



Adaptation Fund Board
Forty-fifth meeting
Bonn, Germany

Draft Adaptation Fund Resource Mobilization Strategy for the period from 2026 to 2029

Strategic Considerations

- The Adaptation Fund’s current Resource Mobilization Strategy (2022-2025) has been generally successful in increasing voluntary contributions, securing more multi-annual commitments, attracting additional contributors, and exploring alternative sources. However, challenges related to the unpredictability and scale of resources continue to hinder the Fund's growth.
- The Adaptation Fund’s new Resource Mobilization Strategy must build on previous successes and address existing challenges. The strategy must also be adaptive to the evolving climate finance landscape and consider its increasing demand and ambition to enable the Fund to triple its annual outflows by 2030. The Fund's unique ability to mobilize resources from various sources presents significant potential for future growth.
- This document presents a draft Resource Mobilization Strategy for the Fund’s for the next period of 2026 to 2029, which includes a proposed case for investment and an update to the six key strategies and outcomes for the various sources of funding. To fully utilize all potential funding sources, there are policy considerations that the Board may wish to address.

Purpose

- 1) In line with decision B.44/45, this document presents a draft Resource Mobilization Strategy for the Fund for the period from 2026 to 2029. This draft strategy contains the following sections: background and context; a new “case for investment” in the Adaptation Fund (the Fund); an overview of current and prospective revenue sources, and key areas that may need attention to advance them; and priority specific resource mobilization strategies for the 2026-2029 period.

Recommended Decision

- 2) The Adaptation Fund Board, having considered the information contained in document AFB/B.45/7, decides:
 - a) To approve the new resource mobilization strategy for the period 2026 to 2029, as contained in Annex I to document AFB/B.45/7;
 - b) To communicate the strategy widely with the Fund’s stakeholders; and
 - c) To request the Secretariat to draft a related resource mobilization action plan for the Board’s consideration at its forty-sixth meeting.

Background and Context

3. The Fund's current Resource Mobilization Strategy (2022-2025) will conclude in 2025 and has been instrumental in enhancing targeted resource mobilization efforts and raising awareness of the Fund's comparative advantages. The current strategy has been generally successful in achieving its key objectives and outcomes across its six specific strategies:
 - Awareness raised on the Fund's comparative advantage
 - Continued and increased voluntary contributions from existing national and sub-national contributors
 - Contributions secured from new contributor governments, expanding its contributor base from 22 to 31
 - Multi-year commitments secured
 - Innovative financial mechanisms and alternative funding sources, including carbon markets, explored
 - Increased individual and organization donations through the Fund's website "donate button"

The strategy also strengthened the Fund's engagement with current and potential contributor governments through targeted outreach and communications. These efforts resulted in increased voluntary contributions, more predictable funding flows, and enhanced visibility and recognition of the Fund's role in adaptation finance.

4. Challenges related to the unpredictability and scale of resources continue to hinder the Fund's growth. Despite notable progress, the strategy faced several challenges, including uncertainty around the timing and scale of revenues from new sources such as Article 6.4 emission reductions, limited private sector contributions, and the lack of a formal multi-year funding process, which posed challenges to long-term funding predictability. Some pledges lacked formal multi-year agreements, complicating resource tracking. Additionally, while outreach expanded, securing consistent contributions from a broader donor base and non-traditional sources remained an ongoing challenge.
5. The Board, at its 44th meeting in April 2025 considered a comprehensive update on the implementation of the Fund's current Resource Mobilization Strategy (2022 – 2025) contained in document AFB/B.44/12/Rev.2 and decided:
 - a) To approve a new resource mobilization target from a floor of US\$ 300 million for 2025;
 - b) To request the Secretariat, in consultation with the Resource Mobilization Task Force and relevant stakeholders, to prepare a draft resource mobilization strategy for the period 2026 to 2029, for the Board's consideration at its forty-fifth meeting;
 - c) To request the Secretariat to draft a related action plan for the Board's consideration at its forty-sixth meeting.

(Decision B.44/45)

6. The Fund's next Resource Mobilization Strategy for the period of 2026 to 2029 will be set in the context of:
 - a) Increasing demand for adaptation funding by developing countries to implement their planned adaptation actions and priorities as outlines in their National Adaptation Plans

(NAPs), adaptation components of their Nationally Determined Contributions (NDCs) and other adaptation plans and strategies; and

- b) An evolving climate finance landscape, including the UNFCCC’s new collective quantified goal on climate finance (NCQG) which includes the decision “to pursue efforts to at least triple annual outflows from [the UNFCCC climate funds] from 2022 levels by 2030 at the latest with a view to significantly scaling up the share of finance delivered through them” (see UNFCCC decision 1/CMA.6, para. 16). This decision will almost certainly involve a significant outflow of adaptation funding from the Fund.

Case for Investment in the Adaptation Fund

7. In this context, establishing a clear, compelling, evidence-based Case for Investment (CFI) for the Fund will be a key foundation for resource mobilization efforts. In spring 2025, the secretariat engaged a wide range of partners in a collaborative consultation process to develop a compelling CFI for the Fund. The secretariat retained a consulting firm to conduct confidential discussions with 37 representatives from multilateral implementing entities, national implementing entities, regional implementing entities, contributors, civil society organizations, and foundations. From these consultation discussions and workshops with staff, the secretariat identified eleven compelling attributes, or reasons for investment, that comprise a proposed CFI for the Fund (see *Box 1* below).
8. The secretariat proposes using these CFI attributes to inform communications tailored for different audiences to strengthen awareness of the Fund’s comparative advantages. The Fund will continue to invite partner and stakeholder input on the CFI and to evolve and strengthen the attributes (and supporting evidence) over time.
9. The text box below describes these eleven attributes in more detail and summarizes supporting evidence for each. 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

Box 1: Compelling Attributes of the Adaptation Fund

Consultations with Adaptation Fund contributors, 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** 199 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 45+ million beneficiaries for US\$ 1.39 billion invested plus a rich knowledge base on climate adaptation solutions.
- **Strong and Growing Demand** US\$ 630+ 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.

Stakeholder consultations

10. Pursuant to Decision B.44/45, the secretariat consulted the Board and other relevant stakeholders to gather views and inputs which informed the preparation of the draft resource mobilization strategy for the period 2026 to 2029, contained in Annex I of this document. The format of consultations comprised surveys, interviews, informal conversations with secretariat leadership, and written exchanges/inputs. The following groups of stakeholders were consulted during the strategy development process (*see full list of stakeholders contained in **Annex II** of this document*):
 - (a) Adaptation Fund Board members and alternates
 - (b) Recipient country governments
 - (c) Contributor country governments
 - (d) Civil society organizations
 - (e) AF Trustee
 - (f) Other multilateral climate funds
 - (g) Private sector organizations
 - (h) Philanthropic organizations
 - (i) Research organizations on carbon market developments

