Adaptation Fund Annual Performance Report for the Fiscal Year 2024*. September 2024.

At the community level, Adaptation Fund projects produce tangible improvements in livelihoods, infrastructure, and inclusion. In Laos, climate-resilient water systems are delivering continuous access to safe water for more than 57,000 people, while in Guatemala, nearly 2,500 households participating in agroforestry initiatives have seen income gains of over 17%.^{2 3} In Cambodia, projects have enabled more than 1,000 households to adopt sustainable, alternative livelihoods, while reducing deforestation through climate-smart farming practices.⁴ Adaptation investments have also yielded co-benefits in health and education, with studies showing reductions in climate-related illness and improved school continuity through climate-resilient infrastructure. Together, these outcomes demonstrate how the Fund's investments translate into tangible benefits for the most vulnerable populations.

2. History of Impact and Return on Investment

The Adaptation Fund, as one of the longest-serving multilateral climate funds, has a strong record of investing in high-quality climate adaptation programs and projects that deliver impact and return on investment (ROI) in developing countries. Since 2010, the Fund has committed about US\$ 1.39 billion for climate change adaptation and resilience projects and programs, including 199 concrete, localized projects in the most vulnerable communities of developing countries around the world with about 45.8 million total beneficiaries. Through this long-standing mandate, the Fund has cultivated a rich knowledge base from projects, generating lessons and models that can be, and have been, scaled up and replicated by others. Broader studies of the return on investment of adaptation and resilience projects in developing countries reinforce the strong case for investment based on returns per dollar spent.

Independent evaluations and real-world project outcomes consistently demonstrate that the Adaptation Fund delivers a strong return on investment (ROI). According to the Fund's Technical Evaluation Reference Group (TERG), Adaptation Fund projects are effective, relevant, and sustainable, with outcomes that are often replicable and scalable, extending impact beyond individual communities. Stakeholders consulted during the Fund's Case for Investment process also highlighted the exceptionally high value of its projects, citing benefit-cost ratios as high as 12:1 or 14:1. These findings align with broader evidence from institutions like the Global Center on Adaptation and the World Resources Institute, which estimate that every dollar invested in climate adaptation yields between \$2 and \$10 in net economic benefits, largely through avoided losses and increased resilience.⁵

Adaptation Fund-supported projects illustrate these gains with measurable outcomes. In Northeastern Brazil, investments supported over 2,500 smallholder farmers, created more than 1,100 jobs, and led to income increases for over half of participating households, 65% of whom were women.⁶ In Kenya's Taita Taveta County, the ACREI project expanded irrigated land eightfold, trained 840 farmers in climate-smart practices, and led to the creation of over 700 kitchen gardens.⁷ The Fund's ability to pair high-impact adaptation with community-led initiatives reinforces its position as a high-value investment.

² Portfolio Monitoring Mission Report. Adaptation Fund.

³ Nbs Solutions are Job and Livelihood Solutions. UNDP. <https://globalresilience.northeastern.edu/nature-based-solutions-policy-briefs-nature-based-solutions-are-job-and-livelihood-solutions/>

⁴ <https://www.adaptation-fund.org/project/enhancing-climate-resilience-of-rural-communities-living-in-protected-areas-of-cambodia/>

⁵ Strengthening the investment case for climate adaptation: A triple dividend approach. <https://files.wri.org/d8/s3fs-public/2025-06/strengthening-investment-caase-climate-adaptation.pdf>

⁶ Nature-based Solutions are Job and Livelihood Solutions. UNDP. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3843420

⁷ Stories of Success – Improving the Adaptive Capacity and resilience of Smallholder Farmers in the Horn of Africa to Climate Variability and Change through Enhanced Climate Services Delivery. World Meteorological Organization.

