

How to engage with the **Adaptation Fund**



Why this paper?

As the impacts of climate change intensify and Official Development Assistance resources decline, the interest of developing countries in accessing alternative funding sources is growing. At the same time, development actors – particularly the Swiss Agency for Development and Cooperation – have built experience and expertise that create opportunities to replicate and scale up successful interventions through dedicated international climate funds. The Adaptation Fund (AF), Green Climate Fund (GCF), and the Global Environment Facility (GEF) play complementary roles in international climate finance. The funds differ, however, in their mandates, thematic focuses, access modalities, governance structures, and funding instruments.

This paper provides:

- basic knowledge about the Adaptation Fund and considerations for working with the fund
- guidance for SDC staff and development partners on how to complement and support access to AF funding.

About the Adaptation Fund

The AF was established in 2001 under the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC) to finance climate adaptation projects and programmes in developing countries that are particularly vulnerable to the adverse effects of climate change. The AF was initially financed through a two per cent share of proceeds of Certified Emission Reductions (CERs) issued under the Clean Development Mechanism (CDM) of the Kyoto Protocol, complemented by contributions from national and subnational governments. Due to the sharp decline in the CDM carbon market, revenues from CERs have effectively ceased. Consequently, the AF now relies predominantly on voluntary donor contributions.

Since 2019, the AF formally serves the Paris Agreement. Under the Paris Agreement, the AF is set to receive resources from the share of proceeds of the multilateral carbon crediting mechanism as well as voluntary contributions under Article 6.* Current projections of potential revenues remain uncertain. Rather than replacing voluntary contributions from governments and private donors, the revenues may complement them. As of December 2025, a cumulative amount of USD 2.1 billion has been pledged to the AF (including proceeds from the sale of CERs).

Further information on the AF is available on the official AF website ([Adaptation Fund](#)).

* Article 6.4 of the Paris Agreement establishes a multilateral carbon crediting mechanism with a mandatory minimum share of proceeds of five per cent of issued credits to support adaptation. Cooperative approaches under Article 6.2 do not include a mandatory share of proceeds. Participating Parties are, however, strongly encouraged to provide voluntary contributions for adaptation. Although the first Article 6.4 credits have been approved for issuance, both mechanisms are still at an early stage of implementation and have so far generated limited financial flows.