11. As mentioned above, information gathering included an online survey shared with key stakeholders including Board members and alternates, contributor country government representatives, and civil society organizations. There were 43 total responses to the survey. A summary of key survey findings is below; these findings informed resource mobilization strategy development:
 - (a) Most respondents commented that the Fund's most compelling attribute was its direct access modality and focus on locally led adaptation, as well as the scalability and catalytic impact of Fund investment. Additional suggestions related to the Fund's compelling attributes included: Institutional strengths and governance, value and efficiency, overall impact and reach, strategic alignment and innovation, and alignment with global investment criteria.
 - (b) Most survey respondents strongly agreed that the Fund should continue its efforts to increase voluntary contributions from existing contributors, and that Annex 1 countries are well positioned to increase their contributions. Most survey respondents also strongly agreed that the Fund should seek to increase the number of new national and sub-national contributors, including non-traditional contributors. Some respondents proposed new incentive structures for new and non-traditional contributors such as conditional contributions (i.e., contributions from non-traditional donors that are contingent on developed countries meeting minimum funding thresholds).
 - (c) Most survey respondents stressed the need for multi-year contributions for the AF in the absence of a multi-year replenishment process. The Fund should consider how to incentivize and advocate for multi-year contributors as part of its resource mobilization target setting and campaigns.
 - (d) Most survey respondents strongly agreed that the Fund should continue its efforts to attract alternative funding sources such as revenues from climate-related taxes and levies and

should engage in related fora, in line with its unique mandate and ability to receive such sources.

- (e) Several respondents recommended that the Fund increase its public engagement and awareness efforts, including through targeted campaigns, as part of its resource mobilization strategy, including campaigns targeted at the private sector and philanthropy.
- (f) Several respondents suggested the Fund consider additional financing models such as results-based financing (linking to adaptation outcomes), blended finance (public, private, philanthropic), and use of green bonds. innovative funding instruments for the Fund to consider, including debt swaps for adaptation, social and development impact bonds, Advance Market Commitments (AMCs), crowdfunding and crowdlending platforms, as well as carbon and biodiversity credit trading.
- (g) Some respondents shared additional thoughts on opportunities around strategic engagement and partnerships with private sectors stakeholders, philanthropies, the insurance industry, and regional development banks.
- (h) Most respondents noted that the Fund should continue to actively collaborate with the other multilateral climate funds while strengthening connections to other UNFCCC bodies to raise the Fund's profile within the climate finance ecosystem.

12. The secretariat also conducted more in-depth consultation discussions with a wide range of partners and stakeholders to inform them about the development of the CFI and the Resource Mobilization Strategy. This included consultation interviews and discussions with 50 individuals from 30 organizations (see Annex 2 for more information on entities that participated in consultation discussions). Input from these discussions directly informed the development of the CFI and yielded valuable input on the CFI attributes that are most compelling to different types of partners and stakeholders. In addition, the consultation discussions informed the Fund's preliminary assessment of the potential for developing and expanding innovative funding sources, which have been incorporated into the discussions of specific resource mobilization strategies in the draft Resource Mobilization Strategy 2026-2029 in Annex 1.

Specific Strategies for Resource Mobilization (2026-2029)

13. Based on the analysis of the progress and lessons learned from the previous Resource Mobilization Strategy (2022–2025), as summarized in document AFB/B.44/12/Rev.2, and drawing on inputs from the consultation process, the attached draft strategy presents an updated list of key strategies for the Fund's next Resource Mobilization Strategy (2026–2029) (see **Box 2** below).

Box 2: Specific Resource Mobilization Strategies (2026-2029)

- 1) Continue to raise awareness of the CFI and comparative advantages of the Adaptation Fund**
- 2) Secure and sustain multi-year commitments from existing and new potential national and subnational contributors**
- 3) Develop and expand innovative sources of funding that are alternatives to governmental sources to scale up adaptation investment**
- 4) Explore and consider policy issues to expand use of innovative resource mobilization approaches**
- 5) Expand and strengthen the Adaptation Fund's resource mobilization capacity to support new partnership and development of innovative funding sources, targeted outreach campaigns, and strategic communications activities to support resource mobilization**

14. The draft 2026-2029 Resource Mobilization Strategy sustains, deepens, and expands strategies addressed in the Fund's 2023-2025 Resource Mobilization Strategy, while also reflecting some important shifts in light of the NCQG and evolving global context and need for climate adaptation finance for developing countries.

Overview of key updates and rationale in the 2026-2029 draft strategy

- (a) The draft strategy recognizes the need for and includes a more compelling, evidence-based case for investment in the Fund to inform strategic communications, outreach, and partnership development activities that support the new strategy. Many current and prospective partners lack a clear and full understanding of the Fund's compelling attributes, its accomplishments and contributions to impact, and the opportunities for scaling the Fund's contributions to future impact.
- (b) The draft strategy recognizes that 2026-2029 is a vital period for both evolving and scaling the resource mobilization approach for the Fund (and for other parts of the multilateral climate finance system), and for navigating a highly dynamic and uncertain global context for resource mobilization. The strategy recognizes and explores opportunities for diversifying and scaling resource mobilization to meet the ambition embodied in the NCQG for climate finance while attempting to be clear-eyed about what it might take to bring online and scale new potential funding sources, including from philanthropy and the private sector.
- (c) The draft strategy emphasizes the continued importance during the next three years of cultivating, sustaining, and growing voluntary contributions from national and subnational governments, including in the form of more predictable, multi-year commitments (with

supporting resource mobilization targets or guiding pathways) and from non-traditional contributors

- (d) The draft strategy also provides more attention to and detailed discussion of promising innovative partnerships and potential funding sources that could be developed over the next few years to diversify and expand Adaptation Fund funding and resource mobilization for climate adaptation in developing countries. For example, the 2023-2025 Resource Mobilization Strategy highlighted the importance of exploring resource mobilization partnerships with philanthropy and the private sector; the new draft strategy devotes more attention to the potential pathways and activities (including associated challenges and limitations) for cultivating these and other sources. The draft strategy also outlines steps to build strong foundations for future scaling of share of proceeds directed at the Fund from both carbon markets and non-carbon markets.
- (e) The draft strategy identifies key policy, procedural, and systems issues that may be needed to support the evolution, diversification, and scaling of the Fund's resource mobilizations efforts, including the use of dedicated funding windows or other means to direct certain types of contributions to specific sectors, themes, geographies, and/or projects, the approach for setting targets (considering pathways to future scaling milestones), the approach for valuing and tracking resources mobilized alongside Fund investments, and the Fund's approach to engaging in blended finance structures. This builds on the Fund's existing and encouraging experience with setting up dedicated grants and funding windows for locally led adaptation, innovation, learning, project scale up and readiness.
- (f) The draft strategy recognizes that developing and scaling new and innovative funding sources and mobilizing resources will require new and expanded capacities and resources to support partnership development, outreach campaigns, and strategic communications activities dedicated to support strategy implementation.