3. Strong and Growing Demand

The Adaptation Fund has a robust and growing pipeline of high-quality projects seeking investment, indicating continued demand for adaptation investment in the developing countries the Fund serves. As of April 2025, the pipeline of projects seeking investment has risen to more than US\$630 million, greatly exceeding the Fund's available funding envelope. A key feature of the Fund's approach is its commitment to financing the full cost of adaptation projects, without requiring co-financing as a condition for approval. This makes the Fund a particularly compelling instrument for developing countries seeking to advance ambitious climate action with confidence that approved projects can move forward independently. As a 100% grant-based fund, the Fund provides critical resources to countries that cannot access loan-based financing and to projects that cannot easily be financed but are vital for laying the groundwork for and enabling other projects and investments. As the sole multilateral climate fund under the UNFCCC process dedicated purely to adaptation in all developing countries, the Fund plays a crucial role in delivering tangible adaptation measures that help prevent future climate-related losses and build long-term resilience.

Demand for Adaptation Fund resources is at an all-time high, reflecting both the urgency of climate impacts and the unique value the Fund provides. As of April 2025, the active pipeline of submitted project proposals and concept notes totaled US\$ 630.95 million, up from US \$577.77 million in 2024, which was an increase of 58% from 2023. As of April 2025, a total of 199 projects have been funded, with 149 additional projects expressing interest. An additional 50 implementing entities are in the process of getting accredited, further illustrating a strong and growing pipeline of investment-ready projects.⁸ The total dollar value of funded projects is over US \$1.39 billion, with an additional US \$137 million worth of projects seeking funding, underscoring sustained financial demand.⁹ Notably, more than half of the Fund's National Implementing Entities (NIEs) are from Least Developed Countries (LDCs) and Small Island Developing States (SIDS), underscoring the Fund's critical role in enabling access to adaptation finance for countries often excluded from loan-based mechanisms.¹⁰

The Fund's grant-only model, which does not require co-financing, is a key driver of this sustained and growing demand. Countries appreciate the streamlined access and flexibility the Fund offers, especially compared to other mechanisms that require complex, multi-source funding. Of 92 countries with Adaptation Fund caps, 83 have already used more than half of their allocation, prompting the Fund's Board to raise country and project caps in April 2025 to meet rising needs. This momentum aligns with global climate finance targets, including the decision at COP29 to triple annual outflows from climate funds like the Adaptation Fund by 2030. With a new US\$300 million resource mobilization target for 2025 and a growing base of accredited partners, the Fund is poised to meet demand and scale adaptation where it is needed most.

⁸ Update on the Resource Mobilization Strategy for the Adaptation Fund. Adaptation Fund. https://www.adaptation-fund.org/wp-content/uploads/2025/03/AFB.B.44.12.Rev_.2_Update-to-the-Resource-Mobilization-Strategy.pdf

⁹ <https://www.adaptation-fund.org/adaptation-fund-board-approves-record-us-137-million-in-new-projects-doubles-country-cap-to-us-40-million/>

¹⁰ Adaptation Fund. https://www.adaptation-fund.org/wp-content/uploads/2024/09/AFB.EFC_.34.8_Annual-Performance-Report-for-FY24.pdf#:~:text=Among%20the%2032%20NIEs%2C%20ten%20were%20from.cent%20of%20the%20IEs%20accredited%20to%20date.

Empowering Local Leadership for Scalable and Sustainable Systems Change

4. Direct Access and Locally Led Adaptation

The Adaptation Fund pioneered fully operational direct access to climate financing in 2010 and was the first to create a Locally Led Adaptation (LLA) funding window. Through direct access, accredited national and regional implementing entities are able to manage all aspects of climate adaptation and resilience projects, from design through implementation to monitoring and evaluation. This empowers countries to take ownership of their adaptation efforts, reducing reliance on intermediaries and ensuring funding reaches targeted communities. By prioritizing locally led adaptation, the Fund promotes solutions that are grounded in local knowledge and responsive to regional contexts. The Fund's strong and inclusive stakeholder engagement process also ensures that communities are meaningfully involved, fostering transparency, accountability, and community empowerment.