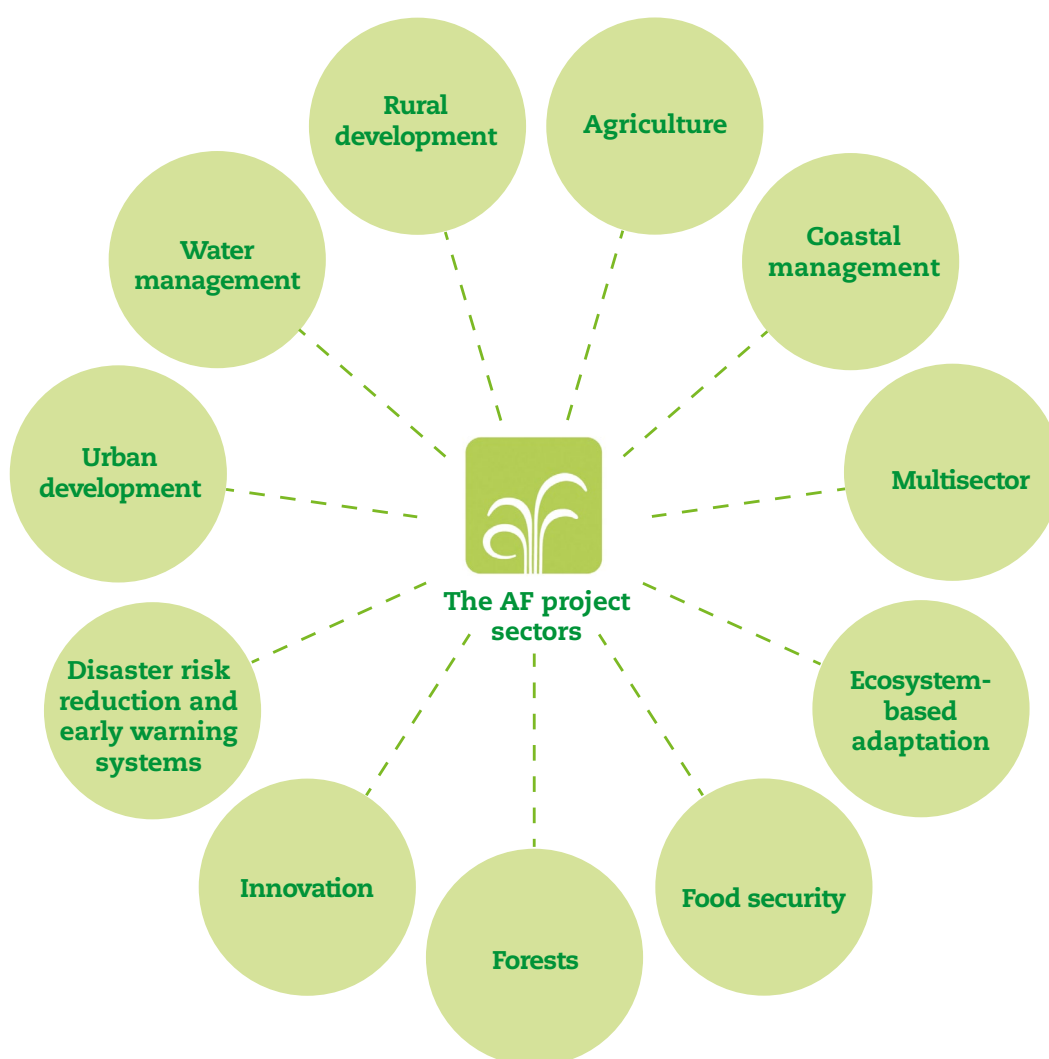
What the Adaptation Fund does

Funding of projects:

The AF finances adaptation projects and programmes that reduce climate risks, strengthen resilience, and improve livelihoods in developing countries that are particularly vulnerable to the adverse effects of climate change. This includes many Least Developed Countries (LDCs) and Small Island Developing States (SIDS), which the AF prioritises for AF-supported interventions. The AF finances climate adaptation projects across multiple sectors.

- Find an overview on the AF project portfolio: [Project Information](#)
- Learn more about [AF-Funded Projects & Programmes](#)

Figure 1: AF project sectors.



Source: AF, designed by Zoï Environment Network

The AF provides grants and does not require co-financing. It offers multiple funding windows with the following funding caps:

- Single-country projects: max. USD 25 million per project
 - Locally Led Adaptation single-country projects: max. USD 5 million per project
 - Regional projects and Locally Led Adaptation regional projects: max. USD 30 million per project.
- Learn more about funding windows: [Apply for Funding](#)

Empowering countries to access the AF directly:

The AF has pioneered direct access as a means of strengthening country ownership and national institutional capacity. This modality allows developing countries to nominate and accredit National Implementing Entities that can receive funding directly from the AF and manage projects without the use of international intermediaries. Through its Enhanced Direct Access modality, the AF further supports country-led approaches that decentralise decision-making and extend ownership and capacity to sub-national and community levels.

- Learn more about the Enhanced Direct access modality: [Enhanced Direct Access Training](#)

Fostering Locally Led Adaptation:

The AF adopted the globally recognised Principles of Locally Led Adaptation in 2021 and integrated them into its Medium-Term Strategy (2023–2027), committing to devolve access and decision-making to national, subnational, and local levels. Locally Led Adaptation is part of the Enhanced Direct Access modality. This emphasis shifts decision-making and resources closer to the communities most affected by climate change.