ANNEX 1: DRAFT RESOURCE MOBILIZATION STRATEGY (2026 – 2029)



ADAPTATION FUND

Helping developing countries build resilience and adapt to climate change

DRAFT RESOURCE MOBILIZATION STRATEGY (2026 – 2029)

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Executive Summary

1. The Adaptation Fund’s draft 2026-2029 Resource Mobilization Strategy recognizes that the next three years are a vital period for both evolving and scaling the resource mobilization approach for the Fund, and for navigating a highly dynamic and uncertain global context for resource mobilization. The strategy explores opportunities to diversify and scale resource mobilization to meet the ambition embodied in the NCQG for climate finance and the growing need for grant-focused finance for developing countries to adapt to intensifying climate change impacts.
2. To support resource mobilization activities, the strategy outlines an enhanced case for investment (CFI) which encompasses eleven compelling attributes grouped in four 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 leverageThe Fund aims to use the CFI as a tool for organizing and strengthening the evidence base to support resource mobilization for the Fund. The CFI will also inform strategic communications efforts that support resource mobilization.
3. The 2026-2029 Resource Mobilization Strategy includes five main strategy elements which are explored in detail in the strategy, including:
 - 1) Continue to raise awareness of the CFI and comparative advantages of the Fund
 - 2) Secure and sustain multi-year commitments from existing and new potential national and subnational contributors
 - 3) Develop and expand innovative sources of funding that are alternatives to governmental sources to scale up adaptation investment
 - 4) Explore and consider policy issues to expand use of innovative resource mobilization approaches
 - 5) Expand and strengthen the Fund’s resource mobilization capacity to support new partnership and development of innovative funding sources, targeted outreach campaigns, and strategic communications activities to support resource mobilization
4. The strategy recognizes the near-term importance of cultivating, sustaining, and expanding voluntary government contributions to the Fund, while simultaneously investing in the development and scaling of a range of alternative non-governmental funding sources. These include share of proceeds from carbon and non-carbon markets, philanthropic partnerships for resource mobilization, voluntary private sector contributions and resource mobilization, crowdsourced donations, and other innovative resource mobilization approaches. Successful implementation of this strategy will require expanded capacities at the Fund and focused work to address key enabling policies, procedures, and systems. The Fund will develop an Action Plan in advance of the Spring 2026 Board meeting to support implementation of an approved 2026-2029 Resource Mobilization Strategy.

Background and Context

5. The Fund's current Resource Mobilization Strategy (2022-2025) will conclude in 2025 and has been instrumental in enhancing targeted resource mobilization efforts and raising awareness of the Fund's comparative advantages. The current strategy has been generally successful in achieving its key objectives and outcomes across its six specific strategies:
 - Awareness raised on the Fund's comparative advantage
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6. Challenges related to the unpredictability and scale of resources continue to hinder the Fund's growth. Despite notable progress, the strategy faced several challenges, including uncertainty around the timing and scale of revenues from new sources such as Article 6.4 emission reductions, limited private sector contributions, and the lack of a formal multi-year funding process, which posed challenges to long-term funding predictability. Some pledges lacked formal multi-year agreements, complicating resource tracking. Additionally, while outreach expanded, securing consistent contributions from a broader donor base and non-traditional sources remained an ongoing challenge.
7. The Fund's next Resource Mobilization Strategy for the period of 2026 to 2029 will be set in the context of:
 - a) Increasing demand for adaptation funding by developing countries to implement their planned adaptation actions and priorities as outlines in their National Adaptation Plans (NAPs), adaptation components of their Nationally Determined Contributions (NDCs) and other adaptation plans and strategies; and
 - b) The evolving climate finance landscape, including the UNFCCC's new collective quantified goal on climate finance (NCQG) which includes the decision "to pursue efforts to at least triple annual outflows from [the UNFCCC climate funds] from 2022 levels by 2030 at the latest with a view to significantly scaling up the share of finance delivered through them" (see UNFCCC decision 1/CMA.6, para. 16).⁵⁰ While the manner in which this tripling target should be understood in the context of the Fund is to be determined by the Board, it can be expected that the Fund's share would result in a minimum of tripling its annual outflows in the form of funding approvals by 2030.

Case for Investment in the Adaptation Fund

8. Establishing a clear, compelling, evidence-based Case for Investment (CFI) in the Adaptation Fund is a key foundation for resource mobilization efforts. In spring 2025, the Adaptation Fund engaged a wide range of partners in a collaborative consultation process to develop a compelling CFI in and through the Adaptation Fund. The Fund retained a consulting firm to conduct confidential CFI discussions with 37 representatives from multilateral implementing entities, national implementing entities, regional implementing entities, contributors, civil society organizations, and foundations. From these consultation discussions and workshops with Secretariat staff, the Adaptation Fund identified eleven compelling attributes, or reasons for investment, that comprise a CFI for the Adaptation Fund (see Box 1).
9. The Adaptation Fund envisions using these CFI attributes to inform communications tailoring for different audiences to strengthen awareness of the Fund’s comparative advantages. The Fund will continue to invite partner and stakeholder input on the CFI and to evolve and strengthen the attributes (and supporting evidence) over time. This section describes these eleven attributes in more detail and summarizes supporting evidence for each. The compelling attributes are grouped in four key clusters:
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Box 1: Compelling Attributes of the Adaptation Fund

Consultations with Adaptation Fund contributors, 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** 199 projects with measurable outcomes across sectors from food security to water management to disaster early warning systems.

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- **Strong and Growing Demand** US\$ 630+ 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.

Legacy of and Promise for Impact

CFI Attribute 1. Tangible Outcomes through People-Centered Adaptation

10. 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.

CFI Attribute 2. History of Impact and Return on Investment

11. 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 51 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.

CFI Attribute 3. Strong and Growing Demand

12. 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 September 2025, the pipeline of projects seeking investment has risen to almost US\$ 1 billion, 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 per cent 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.

Empowering Local Leadership for Scalable and Sustainable Systems Change

CFI Attribute 4. Direct Access and Locally Led Adaptation

13. The Adaptation Fund pioneered fully operational direct access to climate financing in 2010 and was the first to create a dedicated Locally Led Adaptation (LLA) funding window, while having funded LLA projects and programmes since its inception. Through direct access, accredited national and regional implementing entities can 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.

CFI Attribute 5. Focus on Capacity Building and Readiness

14. 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. The Adaptation Fund has played a critical role in expanding institutional capacity for climate adaptation across more than 100 developing countries. CFI Attribute 6. Innovation in Adaptation Solutions

15. 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.

CFI Attribute 7. Scalability

16. 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.

Unique and Effective Governance

CFI Attribute 8. Trust and Broad Credibility

17. 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.

CFI Attribute 9. Representative Governance Structure

18. 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.

Strong and Agile Systems that Partners Can Leverage

CFI Attribute 10. Streamlined and Agile Processes

19. 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.¹

CFI Attribute 11. Established Systems and Scalable Program Infrastructure

20. 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

¹ 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>

continuously updated to 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.
- 1. 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.

Specific Strategies for Resource Mobilization (2026-2029)

21. This section describes the five specific strategies in the Adaptation Fund’s Resource Mobilization Strategy (2026 – 2029).