As of May 2025, 60 implementing entities and 36 National Implementing Entities (NIEs) have been accredited, 10 from Least Developed Countries and 7 from Small Island Developing States, and half of all newly approved projects in 2024 were implemented through Direct Access.¹¹ This approach strengthens country ownership, builds institutional capacity, and enhances transparency by allowing national entities to directly manage funds and tailor projects to local priorities. In Belize, for example, a Direct Access project reduced management fees from 9.5% to 1.5%, enabling significantly more funding to reach communities on the ground.¹²

The Fund's growing commitment to LLA is equally notable, with more than US\$60 million allocated to locally driven solutions that reflect community knowledge and needs.¹³ In 2024, it launched a global aggregator program to channel small grants directly to local actors, such as civil society groups, indigenous organizations, and local governments, who typically lack access to global climate finance.¹⁴ Independent evaluations confirm that LLA is effective in practice, even while highlighting capacity gaps that the Fund continues to address through training and support tools, such as a new LLA project proposal e-course.¹⁵ By adopting and operationalizing the Principles for Locally Led Adaptation, the Adaptation Fund has created a replicable model for equitable, high-impact climate adaptation finance.

5. Focus on Capacity Building and Readiness

The Fund not only provides funding but also invests in strengthening institutions. The Fund helps countries build long-term capacity, ensuring that they are better equipped to manage adaptation projects. Through its Readiness Program, the Fund supports countries, particularly those with limited institutional capacity, in accessing climate finance, enhancing project design, and meeting accreditation standards.

¹¹ Adaptation Fund. <https://www.adaptation-fund.org/apply-funding/implementing-entities/>

¹² PACT. *PACT Receives Adaptation Fund Approval for BZD\$10M Enhanced Direct Access Project*. October 2023. <https://www.pactbelize.org/pact-receives-adaptation-fund-approval-for-bzd10m-enhanced-direct-access-project/>

¹³ Adaptation Fund. *Transforming Climate Action: How the AF Supports Locally Led Solutions*. <https://www.adaptation-fund.org/transforming-climate-action-how-the-af-supports-locally-led-solutions/> and https://www.adaptation-fund.org/wp-content/uploads/2024/04/Press-Release_042324_AF-Board-Enhances-Funding-Options-for-Vulnerable-Countries-Over-US-80-Million-in-New-Projects-Approved-New-Windows-for-Locally-Led-Adaptation-Created.pdf

¹⁴ Adaptation Fund. *Adaptation Fund Board Enhances Access to Climate Finance by Advancing Locally Led Adaptation Programme, Key Partnerships*. October 2024. <https://www.adaptation-fund.org/adaptation-fund-board-enhances-access-to-climate-finance-by-advancing-locally-led-adaptation-programme-key-partnerships/>

¹⁵ Adaptation Fund TERG. *Rapid Evaluation of the Adaptation Fund*. October 2023. https://www.adaptation-fund.org/wp-content/uploads/2023/08/AFB.EFC_.32.6.Rev_.2_Rapid-evaluation-Rev.2.pdf

The Adaptation Fund has played a critical role in expanding institutional capacity for climate adaptation across more than 100 developing countries. Its Readiness Program and accreditation process have supported 61 implementing entities (37 national, 9 regional, and 15 multilateral) equipping them with the systems, tools, and technical skills to design, manage, and scale climate adaptation projects.¹⁶ Independent evaluations confirm the Fund’s approach, noting “the accreditation process is effective in its core mandate, ensuring that entities access adaptation finance, and with no evidence of financial mismanagement identified to date.”¹⁷ For many National Implementing Entities (NIEs), accreditation through the Fund served as a gateway to broader climate finance access; over 90% of surveyed entities said it helped them successfully pursue funding from other institutions like the Green Climate Fund.

Beyond accreditation, the Fund actively strengthens adaptive capacity through peer-to-peer learning, regional workshops, and targeted technical support. Entities like Senegal’s Centre de Suivi Ecologique have mentored others across Africa, while events such as the Financing Locally Led Adaptation in Asia workshop have helped participants align proposals with national priorities and secure funding approvals.¹⁸ The Fund also maintains an online knowledge hub to facilitate continuous learning. Insights from consultations highlight how these efforts translate into tangible progress. NIEs are developing stronger project pipelines, mainstreaming lessons into national adaptation plans, and using Adaptation Fund training to build investment-ready proposals.

