ADAPTATION FUND



Integrating Flood and Drought Management and Early Warning for Climate Change Adaptation in the Volta Basin – Ghana.
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THEMATIC BRIEF | JUNE 2026

POVERTY ERADICATION AND LIVELIHOODS

Poverty eradication and livelihoods is a cross-cutting objective across the Adaptation Fund portfolio, reflecting the Fund's broader support to developing countries in addressing their adaptation needs. While only 8 projects directly target this thematic area, **208 projects**, representing **92% of the portfolio**, address poverty eradication and livelihoods as a secondary goal.

Across the 8 projects alone, more than **USD 33 million**, representing **4%** of the portfolio, has been allocated to reducing the adverse effects of climate change on poverty and livelihoods, including through adaptive social protection measures.

The projects are expected to reach more than **398,000 beneficiaries**, strengthen and/or protect incomes for **2,400 households**, and safeguard **5,000 hectares** of natural assets.

Figure 1.1: Share of Adaptation Fund portfolio mapped to 'poverty eradication and livelihoods', by grant amount (**in % of total portfolio & USD million**).

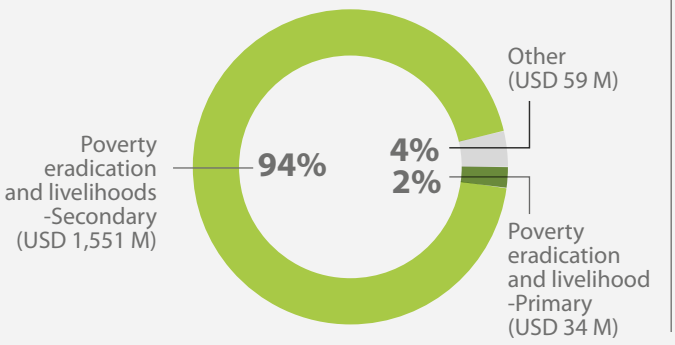
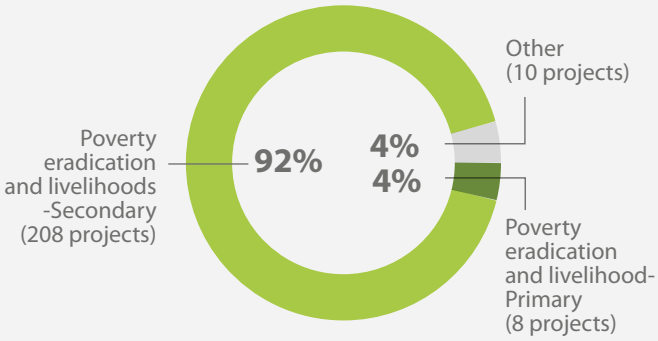


Figure 1.2: Share of Adaptation Fund portfolio mapped to 'poverty eradication and livelihoods', by number of projects (**in % & number of projects**).



Note: *Projects are categorized as "Primary" (directly focused on poverty eradication and livelihoods), "Secondary" (indirectly supporting poverty eradication and livelihoods without it being their primary focus), or "Other" (projects with no substantial poverty eradication and livelihoods component).*



Adaptation to Climate-Induced Water Stresses through Integrated Landscape Management – Bhutan.
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Overview and Strategic Relevance

Climate change deepens poverty by disrupting livelihoods, reducing income security, damaging productive assets, and limiting access to basic services. These impacts are most severe for households and communities already facing economic insecurity, limited livelihood options, and high exposure to climate-related hazards.

The Adaptation Fund contributes through adaptive social protection and locally-led adaptation that builds resilience and advances climate justice. These projects prioritize the most exposed households and communities, addressing the structural drivers of vulnerability alongside the immediate impacts of climate risk.



Multisectoral Adaptation Measures to Climate Change in the South Oropouche River Basin for Flood Relief – Trinidad and Tobago.
PHOTO CREDIT: ADAPTATION FUND

The Adaptation Fund Portfolio in Poverty Eradication and Livelihoods

Of the 8 projects targeting poverty eradication and livelihoods, 5 are led by Multilateral Implementing Entities (MIEs) and 3 by National Implementing Entities (NIEs). These projects are distributed evenly across operational regions, reflecting the cross-cutting relevance of poverty and livelihood resilience across different climate-vulnerable contexts. One project, representing 13% of the portfolio, is also implemented in a Least Developed Country.