Box 2: Specific Resource Mobilization Strategies (2026-2029)

- 1) Continue to raise awareness of the CFI and comparative advantages of the Adaptation Fund**
- 2) Secure and sustain multi-year commitments from existing and new potential national and subnational contributors**
- 3) Develop and expand innovative sources of funding that are alternatives to governmental sources to scale up adaptation investment**
- 4) Explore and consider policy issues to expand use of innovative resource mobilization approaches**
- 5) Expand and strengthen the Adaptation Fund's resource mobilization capacity to support new partnership and development of innovative funding sources, targeted outreach campaigns, and strategic communications activities to support resource mobilization**

1) Continue to raise awareness of the CFI and comparative advantages of the Adaptation Fund

22. Raising awareness of the Fund and its Case for Investment (CFI) and comparative advantages is vital as the Fund seeks to broaden its resource mobilization activities and partnerships to engage new audiences, including philanthropies and private sector actors. Specific anticipated activities are summarized below.
2. The Board continues to implement its Medium-Term Strategy, leveraging the Fund's comparative advantage and raising awareness on its impact across strategic areas, including direct access, locally led adaptation, innovation, learning and sharing, readiness and institutional capacity-building, empowering the most vulnerable groups as agents of change, promoting gender-responsive climate finance, and scaling up adaptation finance.
 3. The Board and its secretariat actively collaborate with other multilateral climate funds and strengthen linkages with other UNFCCC bodies to raise awareness on the Fund's unique role and comparative advantage in the climate finance space.
 4. The Board and its secretariat will conduct outreach on the Fund's new CFI and continue to strengthen it based on input from partners and stakeholders. The secretariat will continue to compile evidence supporting the CFI, and will use the CFI to inform and support a wide range of communications efforts supporting resource mobilization.
 5. The Board through its secretariat will enhance the Fund website to feature the CFI and develop a dedicated webpage showcasing the Fund's unique ability to mobilize resources from diverse sources.
 6. The Board has taken several decisions on the Fund's strategic partnerships with relevant initiatives to maximize the Fund's impact and increase visibility of its comparative advantage.

2) Secure and sustain multi-year commitments from existing and new potential national and subnational contributors

23. During the period of this Resource Mobilization strategy (2026-2029), voluntary contributions from governments will likely remain the major source of funding for the Fund. For more than a decade, the Fund has relied on voluntary government contributions as its major funding source as nascent carbon market and other funding sources are developed. The Fund has received contributions from 31 national and subnational governments to continue the important work of the Fund, totaling US\$ 1.7 billion (as of 30 March 2025).² The Fund expresses its utmost appreciation and gratitude to all its contributor governments and invites other governments to consider making contributions to the Fund.

Resource mobilization targets. To encourage voluntary contributions, the Board sets annual resource mobilization targets and organizes annual high-level Contributor Dialogues in conjunction with the UNFCCC COPs. Since 2016 the Fund has been largely successful in meeting these targets. In the years 2022 and 2023 pledges (US\$ 353 million and US\$ 241 million respectively) significantly exceeded the US\$ 120 million target for these years. Following these

² Further information on all 31 contributors to date, please see <https://www.adaptation-fund.org/about/resource-mobilization/contributors/>

successes, the Board set more ambitious targets of US\$ 300 million per year for the 2023 to 2024 period with actual pledges falling short of the set targets.

Encouraging multi-year pledges. The Fund's 2024 resource mobilization included six funding tranches from multi-year pledges. Multi-year commitments are now a well-established best practice in the Fund's resource mobilization efforts. They provide much-needed predictability and more secure funding inflows, particularly in the absence of a multi-year replenishment process used by other climate funds. The predictability afforded by multi-year funding commitments enables the Fund to more efficiently plan around staffing, programming, and project pipeline management, which in turn enables recipient countries and implementing entities to plan more effectively and efficiently. The Fund will continue to advocate for contributor governments to consider multi-year commitments in line with the Glasgow Climate Pact (2021).³

Mobilizing new contributors. In recent years, the Fund has worked to successfully grow the number of government contributors. Maintaining and expanding the contributor base remains a vital priority in the near-term, as governments experience fiscal pressures and competing priorities. It is important to observe that consultations with contributors suggest that the prospect for mobilizing new government contributors may be a valuable strategic asset for sustaining interest, prioritization, and contributions from existing contributors.

Potential activities to pursue under the 2026-2029 Resource Mobilization strategy include:

- Redouble efforts to encourage current and past contributors to pledge resources, including multi-year commitments. Conduct coordinated outreach to new prospective voluntary government contributors, including subnational governments.
- Enhance communications with current and prospective contributors to ensure they have access to the case for investment and supporting evidence that can inform contributor deliberations and case-making.
- Explore options to develop a multi-year resource mobilization target setting approach that may support scaling pathways to 2030 aligned with the NCQG for climate finance; consider target approaches that may incentivize aligned investment (e.g., private sector, philanthropic) by actors who may not be able to donate directly through the Fund.

3) Develop and expand innovative sources of funding that are alternatives to governmental sources to scale up adaptation investment

24. The Fund has the unique ability to mobilize resources from a wide range of non-governmental sources, including carbon and other markets, the private sector, philanthropy, and individuals. The variety of potential sources for resource mobilization for the Fund presents significant potential for future growth, however funding availability under each of these sources remains uncertain and will require concerted effort to develop. During the 2026-2029 timeframe, the Fund will need to pursue and grow a range of revenue sources to meet its targets and to mobilize resources to meet identified needs, ambition, and NCQG goals. This section explores the broad range of current and potential revenue sources that the Fund proposes to pursue and/or explore

³ The Glasgow Climate Pact (2021) recognizes "the value of the Adaptation Fund in delivering dedicated support for adaptation" and invited developed country Parties "to consider multiannual pledged contributions to the Adaptation Fund" (Decision 1/CMA.3, paragraph 16). See decision document FCCC/PA/CMA/2021/10/Add.1.

in ways that are aligned with Board priorities and secretariat resource mobilization capacity. Potential activities associated with each innovative source of funding are listed following the description of each funding source.

Box 3: Innovative Funding Source Alternatives to Government Funding

The following types of innovative funding opportunities are addressed in this strategy and would be further explored for development during the 2026-2029 Resource Mobilization Strategy in ways commensurate with Board priorities and secretariat resource mobilization capacity.

- **Carbon markets share of proceeds** (including Article 6.4 and 6.2 markets and voluntary carbon markets)
- **Levies in non-carbon markets**
- **Private sector resource mobilization**
- **Philanthropic partnerships and resource mobilization**
- **Donations and crowdfunding**
- **Other potential innovative sources**

Carbon markets share of proceeds

25. At the time of its establishment, the Fund was designed to receive a share of proceeds (SOP) from international carbon markets. Under the Kyoto Protocol, this was operationalized through a 2 per cent SOP from the issuance of Certified Emission Reductions (CERs) under the Clean Development Mechanism (CDM). While early estimates of the resources to be generated for the Fund through the CDM varied widely, they ranged upwards of a billion dollars. In reality, however, between 2009 and 2023, SOPs from the CDM generated US\$ 216 million in resources for the Fund, with the shortfall compared to earlier estimates mostly caused by the drastic and largely permanent fall in CER prices between 2011-2012, and related factors. Due to the limited demand for CERs and the sunseting of the CDM under the Paris Agreement, SOP revenues have further declined in recent years. In 2024, SOPs contributed only US\$ 1.65 million. While CDM monetization continues, it no longer represents a reliable or growing source of funding.

26. Under the Paris Agreement, Article 6 establishes new market mechanisms that could restore and expand carbon market revenue to the Fund in the coming years. These include:

- a) *Article 6.4 – Centralized mechanism.* Article 6.4 establishes a centralized mechanism administered under the authority of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).⁴ It includes a mandatory SOP to the Fund:
- A 5 per cent share of each issuance of Article 6.4 Emission Reductions (A6.4ERs), and
 - 3 per cent of the monetary issuance fee paid for each issuance to be transferred to the Fund.