6. Innovation in Adaptation Solutions

The Adaptation Fund is not just problem-oriented, but also solution-driven. The Fund has been an innovator from the start, pioneering Direct Access, LLA, and its Readiness Program, and numerous on-the-ground resilience solutions. Through programs like these and its Innovation Facility, the Fund proactively develops new, more effective ways to adapt, including pilot projects, proof-of-concept initiatives, and risk reduction that attract further investment. By encouraging locally relevant solutions, some of which evolve into sustainable business models, the Fund focuses on long-term, scalable, and even profitable adaptation strategies. As needs change, the Fund also continues to evolve with country priorities, offering new opportunities, funding windows, and practical support that helps communities test, learn from, and grow effective adaptation solutions.

The Adaptation Fund has made significant investments in accelerating innovation for climate adaptation, aligning closely with the Paris Agreement’s call to scale transformative solutions. As of 2023, through its Innovation Facility and Accelerator, the Fund has approved more than 65 innovation grants across 38 countries and supported over 44 local organizations in 33 countries via the Climate Innovation Accelerator.¹⁹ These initiatives have collectively benefited around 910,000 people, piloting technologies and practices such as regenerative agriculture across 1,660 hectares and documenting over 50 traditional, knowledge-based adaptation strategies.²⁰

Independent evaluations underscore the Fund’s success in fostering scalable and replicable innovation. The 2022 Thematic Evaluation on Innovation found that over 60% of assessed innovation projects had led to broader uptake of new technologies or governance approaches, often informing national policy or unlocking additional

¹⁶ Adaptation Fund. Implementing Entities. <https://www.adaptation-fund.org/apply-funding/implementing-entities/>

¹⁷ G20 Independent High-Level Expert Group. *Accelerating Sustainable Finance for Emerging Markets and Developing Economies*. p. 51. 2024. <https://www.climatepolicyinitiative.org/wp-content/uploads/2000/10/G20-IHLEG-VCEF-Review.pdf>

¹⁸ Regional Climate Finance Workshop Report. Adaptation Fund. https://www.adaptation-fund.org/wp-content/uploads/2015/12/FINAL-REPORT-West-Africa-Regional-Climate-FinanceWorkshop_English.pdf

¹⁹ Adaptation Fund. Innovation Facility. <https://www.adaptation-fund.org/apply-funding/innovation-grants/>

²⁰ UNDP-implemented Adaptation Fund Climate Innovation Accelerator (AFCIA) selects 22 new local partners. <https://www.adaptation-undp.org/undp-implemented-adaptation-fund-climate-innovation-accelerator-afcia-selects-22-new-local-partners>

investments.²¹ These innovations include participatory governance models, ecosystem-based adaptation, and digital mapping tools tailored to local climate risks. Feedback from consultations reinforces the Fund's unique role in enabling countries and communities to develop their own context-specific adaptation solutions, highlighting both its catalytic impact and its flexibility in adapting to partner needs.

7. Scalability

The Adaptation Fund is often the first on the ground in many vulnerable countries to pilot adaptation projects and to support scalable solutions. In addition, the Adaptation Fund helps to improve enabling environments, through capacity building, support for incorporation of adaptation considerations in policies, and other means, which can support scaling and systems change. The Fund's Innovation Facility provides new tools and grants to foster, scale up and accelerate innovative adaptation practices and technologies. The Fund's funding model and investments often serve as catalysts for larger-scale investments, particularly by supporting small-scale project interventions in early stages. These pilot projects demonstrate impact and feasibility, making them strong candidates for later expansion using investment from other partners, such as MDBs, the Green Climate Fund, and the private sector. Many Adaptation Fund-supported projects have successfully followed this trajectory, scaling up into broader, long-term adaptation efforts.

