

Koronivia workshop on socioeconomic and food security dimensions of climate change in the agricultural sector

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GREEN
CLIMATE
FUND

THREE INVESTMENT PATHWAYS FOR GCF :

Promoting Resilient Agriculture

**Facilitating Climate Informed Advisory and
Risk Management Services**

Reconfiguring Food Systems

GCF Investment Pathway 1: Promoting Resilient Agriculture

- ▶ **2.4 billion people** on 19 million km² of agricultural land in the southern hemisphere are threatened by climate hazards
- ▶ Promoting resilient agriculture includes:
 - ▶ **Improved seeds, crop varieties, and breeds** (e.g. drought-tolerant maize, etc.)
 - ▶ **Diversifying crops, aquaculture and livestock** (e.g. crop rotation, intercropping, etc.)
 - ▶ **Sustainable practices and technologies** (e.g. landscape approaches, water and soil management, IPM, agroforestry, solar irrigation, micro-pumps, minimum tillage, residue management, etc.)
- ▶ Synergies with mitigation benefits

GCF Investment Pathway 2: Facilitating Climate-Informed Advisory and Risk Management Services

- ▶ **Climate information and early warning systems**
- ▶ **Digital agricultural advisory and extension to meet gaps**
 - ▶ Extension programming gaps exist for women (43% of developing country farmers), youth, smallholders, vulnerable groups
 - ▶ **Effective delivery mechanisms** that facilitate personal relationships and multi-way communication at low or no cost (e.g. Farmradio.org and Shamba Shape-up)
- ▶ **Financial literacy training, access to finance** (e.g. mobile money) helps ensure financial services reach women, youth, impoverished
- ▶ **Index Insurance** increase resilience by linking insurance payouts to predetermined index e.g., rainfall, temperature, yield
- ▶ **Social Safety Nets** for food insecure households and supporting innovation

GCF Investment Pathway 3: Reconfiguring Food Systems

- ▶ **Changing how food is stored, transported, sold and consumed**
 - ▶ reshaping supply chains, food retail, marketing, and procurement;
 - ▶ reducing food loss and waste;
 - ▶ shifting consumers to demand safer, healthier and more environmentally sustainable diets;
 - ▶ building supply chain resilience
- ▶ **Must be** environmentally sustainable, deforestation-free, inclusive, and enhancing rural employment opportunities
- ▶ **Low-emissions goals for food systems** include reducing food loss and waste, improving energy efficiency, finding alternative energy sources

The Four GCF Drivers of Paradigm Shift (from the GCF Theory of Change)

1.

Transformational Planning and Programming

- Strengthen country capacity
- Prepare for GCF investment
- Seek funding sources

2.

Catalyzing Climate Innovation

- Develop innovative, high-potential models, technologies, and practices that are demonstrated on the ground

3.

Mobilization of Finance at Scale

- Enable public and private finance to scale up successful, high-potential, climate-compatible investments

4.

Coalitions & Knowledge to Scale up Success

- Disseminate best practices, methodologies, and standards
- Enable replication and systemic change to shift finance flows

Twelve Action Areas for Paradigm Shift

Three Investment Pathways

Transformational
Planning and
Programming

Catalyzing
Climate
Innovation

Mobilization of
Finance at
Scale

Coalitions &
Knowledge to
Scale up
Success

Pathway 1: Promoting Resilient Agriculture

Pathway 2: Facilitating Climate Informed Advisory and
Risk Management Services

Pathway 3: Reconfiguring Food Systems

Drivers of *Promoting Resilient Agriculture* Pathway

Transformational Planning and Programming

- Target existing community-responsive technologies, practices, and interventions
- Maximize resilience and adaptation-mitigation synergies

Catalyzing Climate Innovation

- Promote business models for reaching scale that incentivize low emissions and resilience
- Integrate climate-responsive technologies, services, and programs
- Promote landscape level NRM for hazard prevention

Mobilization of Finance at Scale

- Strengthen private sector opportunities
- Offer guarantees and concessional finance for input suppliers, SMEs, and cooperatives
- Provide financial services for SME resiliency innovations
- Bundle services and interventions

Coalitions & Knowledge to Scale up Success

- Share technologies, management practices, & business models for different agro-ecological and socio-economic contexts through knowledge platforms
- Promote successful business models for scaling resilient agriculture

Drivers of *Facilitating Climate Informed Advisory and Risk Management Services Pathway*

Transformational Planning and Programming

- Leverage emerging digital technologies for scaling, planning for financial services and safety nets
- Understand needs gaps and address barriers for early warning, extension, etc.

Catalyzing Climate Innovation

- Develop business models for agricultural insurance and social safety net programs
- Build public infrastructure and human resources for information services
- Build national expertise and capacity to develop, package, and deliver information

Mobilization of Finance at Scale

- Engage private-sector ICT providers, maximize PPP synergies, support startups
- Enable private sector and blended finance with proven risk management models

Coalitions & Knowledge to Scale up Success

- Identify successful information and advisory system business models
- Engage regional and global platforms to promote learning
- Support incubation and acceleration of startups and SMEs

Drivers of *Reconfiguring Food Systems* Pathway

Transformational Planning and Programming

- Identify leverage points for high-impact adaptation and mitigation
- Identify how to drive demand for low-emissions, resilient nutritious food

Catalyzing Climate Innovation

- Support quality and sustainability certification and regulation
- Enable NRM, market, trade, and transport infrastructure
- Strengthen policy coherence and cross-institutional coordination

Mobilization of Finance at Scale

- Support PPPs to stimulate resilient value chains
- Capitalize climate and food security funds
- Provide guarantees, concessional debt, equity investments to low-emissions, resilient companies

Coalitions & Knowledge to Scale up Success

- Engage food system platforms and agri-food system actors
- Support private-sector actors mainstreaming climate risk in business models, internal policies and investments
- Provide challenge grants for SMEs

Case Study: Transformational Planning and Programming (Driver 1)

- ▶ *Integrating Risk Management for Food Security and Livelihoods in Zimbabwe*
 - ▶ Leverages **GCF grant funding** to focus on the long-term adaptation of vulnerable and food-insecure households
 - ▶ Supports **community-based asset creation** to enhance smallholders' (including 66% women) **investment capacity** (Pathway 1) in **climate-resilient** development
 - ▶ Employs **climate forecasts** and weather-based **index insurance** (Pathway 2)

Case Study :

Mobilization of Finance at Scale (Driver 3)

- ▶ ***African Resilient Agriculture Fund (ARAF - Acumen):***
 - ▶ The ARAF Fund supports innovative agribusinesses that enhance the climate resilience of smallholder farmers in east & west Africa through:
 - ▶ (a) aggregator platforms; (b) digital platforms; (c) innovative financial services
 - ▶ Investments aim to:
 - ▶ Support 18 - 20 early stage African agribusinesses through financial investment and technical assistance to strengthen their business models to provide climate adaptation
 - ▶ Benefit 10 million people over 12 years

Conclusions from the GCF Sector Guide

- ▶ Current food systems approaches will not enable us to reach the Paris Agreement and the Sustainable Development Goals by 2030
- ▶ Food systems must become more inclusive, sustainable, and climate-resilient- and harvest mitigation benefits when possible
- ▶ Goals are achievable but require a paradigm shift
- ▶ Guide supports stakeholders in developing most relevant funding proposals, based on:
 - ▶ Three key investment pathways and four GCF drivers
 - ▶ To enable paradigm shift to support millions of vulnerable smallholder farmers contributing to adapting to climate change and reducing emissions

Thank you



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