The Article 6.4 mechanism is intended to build on and replace the CDM and replicate its automatic revenue-generation function. The mechanism is not yet operational. As of 2025,

⁴ For more information, see <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism>

the Supervisory Body is finalizing key elements including methodologies, project registration procedures, and registry infrastructure. It is important to note that countries could opt to allocate more than the minimum 5% in-kind share of each issuance to the Fund under the Article 6.4 Paris Agreement Crediting Mechanism (PACM). For example, a recent policy brief on conditions for using international carbon credits towards the EU's 2040 Climate Target recommended an allocation of a larger share to the Fund (e.g., 10%) to help close the climate finance "ambition gap."⁵ Priority activities include:

- Coordinate with the Supervisory Body, UNFCCC Secretariat, and potential monetization agents (e.g., the World Bank) to support delivery and monetization of SOP contributions.
- Monitor developments in host country project pipelines and registry infrastructure to anticipate where SOP flows may originate.
- Strengthen internal systems to receive, track, and transparently report both in-kind and monetary SOPs.

b) *Article 6.2 – Cooperative approaches.* Article 6.2 enables bilateral transfers of Internationally Transferred Mitigation Outcomes (ITMOs) between countries to support achievement of Nationally Determined Contributions (NDCs). While there is no mandatory SOP under Article 6.2, Parties are “strongly encouraged” under CMA guidance to contribute to the Adaptation Fund when using cooperative approaches. The Fund recognizes that Article 6.2 represents an emerging opportunity for voluntary SOP contributions. Several Parties have already entered into Article 6.2 agreements and may be open to piloting voluntary contributions. Priority activities include:

- Explore cultivation of pilot SOP contributions from early-mover countries, potentially through in-kind ITMO transfers or monetary contributions linked to traded volume.
- Promote inclusion of SOP language in bilateral authorization documents or agreements.
- Develop templates, legal arrangements, and reporting procedures to facilitate voluntary SOP contributions under Article 6.2.

c) *Voluntary Carbon Market (VCM).* The voluntary carbon market continues to evolve, with growing interest in integrating adaptation finance into market integrity frameworks. Although SOP contributions in the VCM are entirely voluntary, updates to crediting standards and voluntary market initiatives could help create pathways for channeling SOPs to the Fund. Priority activities include:

- Explore opportunities to incorporate SOP contributions into crediting infrastructure such as registries, platforms, or standards.
- Assess the potential role of retailers, credit buyers, and platforms in facilitating SOP contributions at the point of credit sale or retirement.
- Consider pilots that pair SOP contributions with credit retirements, supported by communications or buyer recognition strategies.

⁵ Schneider et al. Conditions for Using International Carbon Credits towards the EU's 2040 Climate Target: Policy Brief. Oeko-Institut. June 30, 2025. <https://www.oeko.de/fileadmin/oekodoc/Conditions-for-using-international-carbon-credits-towards-the-EU-climate-target.pdf>

Estimated resource mobilization potential. While the potential resource flows from Article 6.4, Article 6.2, and voluntary carbon markets could be significant over time, current projections remain highly uncertain and actual proceeds are unlikely to materialize at scale for several years. Analysis prepared for the Fund by an expert organization suggests that, depending on participation rates and market demand, cumulative SOP revenues through 2035 could range from the low tens of millions of US\$ in conservative scenarios to several billion US\$ in high-demand scenarios across all three market segments. However, the Article 6.4 mechanism is not yet operational, voluntary SOPs under Article 6.2 will depend on country willingness to contribute, and SOP pathways in the VCM are still under development. As such, near-term revenues are expected to be modest, with any substantial scaling contingent on both market uptake and the establishment of enabling infrastructure.

Levies in non-carbon markets

27. The Fund can explore opportunities to secure a share of proceeds from (non-carbon) market levies that may be applied at global, regional, or national levels. Levies are small, automatic charges applied to high-volume transactions or high-emission activities, and they are an emerging tool with potential to mobilize resources for climate adaptation. Levies are designed to generate steady, predictable funding by applying minimal fees to sectors able to absorb them, such as financial markets, international travel, or fossil fuel extraction. For example, a micro-tax on stock trades or a small surcharge on airline tickets can raise substantial funding when applied at scale.

28. The Global Solidarity Levies Task Force, launched at COP28 with leadership from Barbados, France, and Kenya, is working to advance this approach by promoting innovative levies to meet urgent global needs, including climate adaptation and public health.⁶ The task force and its associated campaign highlights past successes, such as the airline ticket levy adopted by several countries to fund UNITAID, and builds support for expanding similar models.⁷ By coordinating with the Coalition for Solidarity Levies and engaging institutions such as the UN, IMF, and World Bank, the campaign is laying the groundwork for broader adoption.

Potential activities include:

- Monitor the work of the Global Solidarity Levies Task Force and campaign and the broader development of solidarity levies for non-carbon markets, which are likely to be explored around upcoming UNFCCC COPs.
- Take steps to position the Fund as a potential levy recipient, including through the development of proposals to respond to emergent levy funding opportunities.

⁶ For more information, see <https://solidaritylevies.org/>

⁷ For more information, see <https://unitaid.org/news-blog/unitaid-welcomes-new-air-levy-coalition-building-on-its-legacy-of-successful-innovative-health-financing/>

Private sector resource mobilization

29. Global interest in scaling private sector investment in climate adaptation has grown rapidly in recent years as diverse actors seek to mobilize the estimated US\$ 300 billion needed annually to address climate adaptation needs in developing countries.⁸
30. *Challenges of mobilizing private sector finance for adaptation.* Private investment in climate adaptation faces several challenges, including the difficulty of generating direct financial returns from adaptation projects. Despite high return on investment, many adaptation projects provide more diffused benefits that do not accrue in the form of direct revenue flows sufficient to make projects bankable for private sector investment. In addition, adaptation projects often involve long payback periods and are perceived as high-risk due to lacking enabling environments and limited data on outcomes. Despite these challenges, the Adaptation Fund sees opportunities to explore greater private sector resource mobilization in three key areas outlined below. The first two areas could result in mobilizing resources to flow in and through the Adaptation Fund to support projects. Additional areas listed below could leverage additional adjacent adaptation finance to complement Fund investments.
31. *Private sector contributions.* The Adaptation Fund could pursue more focused campaign efforts to invite contributions (donations) from private sector organizations, including corporate foundations. The Fund is uniquely positioned among climate funds to receive private sector contributions directly, offering a simple and accessible online donation channel in partnership with the United Nations Foundation. In addition, private entities can make contributions directly to the Adaptation Fund Trust Fund, following Board-approved procedural steps for receiving funding from sources alternative to governmental funding.⁹ Growing private sector contributions in substantial ways would likely require focused outreach and communications campaign activities and the Fund currently lacks capacity for this type of work. Consultation discussions with several private sector experts suggest that private sector actors often prefer to focus donations on specific geographic areas that correspond with their company locations or service or issues areas, which would require some form of linking contributions to tailored funding windows targeting sectors/themes and/or geographies (see discussion on funding windows below). While private sector voluntary contributions are not likely to become the dominant source of Fund revenue, they could be a valuable, diversified source of funding with the added benefit of raising private sector awareness of the important market enabling environment and innovation projects that the Fund supports.
32. *Targeted project-level private sector in Fund projects (or through adjacent co-funding).* Sector and geographic-focused projects supported by the Fund may be ripe for private sector investment or co-funding, particularly in sectors such as water management or agriculture that are strongly linked to operations in key business sectors. For example, private sector entities (particularly multinational corporations) sometimes invest in projects implemented or managed