The Adaptation Fund has strategically prioritized scaling as a cross-cutting focus, embedding it into its Medium-Term Strategy through financial support, capacity building, and coordination with other climate funds.²² A 2025 evaluation found that 86% of Adaptation Fund projects included activities aligned with multiple stages of scaling, from piloting to demonstration and full-scale implementation.²³ The Fund has committed over \$30 million to support innovation as a driver of scale, and through collaboration with the Green Climate Fund, has identified 17 projects for potential scale-up, with four countries in advanced discussions.²⁴ To date, at least 18 Fund-supported projects have been scaled by other institutions, such as the GCF and World Bank, including a coastal ridge-to-reef project in the Maldives that attracted \$23.6 million in follow-on GCF financing and a flood management project in Georgia that helped inform a \$70 million World Bank loan for national replication.²⁵

Local ownership and stakeholder engagement have also proven central to scaling success. A 2025 study on transformational change in multilateral climate funds found that all successfully scaled Adaptation Fund projects demonstrated strong community buy-in, highlighting the value of the Fund's commitment to locally led adaptation.²⁶ These attributes not only support scale but also position the Fund's work as highly relevant to broader systems change. While transformational change is not a formal strategic objective, the Fund's operational modalities, such as its flexible financing instruments and emphasis on learning, align with key elements found in other institutions focused on systemic transformation.

²¹ Adaptation Fund TERG. *Thematic Evaluation of the Fund's Approach to Support Innovation for Climate Change Adaptation*. October 2022. <https://www.adaptation-fund.org/wp-content/uploads/2023/02/Thematic-Evaluation-on-Innovation-Final-ed.pdf>

²² AF-TERG Thematic evaluation of scalability concepts and practice at the Adaptation Fund. <https://www.adaptation-fund.org/wp-content/uploads/2025/01/Scalability-Report-Oct-2024.pdf>

²³ AF-TERG Thematic evaluation of scalability concepts and practice at the Adaptation Fund. <https://www.adaptation-fund.org/wp-content/uploads/2025/01/Scalability-Report-Oct-2024.pdf>

²⁴ Adaptation Fund. *Update on Strategic Discussion on Objectives and Further Steps of the Fund: Potential Linkages Between the Fund and the Green Climate Fund*. March 2023. https://www.adaptation-fund.org/wp-content/uploads/2023/03/AFB.B.40.6_Potential_linkages_between_AF_GCF_Clean.pdf

²⁵ Adaptation Fund. *Scaling up adaptation finance: Experiences and lessons learned from the Adaptation Fund portfolio of projects and programmes*. October 2022. <https://www.adaptation-fund.org/wp-content/uploads/2022/10/Scaling-up-adaptation-finance.pdf>

²⁶ Scott Chaplowe. Internal MCF Document. *Synthesis Report: The Approach to Transformational Change in Multilateral Climate Funds: AF, CIF, GEF, and GCF*. March 2025.

Unique and Effective Governance

8. Trust and Broad Credibility

Operating within the often-polarized climate finance landscape, the Adaptation Fund is uniquely trusted by both developed and developing countries, and donor and recipient countries. Since formally aligning with the Paris Agreement in 2019, the Fund has built a reputation for transparent governance and a track record of effective fund distribution. The Fund also provides strategic coherence with countries' efforts to meet their international climate commitments and national climate and development plans, including National Adaptation Plans (NAPs). This commitment has fostered trust across both developing and developed countries, enhancing collaboration and positioning the Fund as a uniquely stable and reliable partner in the adaptation finance ecosystem.

Since aligning with the Paris Agreement, the Fund has approved over US\$1.39 billion in funding, consistently delivering results in line with global climate goals. It is widely recognized for its agility, integrity, and grant-based model, which streamlines project design and accelerates implementation. Donor and recipient stakeholders alike have affirmed the Fund's demand-driven approach and responsiveness, with one donor noting it as a promising long-term instrument for channeling adaptation finance and another recipient country commending the Fund's quick adaptation to emerging needs through mechanisms like its innovation window.