- Learn more about [Locally Led Adaptation](#)

Strengthening institutional capacities of countries:

The AF Readiness Programme for Climate Finance supports project formulation and provides targeted grants to help countries and Implementing Entities strengthen institutional capacities and meet accreditation requirements.

- Learn more about how to access readiness: [Readiness](#)

Innovation as a strategic pillar:

The AF Innovation Facility supports effective, long term adaptation solutions through dedicated funding windows. Innovation themes include gender equality, disaster risk reduction, cultural heritage, youth inclusion, community empowerment, urban adaptation, nature-based solutions, social innovation, and water and food security. The Facility offers complementary grant windows – small grants (up to USD 250,000) and large grants (up to USD 5 million) to scale, replicate, or transfer proven adaptation innovations.

- Learn more about [AF Innovation](#)

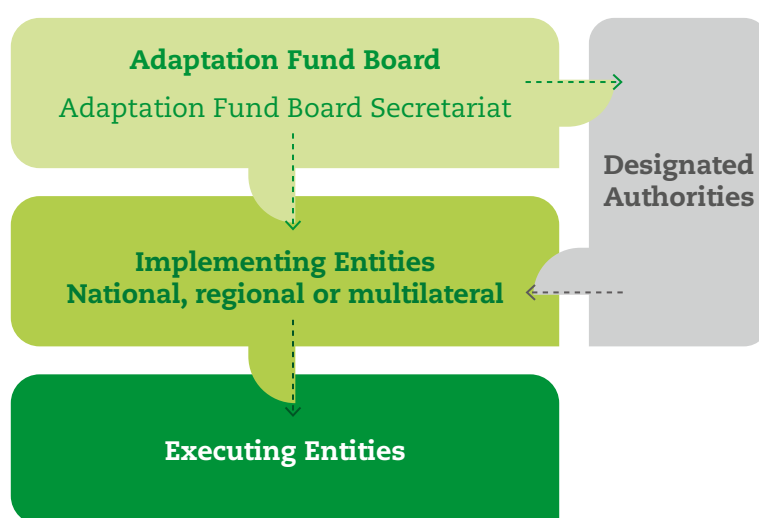
Governance of the Adaptation Fund

The AF is supervised and managed by the Adaptation Fund Board (AFB), composed of 16 members and 16 alternates representing Parties to the Kyoto Protocol, with a majority from developing countries. The AFB Secretariat provides research, advisory, administrative, and an array of other services to the Board. The World Bank serves as trustee of the AF on an interim basis.

At the country level, Designated Authorities serve as official

government points of contact, endorsing accreditation applications from National or Regional Implementing Entities, and programme and project proposals for implementation within their country. Implementing Entities are national, regional, or multilateral institutions accredited by the AFB to receive direct financial transfers from the AF and to implement adaptation projects and programmes. Implementing Entities may engage Executing Entities to carry out AF-funded projects or parts of projects.

Figure 2: Governance structure of the Adaptation Fund.



Source: AF, designed by Zoi Environment Network

Switzerland and the Adaptation Fund

Switzerland has been supporting the AF since 2010, recognising its role in financing concrete climate change adaptation actions in vulnerable developing countries, and actively contributing to the governance of the AF. Switzerland's contribution to the AF is based on its Foreign Policy Strategy, and the contribution is implemented by the SDC as part of Switzerland's International Cooperation Strategy. For the period 2025–2028,

Switzerland has pledged CHF 15 million to the AF, representing Switzerland's second-largest contribution to the AF since its establishment. With this pledge, Switzerland's total cumulative support to the AF will reach CHF 53 million (November 2024 press release by the Federal Department of Foreign Affairs). Switzerland intends to continue combining financial contributions with active governance engagement.

Key things to consider when accessing the Adaptation Fund

Who does what in my country?

The Designated Authorities act as liaisons between governments and the AF and are the first point of contact for any enquiries about the AF – current or future engagements or national priorities for AF collaborations, for example.