⁸ For example, see OECD. Scaling Up the Mobilisation of Private Finance for Climate Action in Developing Countries. 2023. https://www.oecd.org/en/publications/scaling-up-the-mobilisation-of-private-finance-for-climate-action-in-developing-countries_17a88681-en/full-report.html and Debbie Hillier. Can the Private Sector Plug the Adaptation Finance Gap? World Economic Forum. June 10, 2025. <https://www.weforum.org/stories/2025/06/can-the-private-sector-plug-the-adaptation-finance-gap/>

⁹ Procedural steps are outlined in AFB document AFB/B.35-36/3/Rev.1 and were approved in AFB decision B.35-36/9.

by governments or CSOs as part of corporate ESG commitments to offset impacts and to strengthen their social license to operate in communities where they are active.¹⁰ There may be opportunities to attract private sector investment in projects with geographic and sectoral alignment with business interests, potentially in partnership with broader sector initiatives or organizations such as those referenced above. Pursuing private sector funding for Adaptation Fund-supported projects could possibly require an approach where companies could make contributions directed to fund specific projects (see discussion of directed funding windows below). Another alternative would be to channel private sector co-funding directly to the Fund implementing entities leading the targeted projects. This raises important questions around whether the Fund should cultivate and pursue co-funding opportunities that may generate additional grant resources for Fund projects and implementing entities (which would flow adjacent to, but not through, the Fund). In addition, this approach would raise questions about how such co-funding would be tracked and counted towards resource mobilization targets, which would affect the extent to which the Fund is incentivized to cultivate sector and geographic focused co-funding from the private sector.

33. *Unlocking private sector investment through innovation and de-risking grants.* An additional opportunity to leverage private sector resources for adaptation recognizes the role of the Fund grants in mitigating risks for the private sector and supporting innovation and market development for new adaptation-beneficial technologies and services. By leveraging grants that the Adaptation Fund offers, entities can design and implement new approaches, practices, and partnerships that can attract private sector involvement to scale up adaptation efforts.¹¹ The Adaptation Fund Climate Innovation Accelerator (AFCIA) is a small grants mechanism where the Fund currently partners with UNDP, UNEP, WFP, and UNIDO to provide funding opportunities to non-accredited entities such as startups, SMEs, and private companies.¹² To further develop this type of private sector investment mobilization, it may be useful to develop more guidance on the use of Fund grant resources in blended financing structures. In addition, the Fund does not currently track or count towards targets this type of private sector investment in market development which may be catalyzed by Fund projects during or following project implementation.

34. Potential activities to pursue under the 2026-2029 Resource Mobilization strategy include:

- Conduct further consultations with potential private sector experts and prospective partners to explore specific private sector resource mobilization opportunities and pathways.
- The Secretariat, in collaboration with the Board Resource Mobilization Task Force, should develop proposed options for expanding private sector resource mobilization in one or more

¹⁰ For example, many corporate executives recognize the strategic value of water resource management for their business operations and are engaged in initiatives such as the UN CEO Water Mandate (<https://ceowatermandate.org/resilience/>), the Water Resilience Coalition, and the Alliance for Water Stewardship. These initiatives provide platforms for helping to coordinate private sector investment in programs and projects in water basins in developing countries.

¹¹ For example, an Fund-supported project in Bhutan is introducing an innovative weather index-based microinsurance scheme for smallholder farmers to enhance resilience and food security. An Fund-supported project in Vietnam is using this funding to introduce microfinance solutions tailored to build adaptation businesses.

¹² For example, an Fund-supported project in Burundi is testing a portable dam solution to address both floods and droughts under AFCIA, which can then be scaled up through a larger innovation grant, and through additional MCF or external financing sources beyond the end of the Fund's projects and programs.

of the areas outlined above, and develop associated Fund policy needs and resource and capacity requirements.

Philanthropic partnerships and resource mobilization

35. Philanthropies interested in climate adaptation and related thematic and sectoral issues can be important partners to the Fund for resource mobilization in the coming years. Philanthropic interest in climate adaptation in developing countries has grown rapidly during the past few years. For example, the Adaptation and Resilience Funder Collaborative (ARC) was launched in 2023 with more than 50 participating foundations interested to scale global grantmaking for climate adaptation and resilience. ClimateWorks Foundation research found that philanthropy invested more than US\$ 600 million in adaptation and resilience initiatives globally in 2023 and total investment is anticipated to grow in the future.¹³
36. Under the 2022-2025 Resource Mobilization Strategy, the Fund has conducted consultations with foundations and worked to cultivate relationships with several major philanthropies, which have informed understanding of potential opportunities to grow philanthropic partnerships under the new strategy. The Fund currently see three types of opportunities to work in partnership with philanthropy to mobilize and/or leverage resources for climate adaptation in developing countries:
- a) *Philanthropic contributions to the Adaptation Fund for disbursement.* The Fund donation platform makes it easy for the Fund to receive contributions from philanthropy. As outlined in the CFI, the Fund has streamlined and agile processes and systems that philanthropic partners can leverage for efficient and effective re-granting to support Fund's large pipeline of vetted projects around the world (see CFI attributes 10 and 11). This option may be particularly appealing to foundations or donors who lack staff capacity to identify and vet grantees and projects on their own.

Consultations with foundations suggest that there are potential challenges that may constrain scaling of this approach. First, many foundations appear to have limited awareness of the Fund, its operating modalities, its donation platform, and its performance record. Second, there is a broad perception in the philanthropic sector that multilateral institutions and funds do not move with the speed or efficiency that is well matched for philanthropic investment. Third, many foundations prefer to make grants directly to civil society organizations in the field and may be reluctant to invest through an intermediary. Fourth, some foundations are hesitant to invest in multilateral platforms out of concern that their involvement may “crowd out” governments’ responsibilities for contribution. And fifth, many

¹³ ClimateWorks Foundation. Foundation funding for climate change adaptation and resilience. November 2024. <https://content.climateworks.org/progress-on-foundation-funding-for-climate-change-adaptation-and-resilience>. In addition, ARC released a strategy framework for philanthropy in 2025 outlining investment principles, a theory of change, and key thematic and sectoral grantmaking opportunity areas; see ARC and ClimateWorks Foundation. Climate adaptation and resilience: a strategy framework for philanthropy. 2025. <https://www.climateworks.org/report/climate-adaptation-and-resilience-a-strategy-framework-for-philanthropy/>. Similarly, the Asia Philanthropy Circle released a primer for philanthropy on investing in adaptation and resilience initiatives in Southeast Asia in 2025; see Asia Philanthropy Circle. Adaptation & Resilience in Southeast Asia: A Primer for Philanthropy. 2025. <https://asiaphilanthropycircle.org/adaptation-resilience-in-southeast-asia-a-primer-for-philanthropy/>. In Africa, the African Climate Foundation is working to coordinate and scale philanthropic investment in adaptation and resilience across the continent; see <https://africanclimatefoundation.org/programmes/adaptation-and-resilience/>.

foundations have geographic, thematic, and/or sectoral areas of interest, and they may be constrained to only fund opportunities that fit these focal areas.