Beyond performance metrics, the Fund's trust is reinforced through its relational, culturally competent approach. Its commitment to locally driven adaptation is evident not only in its programming but in the way its staff engage, with humility, respect, and a deep understanding of local contexts. This people-centered approach, in addition to inclusive mechanisms such as mandatory consultations, stakeholder engagement plans, and vulnerability assessments, helps ensure that adaptation projects reflect the priorities of the most vulnerable. The 2023–2027 Medium-Term Strategy codifies this approach, naming “open and inclusive stakeholder consultation processes” as foundational to effective adaptation.

9. Representative Governance Structure

The Adaptation Fund's Board includes significant representation from developing countries, ensuring that decision-making is driven by those most vulnerable to and affected by climate change. This stands out from many other multilateral institutions. The Fund employs a governance model that balances inclusivity with operational efficiency, operating through four specialized committees, facilitating streamlined decision-making processes. The Fund is the only climate fund that regularly includes discussion with civil society actors as a standing agenda item of its Board meetings. This governance model fosters inclusivity, weaving equitable decision-making into the DNA of the Fund and ensuring that investments align with these values.

The Adaptation Fund's governance structure is distinguished by its inclusive, transparent, and efficient approach. Its Board features equal representation from both developed and developing countries and institutionalizes civil society engagement by making Civil Society Organizations (CSO's) dialogue a standing agenda item in every Board meeting. This ensures that local perspectives are consistently integrated into decision-making processes, fostering accountability and inclusivity. Specialized committees like the Ethics and Finance Committee, Project and Programme Review Committee, and Accreditation Panel streamline operations

while upholding social and fiduciary safeguards.²⁷ The 2023 AF-TERG Rapid Evaluation further praises the Fund’s governance for its agility, transparency, and alignment with country-driven priorities.²⁸

CSOs are integral to the Fund’s operations, contributing to policy development, project design, and stakeholder engagement throughout the project lifecycle. Their involvement has led to improved processes, such as a more transparent accreditation system in Honduras and better project designs through CSO feedback. The Fund’s openness to CSO input is seen as a key strength, with civil society playing a significant role in shaping institutional access and enhancing project effectiveness. Donor perspectives also highlight the Fund’s governance strengths, particularly its commitment to developing country ownership and its unique 50% allocation for direct access, which enhances its appeal to contributors.

Strong and Agile Systems that Partners Can Leverage

10. Streamlined and Agile Processes

The Fund is known for its lean operational model, which allows for fast and efficient funding allocation. Its simplified procedures reduce bureaucratic hurdles, enabling recipient countries to access resources more quickly, which is especially critical in responding to the increasing urgency of climate adaptation needs.²⁹

The Adaptation Fund stands out for its operational efficiency and responsiveness, maximizing the flow of climate finance to developing countries. Its fast-track accreditation process, available to entities already accredited by the Green Climate Fund within the last four years, reduces duplication and speeds up access to resources. The Fund also maintains one of the lowest overheads among climate funds, with just 5.5% of total committed resources allocated to operational expenses and streamlined approval procedures that accelerate disbursement. For instance, the average response time from the Secretariat was just two months in FY 2024, and first cash transfers to MIEs occurred within 5.2 months on average, facilitating faster on-the-ground implementation.³⁰ One consultation participant highlighted receiving full project approval and funding in just seven months.

The Fund also offers simplified approval tracks and has introduced a rolling approval process to reduce bottlenecks. Independent assessments, including the 2024 G20 Review, praise the Fund’s processes as “rigorous but supportive” and appropriate to the scale of the projects.³¹ Additionally, consultation participants repeatedly affirmed the Fund’s responsiveness and reduced administrative burden, especially compared to other funding sources. These qualities have helped the Fund maintain its reputation as a nimble, demand-driven partner that enables timely adaptation action in an increasingly urgent climate context.