- Find an overview on the AF project portfolio: [Project Information](#)
- Learn more about [AF-Funded Projects & Programmes](#)

Funding is channelled through Implementing Entities

Only institutions accredited by the AF Board can receive AF resources and submit proposals. Implementing Entities may be National Implementing Entities under the Direct Access modality, Regional Implementing Entities, or Multilateral Implementing Entities. They are responsible for project design, fiduciary management, reporting, and overall implementation. The AF had accredited 62 implementing entities, 39 of which are National implementing Entities (as of April 2026).

- Find a list of the Implementing Entities: [Implementing Entities](#)

The accreditation process maintains high standards

Accreditation ensures that Implementing Entities meet the Fund's fiduciary, environmental, and social safeguard standards. Applicants are assessed by the Fund's Accreditation Panel, which reviews financial integrity, institutional capacity, transparency, and risk-management systems.

To widen access, especially for entities with limited capacities, the AF offers a streamlined accreditation process for smaller National Implementing Entities, enabling more countries – particularly LDCs and SIDS – to benefit from direct access to climate finance while upholding the required safeguards.

- Learn more about the accreditation requirements and process: [Accreditation](#)

How to engage with the AF without being an accredited Implementing Entity

If your organisation is not an Implementing Entity but wants to engage with the AF, you may – instead of seeking accreditation – partner with an accredited Implementing Entity to share project ideas, jointly develop proposals and/or execute AF-funded projects – or parts of projects – as an Executing Entity (EE). Partnering with an IE typically requires a long-term collaboration built on mutual trust and complementarity (in terms of experience, expertise, or skills, for example) between the IE and the EE. You may also engage with the Designated Authority, the official government point of contact, to contribute to project ideas.

- Find a list of the Designated Authorities: [Designated Authorities](#)
- Find more information on current and planned AF-funded projects in your country of interest: [Countries](#)