The portfolio is notably innovation-heavy: 6 of the 8 projects are delivered through innovation windows, including an MIE Aggregator Project, an



Adaptation to Climate-Induced Water Stresses through Integrated Landscape Management – Bhutan.
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Innovation Small Grant, an Innovation Large Project and a Bundled Innovation/ Learning Grant, with only 2 delivered as regular-sized projects.

Of eight poverty eradication and livelihoods projects in the Fund's portfolio, four projects have been recently approved, two are currently under implementation and two are closed.

Figure 2. Geographical distribution of projects by type of implementing entity. Distribution of Adaptation Fund projects mapped to 'poverty eradication and livelihoods', by region, broken down by the type of implementing entity responsible for project delivery.

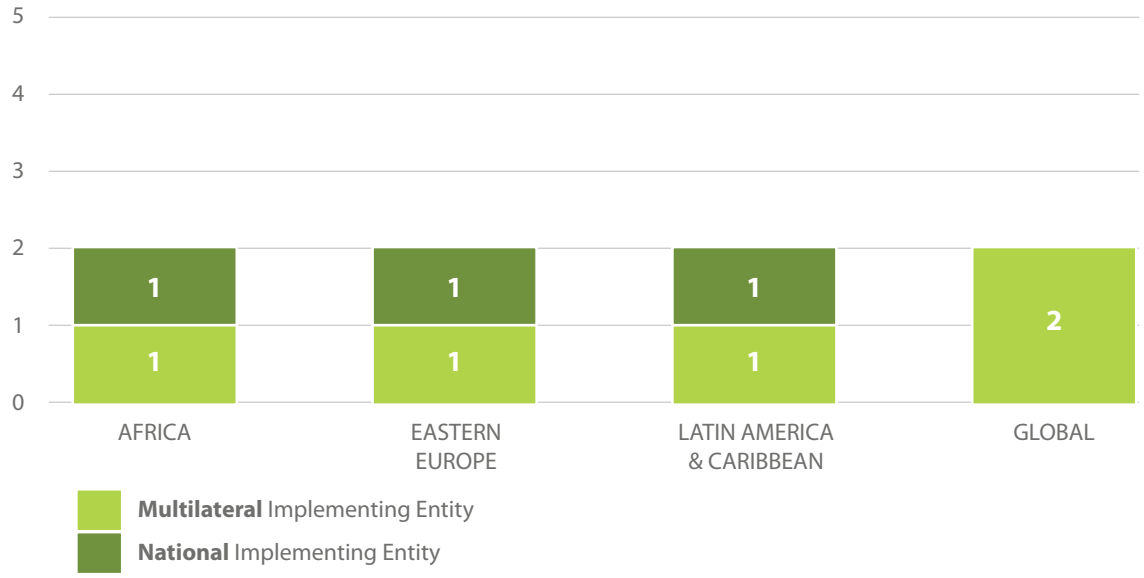


Figure 3.1: Share of Adaptation Fund portfolio mapped to 'poverty eradication and livelihoods', by implementing entity type (**in % of total portfolio & USD million**).

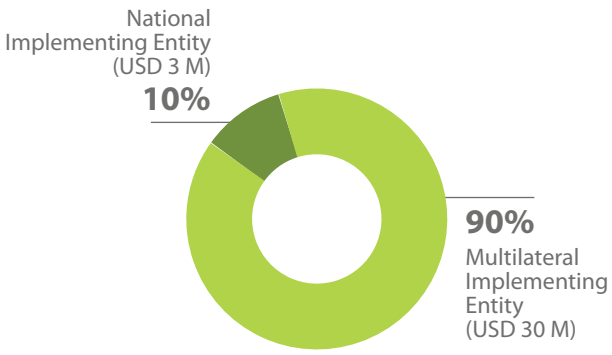
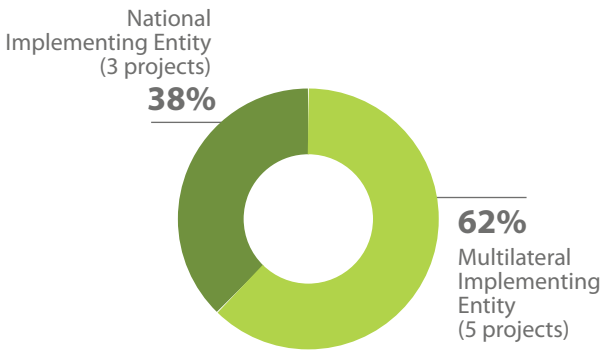


Figure 3.2: Share of Adaptation Fund portfolio mapped to 'poverty eradication and livelihoods', by implementing entity type (**in % & number of projects**).