Despite these potential challenges, the Fund sees important opportunities to broaden its efforts to engage with philanthropies to enhance awareness of the Fund, its activities, and the opportunity for donation. Engagement with funder collaboratives (such as ARC and Asia Philanthropy Circle) and foundations who serve as focal points for thematic and regional funder coordination offer potentially efficient pathways for engaging with numerous foundations.

- b) *Directed philanthropic funding for specific geographies, themes, programmatic windows, and/or projects.* As noted above, many funders have specific geographic, thematic, and/or sectoral areas of interest, or they may have an interest to invest in tangible projects in which they have clearer line of sight to their funding impact. The Fund could explore opportunities to accept “earmarked” funds that are dedicated to supporting projects in specific Fund programs (e.g., the innovation accelerator, locally-led adaptation program), geographies (e.g., regions, countries), and/or themes or sectors. The Fund could even explore opportunities to make its project pipeline accessible to networks of foundations to fund or co-fund specific projects. For example, the Gold Standard Marketplace offers a model where entities can invest directly in tangible projects;¹⁴ a similar approach could be taken where philanthropies could invest to partially or wholly fund specific projects from a curated Fund portfolio.

Directed philanthropic resource mobilization would necessitate development of policies and procedures that enable donations to be directed and tracked to specific investment windows, programs, or projects. Moving in this direction would also require sorting out a range of policy and procedural issues, including determining how philanthropic investments would count towards country caps and overall resource allocation and balancing across countries. If there is Board interest in pursuing these opportunities, more detailed analyses would be needed to assess feasibility, options, and capacity and resource considerations.

- c) *Cultivation of aligned funding by philanthropy.* A third opportunity relates to the potential for the Fund to work with foundations to help leverage direct philanthropic investment or co-funding in Adaptation Fund-accredited implementing entities and projects. For example, recent aligned investments in two Fund-accredited multilateral implementing entities, the World Health Organization (WHO) and World Meteorological Organization (WMO), by the Rockefeller Foundation and Wellcome signals that the Fund could play an active role of showcasing the work of Fund-accredited implementing entities to prospective philanthropic funders and expanding aligned investments and co-funding.¹⁵ While leveraged philanthropic resources might not flow through the Fund, they would complement Fund investments in

¹⁴ For more information, see <https://marketplace.goldstandard.org/collections/projects>

¹⁵ In May 2025 the Rockefeller Foundation and Wellcome made US\$ 11.5 million in grants to support the World Health Organization-World Meteorological Organization (WMO) Climate and Health Joint Programme, to rapidly accelerate and scale health-relevant early warning systems and forecasts to better detect, forecast, and respond to extreme weather and climate-related health threats in developing countries. For more information, see <https://www.rockefellerfoundation.org/news/rockefeller-foundation-and-wellcome-partnership-drives-global-climate-informed-health-action/>

helping accredited entities further build their capacities and implement programs and projects.

37. Potential activities to pursue under the 2026-2029 Resource Mobilization strategy include:

- Expand outreach and communications to foundations and funder collaboratives to enhance awareness of the Fund’s operating modalities, donation platform, performance record, and the case for investment in the Fund.
- Assess the benefits, drawbacks, and policy and procedural implications of enabling directed (earmarked) donations through the Fund based on donor geographic, thematic/sectoral, and project-level interests.
- Explore explicit partnerships and/or memorandums of understanding with individual foundations or funder collaboratives to work together to jointly scale investments in and through Fund-accredited implementing entities.

Donations and crowdfunding

38. As noted, the Fund is unique among multilateral climate funds with its ability to easily receive direct donations from individuals, businesses, foundations, and other actors through the Fund’s partnership with the United Nations Foundation and its online donation platform. From 2021 through 2024, the Fund received a total of US\$ 26,777 via this donation route. Though modest relative to institutional pledges, this figure reflects progress in engaging non-governmental donors, an area that has traditionally remained underrepresented in the Fund’s resource portfolio. There is precedent for growing crowdfunded donations in ways that provide significant funding for international institutions, although it requires concerted effort and capacity investments.¹⁶

39. To scale such donations, the Fund would need expanded outreach and communications capacity, as well as targeted campaigns to engage targeted audiences. The Fund could also explore opportunities to develop partnerships, with media outlets, philanthropic networks, youth climate groups, and others, to increase the visibility of donation opportunities and develop tailored engagement strategies for different audiences. Careful attention and concerted effort would be needed to position climate adaptation in compelling and accessible ways using strategic communications and campaigns.

40. Potential activities to pursue under the 2026-2029 Resource Mobilization strategy include:

- Develop a crowdfunding donation outreach plan that includes both targeted and broad-based strategies and activities to enhance awareness of opportunities for the public and targeted groups to donate to the Fund.

¹⁶ For example, UNICEF has significantly expanded its private donor engagement, with roughly one-third of its annual funding from private donation sources. This includes a portfolio of foundation partners, corporate donors, and, notably, individual supporters contributing through pledge-giving and campaigns in over 50 countries. UNICEF’s model shows how individual giving can become a pillar of resource mobilization, particularly as ODA disbursements face pressure. National UNICEF committees in 32 countries help drive these efforts by enabling tax-deductible charitable donations, supported by celebrity UNICEF Goodwill Ambassadors. These structures allow UNICEF to tap into widespread public support and mobilize resources at scale, often quickly and with fewer restrictions than institutional funding or donor contributions.

- Develop and implement a series of focused outreach campaigns to mobilize donations, leveraging innovative partnership, social media, and outreach campaign strategies. Structure these campaigns in ways that support impact analysis and learning to inform subsequent campaign activities.

Other potential innovative sources

41. Other potential innovative resource mobilization approaches could be explored and developed by the Fund with key partners, including labeled bonds, debt swaps for adaptation, and blended finance mechanisms. While these sources of climate adaptation finance may not result in mobilizing funding to and through the Fund, they could contribute to broader adaptation resource mobilization efforts aligned with the NCQG for climate finance. In some cases, these approaches could involve how the Fund utilizes its grant funding to catalyze and leverage aligned investments by others. For example, the Fund could explore impact bond opportunities in collaboration with multilateral development banks similar to the United Nations Systematic Observations Financing Facility (SOFF) impact bond financing model whereby donors provide grant contributions and private investors purchase the bonds.¹⁷ These and other opportunities for the Adaptation Fund to contribute to the NCQG for climate finance are explored in a separate document prepared by the Fund.

4) Explore and consider policy issues to expand use of innovative resource mobilization approaches

42. As noted under some of the potential revenue sources discussed above, there are some resource mobilization and management policy decisions that the Fund and its Board may need to consider, to unlock the potential for expanded resource mobilization from innovative sources. Key policy areas that could be explored by the Secretariat and the Board are summarized below.