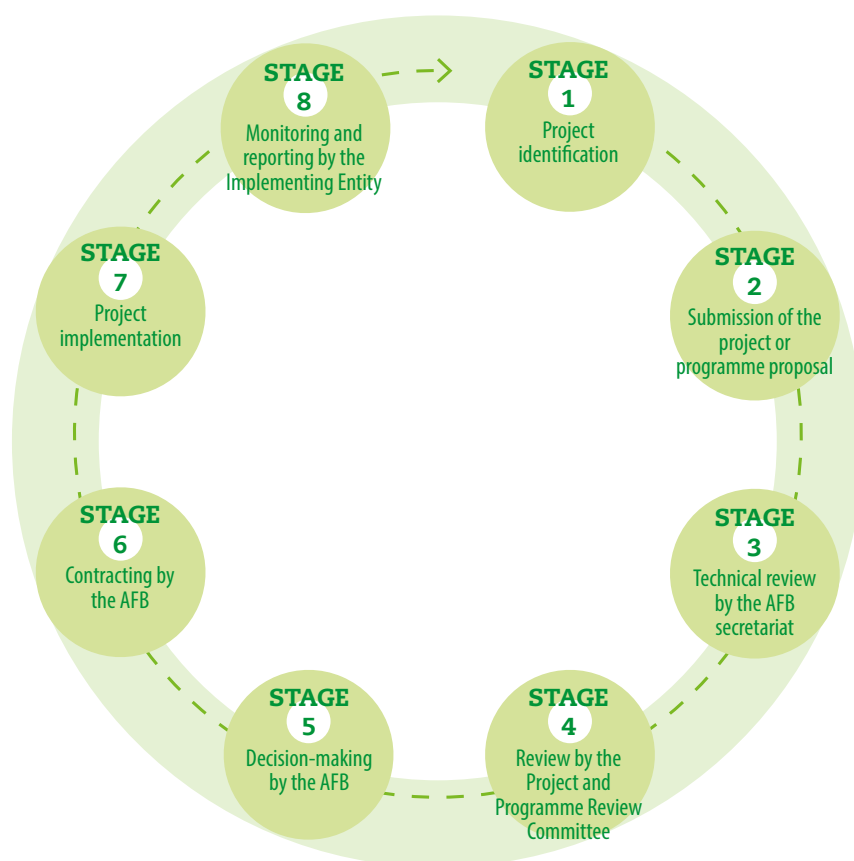
How to develop and submit a proposal

IEs can either submit a full project or programme proposal or start with a concept note and subsequently submit a full proposal. Project proposals require a formal endorsement by the Designated Authority of the country. Proposals undergo a thorough review process with several rounds by the Adaptation Fund Board Secretariat and the Project and Programme Review Committee before they are put up for decision to the Adaptation Fund Board. This process might involve resubmissions and can thus take a couple of years.

When the AF Board asks for revisions, IEs are encouraged to seek an exchange with the EE and members of the AF Secretariat to get their perspectives for improvements to the concept note or the full proposal. To support the development of proposals, the AF provides Project Formulation Grants, which help IEs carry out feasibility studies, consultations, and other preparatory work needed to transform endorsed concepts into fully developed proposals.

- Learn more about the proposal development and approval process: [Project Funding](#)
- Find project proposal templates: [Project Proposal Materials](#)
- Learn more about the Project Formulation Grants: [Project Formulation Grants](#)

Figure 3: The AF project process.



Source: AF, designed by Zoi Environment Network

The AF sets a country cap

The AF currently has a cumulative spending cap of USD 40 million per country throughout its five-year medium-term strategy (2023–2027). This sum is the maximum a single country can receive from the AF's regular country project or programme resources.

The Board will review these country caps at the conclusion of the strategy in 2027.

Potential engagement with the AF

Swiss embassies and SDC country offices can support engagement with the AF by carrying out enabling activities, supporting project development, and scaling up.

Enabling activities

- Support national institutions in becoming accredited. Strengthening the capacities of national institutions to become accredited National Implementing Entities can facilitate access to the AF.
- Strengthen the role and coordination function of Designated Authorities as national focal points, in monitoring strategic alignment, for example. This effort could include enhancing intra-governmental coordination – particularly improved alignment and cooperation between ministries and public agencies – early identification of funding opportunities, and more effective inter-ministerial coordination mechanisms.

Project development and implementation

- Improve project preparation and fund access by analysing the existing AF portfolio to identify potential entry points and potential challenges, to explore opportunities to complement the development of new project concepts, and to facilitate coordination during project preparation.
- Facilitate upstream work such as feasibility studies, risk analyses, or technical advisories to reduce risk in proposal ideas and enhance readiness for AF funding.
- Enhance the quality of AF projects by applying thematic expertise in areas of Swiss strength, such as nature-based solutions, hazard prevention, climate services, gender equality, social inclusion, and governance.

Scaling-up

- Co-finance projects as a strategic co-financier. SDC may co-finance AF projects where it has particular thematic expertise.
- Scale up Swiss bilateral projects by linking them to AF investment or by complementing planned AF projects with bilateral activities. In the Andean countries, for example, two Adaptation Fund projects in the development stage were originally SDC projects and are now being scaled up with AF support. The project [Increasing the resilience to climate change of the livelihoods of small family farmers in the Andean region of Bolivia, Ecuador and Peru](#) has its roots in the SDC funded ARIACC/Andes Resilientes project. The project [AdaptAndes: Enhancing Socioecosystems Resilience, Knowledge Management and Regional Cooperation and Governance Across the Andes](#) originated from the [Adaptation at Altitude programme](#), a collaborative programme launched and co-supported by SDC.

August 2026

Produced by INFRAS and SDC with inputs from Helvetas

Designed by Zoï Environment Network

Contact:

SDC / Thematic Cooperation / Climate, Disaster Risk Reduction and Environment
deza.cde@eda.admin.ch