Note: *Adaptation Fund 'poverty eradication and livelihoods' portfolio: USD 33 M across 8 projects*



Multisectoral Adaptation Measures to Climate Change in the South Oropouche River Basin for Flood Relief – Trinidad and Tobago.
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Results, Impacts, and Co-benefits

The Adaptation Fund poverty eradication and livelihoods projects are generating tangible benefits for vulnerable communities by reducing climate-related risks to livelihoods, protecting productive assets, and strengthening resilience to external shocks.

Expected impacts from projects where poverty eradication and livelihoods is a primary goal include:

More than **398,000 people** reached directly and indirectly, including 51% women and 14% youth.

More than **2,400 households** with increased or protected incomes.

5,000 hectares of natural assets protected.

These grants reduce reliance on climate-sensitive livelihoods and expand opportunities for income diversification, thereby enabling longer-term resilience for climate-vulnerable communities.

Beyond projects focused on poverty reduction, the Fund's support to other sectors, such as ecosystems and biodiversity, food and agriculture, infrastructure and human settlements, and water supply and sanitation, also make important contributions to reducing poverty and vulnerability.

Across the wider portfolio, 208 projects are expected to contribute indirectly to poverty reduction by strengthening livelihood security, expanding access to essential services, and reducing exposure to climate-related risks. Expected additional impacts include approximately:

120 million people reached.

11.5 million households with increased or protected incomes, including over 21,000 female-led households.

370 early warning systems established or strengthened.

8,500 km of infrastructure developed or improved.

5.5 million hectares of natural assets protected or restored.

Co-benefits of poverty eradication and livelihoods investments include improved food and water security, gender and youth empowerment, greater financial inclusion, and enhanced protection of the natural resource base on which livelihoods depend. These benefits are supported through integrated approaches that combine community-based adaptation, ecosystem restoration, strengthened local institutions, and inclusive access to climate information and services.

CASE STUDY:
LESOTHO



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Improving Adaptive Capacity of Vulnerable and Food-Insecure Populations in **Lesotho** (Phase I)

Country:	Lesotho
Implementing entity:	UN-World Food Programme (MIE)
Amount:	USD 9,999,894
Project duration:	2020-2025
Status:	Under Implementation

Lesotho is a landlocked, mountainous country and one of the most climate-vulnerable countries globally. Its population is highly exposed to erratic rainfall, recurrent droughts, and flash floods, all of which contribute to severe land degradation; the country is estimated to lose around 4.5 million tons of soil each year. With 57.1% of the population living in poverty and agriculture serving as the main source of rural livelihoods despite only 9% being classified as arable, these climate shocks have contributed to chronic food insecurity and malnutrition.

To address these challenges, the Adaptation Fund is providing almost USD 10 million to support the implementation of a resilience-building project for vulnerable and food-insecure communities in Lesotho. The project focuses on three main areas: strengthening government capacity to generate and use sub-seasonal forecasts and early warning systems, increasing nationwide awareness of climate risks and adaptation options, and supporting community-based planning to develop concrete adaptation assets, including irrigation infrastructure, soil conservation measures, and livelihood diversification activities.

The project aims to build national climate information systems and forecasting processes that can be used beyond the initial target areas. Additionally, planned interventions such as sand dams, solar-powered transformation hubs, and seed testing processes offer relatively low-cost, replicable models that could be adapted for use in other water-stressed and climate-vulnerable regions.



Improving Adaptive Capacity of Vulnerable and Food- Insecure Populations – Lesotho

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EXPECTED OUTCOMES

The project sets out a mix of institutional and community-level outcomes, including stronger climate forecasting systems, drought preparedness standard operating procedures (SOPs) in three districts, training for 12 technical staff, climate awareness outreach to 42,840 people, and climate education in 295 schools. At the community level, it aims to deliver 21 local resilience plans, livelihood asset support for 23,000 households, post-harvest loss training for 3,000 farmers, and income diversification support for 4,300 women, with the broader aim of reducing climate-related food insecurity, improving soil and water conservation, and strengthening local market systems.