11. Established Systems and Scalable Program Infrastructure

The Adaptation Fund has developed strong systems and infrastructure that donors can leverage to ensure that adaptation investments are managed effectively and efficiently. These systems are continuously updated to

²⁷ Adaptation Fund Governance. <https://www.adaptation-fund.org/about/governance/>

²⁸ Adaptation Fund TERG. *Rapid evaluation of the Adaptation Fund*. 2023. https://www.adaptation-fund.org/wp-content/uploads/2024/05/2024_AF-TERG-Rapid-Evaluation-of-the-Adaptation-Fund.pdf

²⁹ G20 Independent High-Level Expert Group. *Accelerating Sustainable Finance for Emerging Markets and Developing Economies*. p. 51. 2024. <https://www.climatepolicyinitiative.org/wp-content/uploads/2000/10/G20-IHLEG-VCEF-Review.pdf>

³⁰ Adaptation Fund Annual Performance Report. September 2024. https://www.adaptation-fund.org/wp-content/uploads/2024/09/AFB.EFC_34.8_Annual-Performance-Report-for-FY24.pdf

³¹ G20 Independent High-Level Expert Group. *Accelerating Sustainable Finance for Emerging Markets and Developing Economies*. pp. 51 and 61. 2024. <https://www.climatepolicyinitiative.org/wp-content/uploads/2000/10/G20-IHLEG-VCEF-Review.pdf>

meet evolving donor expectations and recipient country needs, reinforcing the Fund's credibility as a responsible and effective funding mechanism. These systems include:

- **Results-based management (RBM) system:** The Fund tracks measurable adaptation impacts, demonstrating the Fund's effectiveness in building resilience and reducing vulnerability to climate change and useful information to inform decisions and improvements by the Adaptation Fund Board and Secretariat. The RBM system is supported by robust evaluation and reporting protocols.
- **Accreditation process:** The Fund has a rigorous, but streamlined accreditation process, which ensures that implementing entities meet high fiduciary, environmental, and management standards. This process promotes accountability and builds capacity, ensuring that partners are equipped to manage funds effectively.
- **Environmental, social, and gender safeguards:** The Fund's Environmental and Social Policy (ESP) and Gender Policy mitigate risks. The Fund regularly reviews and updates its ESP and other relevant guidelines to ensure they are aligned with evolving best practices.
- **Knowledge management products:** The Fund develops valuable on-the-ground studies that implementing partners and other organizations can leverage to replicate successful adaptation strategies.
- **Independent evaluations:** The Fund upholds transparency and accountability through regular independent evaluations, which assess the effectiveness of the Fund's portfolio and operations, providing donors and stakeholders with credible evidence of performance and impact.

The Adaptation Fund has built a robust results-based management system that evolves to meet emerging priorities and operational realities. Its Strategic Results Framework (SRF) is continuously refined, most recently in 2024, to reflect lessons learned, address implementation challenges, and align with global adaptation goals, including the UNFCCC's Global Goal on Adaptation.³² Complementary tools such as its Environmental and Social Policy (updated in 2025) and Gender Policy ensure projects mitigate harm and promote equity. The Fund's strong accreditation and technical assistance systems help build institutional capacity in developing countries, with entities typically accredited in an average of 18 months through a rigorous, iterative process.³³

Additionally, the Fund has established a credible learning and evaluation ecosystem. It supports shared learning through a dedicated Knowledge Management strategy, learning grants, and a public knowledge portal. Its independent evaluation function, anchored in a transparent Evaluation Policy and implemented by the AF-TERG, provides strategic oversight through regular portfolio and thematic evaluations.³⁴ All projects must conduct terminal and, where applicable, mid-term evaluations, while submitting annual progress reports. This structure ensures the Adaptation Fund not only tracks and improves performance across its growing portfolio, but also contributes practical insights to the broader climate finance ecosystem.

³² Update on the Strategic Results Framework Revision Process. https://www.adaptation-fund.org/wp-content/uploads/2024/10/AFB.EFC_.34.Inf_.5_Update-on-the-SRF-Revision-Process_AF-Board-Document.pdf

³³ Adaptation Fund Accreditation. <https://www.adaptation-fund.org/apply-funding/accreditation/>

³⁴ Adaptation Fund Evaluations. <https://www.adaptation-fund.org/about/evaluation/>