Targeted resource mobilization and funding windows

43. As discussed above, securing dedicated or targeted contributions from private sector actors and philanthropies would require the Fund to explore options that could enable targeting of contributions for specific programs or projects, perhaps through tailored sectoral, thematic, and/or geographic investment windows. This would likely require consultations with the Fund's Trustee and would likely necessitate new financial management and accounting systems and procedures. The feasibility, implications, and costs of enabling dedicated or targeted contributions are not currently known and would need to be explored, analyzed, and advanced for Board decision making.

44. It would likely be appropriate to restrict targeted windows to voluntary contributions over a certain threshold (e.g., US\$ 1-5 million) to reduce the complexities of managing numerous small, targeted contributions. In addition, it would likely be prudent to only allow targeting for voluntary contributions from the private sector and philanthropy. Given that most Fund resources are likely

¹⁷ Catalyzing Innovative Finance for Global Resilience, Scaling Access to Climate and Weather Data through the SOFF Impact Bond, June 2025. [SOFF-Impact-Bond_Update-June-2025.pdf](#)

to come from government voluntary contributions over the next three years, it would be advisable to ensure that the bulk of Fund resources are accessible to all eligible developing countries.

Developing resource mobilization targets and accounting for leveraged resources

45. Reforms to the Fund resource mobilization target setting process might be useful under the new Resource Mobilization strategy to bring greater clarity to the desired multiyear pathway for growing resources for the Fund in alignment with the NCQG for climate finance. For example, the Fund and its Board could develop a set of annual resource mobilization targets to articulate the desired growth of the fund's resources for the 2026-2029 (or 2030) period. A multiyear target approach might also complement the efforts to encourage multiyear commitments from government contributors.
46. If there is interest by the Board for the Fund to also support the growth of leverage, aligned, or complementary funding or investment in accredited implementing entities or co-funded Fund-supported projects (e.g., aligned co-funding, private sector investment in adaptation markets de-risked by Fund investment), then there may be value in considering development of a supplemental target for aligned funding. Such a target would signal that leveraged or aligned resource mobilization (for resources that would not flow directly through the Fund) is an important goal for the Fund to invest in cultivating. Establishing an aligned resource mobilization target would require new procedures to measure and account for aligned resources and additional capacity to conduct this monitoring (in addition to expanded capacity to cultivate aligned resource mobilization).

Use of Adaptation Fund investments in blended financing structures

47. The Fund has prided itself on providing precious grant resources to developing countries to support climate adaptation. The Fund recognizes that many adaptation projects provide more diffused benefits that do not accrue in the form of direct revenue flows sufficient to make projects bankable to support loan repayment. As the Fund endeavors to support projects that help mobilize private sector investment in areas that may be bankable with more concessional forms of capital, there may be new, innovative roles for Fund resources in blended finance structures that help to de-risk markets for private investment. It may be useful for the Fund to explore its recent experience in supportive innovative market development efforts to determine whether additional policies are needed to guide how Fund resources can be used in innovative blended finance structures.

5) Expand and strengthen the Adaptation Fund's resource mobilization capacity to support new partnership and development of innovative funding sources, targeted outreach campaigns, and strategic communications activities to support resource mobilization

48. The 2022–2025 Resource Mobilization Strategy emphasized the value of investing in outreach and regular communication with current contributors, including providing updates, offering opportunities to observe project implementation firsthand, and engaging sub-national

contributors. These activities have helped strengthen relationships with contributors and maintain support for the Fund.

49. Under this new strategy, cultivating resources—including through partnerships and targeted campaigns—will require expanded and dedicated communications and outreach capacity beyond that currently available within the Secretariat. Enhanced communications and outreach capacity could be dedicated to:

- Increase the frequency and depth of regular communications with existing and prospective donors.
- Strengthen awareness of the Fund’s comparative advantages and case for investment across diverse audiences.
- Support the development of new partnerships with philanthropic organizations, the private sector, and other stakeholders.
- Design and implement targeted donation campaigns to mobilize resources from a broader contributor base.

Such capacity would complement the Fund’s existing communications efforts, ensure that resource mobilization messages are strategic and audience-specific, and help position the Fund to take advantage of emerging opportunities in an increasingly competitive climate finance landscape.

ANNEX 2: STAKEHOLDER CONSULTATIONS

1. The secretariat conducted an open and inclusive process to inform the development of the draft 2026-2029 Resource Mobilization Strategy. The secretariat thanks these organizations and individuals for sharing their insights and perspectives, which have informed the CFI and this draft Resource Mobilization Strategy.
2. Representatives from the Board, recipient and contributor governments, implementing entities, civil society and research organizations, and private sector organizations were invited to provide input through the online survey and/or consultation interviews. The secretariat received 43 responses to the online survey and conducted consultation discussions with 50 individuals representing 30 organizations.
3. All Adaptation Fund **Board members and alternates** were invited to complete the online survey.
4. Representatives from all **contributor country governments** were invited to complete the online survey and those who expressed interest participated in consultation interviews (including representatives from the European Union, Germany, and the United Kingdom)
5. Consultation interviews were also conducted with representatives from the following **national, regional and multilateral implementing entities:**
 - Bhutan Trust Fund for Environmental Conservation (Bhutan)
 - Centre de Suivi Ecologique CSE (Senegal)
 - Department of Environment (Antigua & Barbuda)
 - Environmental Project Implementation Unit (Armenia)
 - Fundecooperación para el Desarrollo Sostenible (Costa Rica)
 - International Center for Integrated Mountain Development (Nepal)
 - Protected Area Conservation Trust (Belize)
 - The Interprofessional Fund for Agricultural Research (FIRCA) (Côte d'Ivoire)
 - Caribbean Development Bank (Barbados)
 - Observatoire du Sahara et du Sahel (Tunisia)
 - Secretariat of the Pacific Regional Environment Programme (Samoa)
 - Asian Development Bank (ADB)
 - Fund for Responding to Loss and Damage (FRLD)
 - International Fund for Agricultural Development (IFAD)
 - United Nations Development Programme (UNDP)
 - United Nations Framework Convention on Climate Change (UNFCCC)
 - World Meteorological Organization (WMO)
6. Representatives from the following **civil society organizations and research organizations** completed the online survey and/or participate in consultation interviews.
 - Asian Peoples Movement on Debt and Development (Philippines)
 - Cadre Cameroon Association (Cameroon)
 - Christian Aid

- Climate Change Research and Cooperation Centre (Mongolia)
- ECCO Climate (Italy)
- FirecircleTT To End All forms of Abuse (Trinidad and Tobago)
- Germanwatch
- Greener Tanzania Livelihood Organizations (Tanzania)
- HELVETA Swiss Intercooperation (Peru)
- Indigenous Women and Peoples Association of Chad (AFPAT) (Chad)
- International Institute for Environment and Development (IIED)
- Islamic Relief Worldwide
- Stockholm Environment Institute
- United Nations Foundation
- Village Farmers Initiative (Nigeria)
- Yobe State Agency for the Control of Aids (Nigeria)

7. Representatives from the following **philanthropic and private sector focused organizations** participated in consultation discussions.

- Alliance for Water Stewardship
- Glasgow Financial Alliance for Net Zero (GFANZ)
- Aga Khan Foundation
- Bezos Earth Fund
- Bill and Melinda Gates Foundation
- Bloomberg Philanthropies
- Climate Justice Resilience Fund
- ClimateWorks Foundation
- Rockefeller Foundation