Improving Adaptive Capacity of Vulnerable and Food- Insecure Populations – Lesotho.
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Category	Expected outcomes
Beneficiaries	1,101,000 direct and indirect beneficiaries, including 301,000 direct beneficiaries.
Early Warning Systems	Four Early Warning Systems (EWS), including three district SOPs for drought early warning and early action in Mafeteng, Mohale's Hoek, and Quthing, and one national sub-seasonal forecasting and drought early warning/early action system.
Households	7,300 households, including 4,300 very poor female-headed households with support for household vegetable gardening and 3,000 households with interventions for post-harvest loss reduction.
Natural assets protected or rehabilitated	54,900 hectares, including the creation and restoration of moderate/highly degraded land in southern districts

Source: Improving adaptive capacity of vulnerable and food-insecure populations in Lesotho, Project Proposal (2018)



Improving Adaptive Capacity of Vulnerable and Food- Insecure Populations – Lesotho.
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CASE STUDY:

MOLDOVA



PHOTO CREDIT: IFAD

Talent Retention for Rural Transformation - Adapt (TRTP-Adapt)

Country:	Moldova
Implementing entity:	International Fund for Agricultural Development (MIE)
Amount:	USD 6,008,095
Project duration:	2021-2027
Status:	Under implementation

Moldova is among the most climate-vulnerable countries in Europe, facing rising temperatures, severe droughts, and widespread land degradation. The agriculture sector is particularly exposed to these climate shocks, with around 75% of the country's land at risk of degradation. Agriculture remains a cornerstone of the national economy, employing around 30% of the total workforce, with smallholder farmers accounting for around 60% of national agricultural output. These farmers are especially vulnerable, as many rely on increasingly unreliable rain-fed systems. The increasing volatility of agricultural livelihoods is contributing to outmigration, particularly among young people, creating a "talent retention" challenge and threatening the longevity of rural communities.

The Adaptation Fund is providing USD 6 million to train farmers in climate-resilient agricultural practices, provide financing for water-efficient technologies and irrigation systems, and mainstream conservation agriculture into higher education and training systems. The project recognizes the critical role agriculture serves as a social and economic safety net in rural Moldova and seeks to enhance its resilience to reduce the risk of social exclusion, limit climate-driven poverty, and support the long-term sustainability of rural livelihoods.





Talent Retention for Rural Transformation - Adapt (TRTP-Adapt) – Moldova.

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EXPECTED OUTCOMES

A core expected outcome is improved access to reliable, climate-resilient water for smallholder farmers with the project investing in tertiary canals, existing water sources and irrigation systems. Grants of USD 2,500 will be provided for at least 400 smallholders to adopt drip and micro-irrigation. The project will also establish a Training of Trainers program as well as setting up 10 demonstration plots to train farmers in water-efficient and climate-resilient farming practices.

Furthermore, the project aims to build long-term capacity for a more sustainable agricultural sector by developing a national understanding of Conservation Agriculture, integrating it into university and technical college curricula, and supporting innovative research focused on soil conservation and climate resilience.



Talent Retention for Rural Transformation - Adapt (TRTP-Adapt) – Moldova.
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Category	Expected outcomes
Beneficiaries	16,000 direct beneficiaries, with a target 40% women and 50% youth.
Households	5,000 households benefiting from climate-resilient improvements and improvements to water access.
Natural assets protected or rehabilitated	23,000 hectares of smallholder agricultural land made climate-resilient so that they are better able to cope with drought and torrential rain.

Source: Talent Retention for Rural Transformation - Adapt (TRTP-Adapt), Project Proposal (2019)



Talent Retention for Rural Transformation - Adapt (TRTP-Adapt) – Moldova.
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Methods

Data are drawn from the Adaptation Fund's portfolio database (226 projects as of June 2026), which is classified using the GGA thematic area typology based on project documentation. Core indicator values represent expected or achieved results as recorded in approved project documents or evaluation reports respectively, extracted through an AI-assisted protocol.



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