Brazil – Key Messages for the 2nd Workshop on Sharm el-Sheikh Joint Work on Implementation of Climate Action in Agriculture and Food Security (Means of Implementation)

1. Experience in identifying needs and accessing Means of Implementation (MoI)

- Agriculture is highly vulnerable to climate change, and ensuring food security and ending hunger requires systemic, long-term investment in climate-resilient policies and practices that safeguard farmers, including smallholders and rural communities.
- Despite its strategic importance, agriculture remains among the sectors least served by climate finance, receiving less than 4% of tracked international climate finance flows to agriculture. Smallholders and family farmers receive less than 0.3% of these resources.
- There is already a significant pipeline of scalable and readily implementable projects; however, many remain stalled due to inadequate financing and bureaucracy.
- Brazil's experience demonstrates that generating national and local data and evidence is a pre-condition for informed decision-making and effective adaptation planning. Investments in adaptation require robust regional indicators, goals, and information systems.
- Significant asymmetries remain in the production and availability of adaptation-related information and knowledge, including investments in satellites, meteorological stations, crop and soil data, and other hardware infrastructure.
- For agriculture, adaptation is a pre-condition for mitigation. It is not possible to effectively discuss climate change mitigation in agriculture without first strengthening resilience and adaptive capacity.
- This integrated approach generates efficiency gains and supports the path towards enhanced resilient and low-emission agricultural systems.

---

2. Assessment of progress, challenges and opportunities

Challenges

- Adaptation is complex and regionally defined. Requires long term investments in science, data acquisition, monitoring and modeling
- Adaptation continues to attract little private capital because its impacts are often difficult to measure and monetize. As a result, adaptation is frequently perceived as neither profitable nor bankable. Public finance therefore remains a cornerstone of climate action in agriculture and food security.
- International finance has become extremely cumbersome and complex defaulting the internalization of capital, particularly for developing countries
- Smallholder and family farmers often lack the administrative capacity to engage with complex climate finance architecture. There remains a critical gap between international macro-finance mechanisms and micro-level rural realities.

- There is a severe deficit in MoI specifically allocated to support family farmers in transitioning to resilient, biodiverse production systems.
- Current Measurement, Reporting and Verification (MRV) standards remain heavily focused on carbon, making it difficult for sustainable agricultural systems with multiple socio-environmental benefits to qualify for funding.
- Technology transfer remains a major challenge due to insufficient funding for specialized rural extension services and continuous capacity-building.

Progress

- There is growing recognition that climate resilience and food security require structural, systemic and long-term investment due to the complex nature of the challenge.
- Brazil has developed large-scale public financing instruments that integrate climate and sustainability objectives into agricultural policies.

Opportunities

- Adaptation must be locally driven. Effective identification of needs depends on decentralized, bottom-up governance structures, including research organization and data acquisition strategies in conjunction with rural extension agencies and local cooperatives that can translate local vulnerabilities into formal policy demands.
- Grant-based and concessional finance from public sources, including the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Adaptation Fund, remains essential to fill financing gaps and support vulnerable farming communities.
- There is a major opportunity to scale up financial mechanisms specifically earmarked for the transition toward sustainable agricultural systems and to de-risk the initial years of implementation.
- Reforming climate finance criteria to recognize and value socio-environmental co-benefits would allow farmers to access MoI based not only on carbon outcomes but also on broader ecosystem services such as biodiversity conservation and soil regeneration, and water retention.

---

3. Best practices from Brazil

- Brazil's experience demonstrates that innovative polices such as the ABC Plan, Pronaf, Renovabio and Zarck, though diverse financing mechanisms focusing on de-risking initial years of implementation have a strong effect in catalyze climate action in agriculture and livestock enhancing the adoption of innovative technologies, including those developed to small holders and family farmer.

- Brazil’s experience shows that leveraging long term investment in science and technology transfer and capacity building can be one of the most efficient pathways for scaling climate action, resilience, and food security outcomes