



**Submission by the Food and Agriculture Organization of the United Nations (FAO)
to the United Nations Framework Convention on Climate Change (UNFCCC)
in relation to the Climate Finance Work Programme**

The Food and Agriculture Organization of the United Nations (FAO) welcomes the opportunity to share further views on the Climate Finance Work Programme, including Article 9, paragraph 1, of the Paris Agreement in the context of Article 9 of the Paris Agreement as a whole, hereinafter referred to as "Climate Finance Work Programme".

Significant shifts in the development finance landscape underscore the need to strengthen and scale up climate finance. Preliminary OECD data show a 23.1 percent decline in official development assistance (ODA) in 2025, the largest annual decline on record, including a 26.4 percent reduction in bilateral ODA and a 25.8 percent decline in ODA to Least Developed Countries¹.

Climate-related development for agrifood systems remains low and has declined particularly sharply in 2024. Agrifood systems account for around 32 percent of global greenhouse gas (GHG) emissions, but also offer significant opportunities for adaptation, resilience, mitigation and carbon sequestration. At the same time, they are fundamental to food security, nutrition and livelihoods. Climate finance must therefore adequately reflect the dual importance of agrifood systems, as a major source of emissions and as a key part of the solution, while ensuring that climate action does not undermine food security. FAO's forthcoming analysis on 2024 data², shows that climate-related development finance to agrifood systems fell by 10 percent compared to the previous year, a substantially larger decline than the 2 percent observed across all sectors. Over the longer term, climate-related development finance to agrifood systems increased from USD 11.8 billion in 2015 to USD 26.9 billion in 2024, but at a substantially slower pace than climate-related development finance across all sectors, which increased from USD 49.4 billion to USD 144.3 billion. As a result, the share of climate-related development finance allocated to agrifood systems declined from 24 percent in 2015 to 19 percent in 2024.

These trends highlight the importance of ensuring adequate, predictable and accessible grant-based and highly concessional climate finance for developing countries, particularly for adaptation and resilience in agriculture and food systems and for countries with limited fiscal space, while also using public finance strategically to mobilize additional resources and support long-term investment especially for food security.

Following the guidance from the co-chairs, this submission provides views on the vision, modalities, and elements to be addressed in the next year of the Work Programme, while responding to the guiding questions considered during the multi-stakeholder engagement workshop, held during SB 64 in Bonn, Germany.

1. Vision, modalities and elements to be addressed in the next year of the Climate Finance Work Programme

Building on the work undertaken to date, the Climate Finance Work Programme should move from the identification of gaps and barriers towards more concrete approaches to address them. In this context, FAO

¹ OECD. 2026. Preliminary official development assistance levels in 2025. OECD Development Assistance Committee.

² FAO.2026. Forthcoming climate-related development finance to agrifood systems analysis.

reiterates the importance of addressing the quantity, quality and accessibility of climate finance, as well as persistent sectoral imbalances, particularly agrifood systems.

Within agrifood systems, greater attention should be given to food-producing sectors, including crop production, forestry, livestock and fisheries, which accounted for only 5 percent of the total climate-related development finance in 2024. While financing to these sectors increased from USD 6.4 billion in 2023 to USD 6.9 billion in 2024, their limited share of overall climate finance highlights a persistent gap in support for activities that are fundamental to food security, livelihoods, resilience and sustainable production.

The changing development finance landscape and the latest evidence on climate-related development finance reinforce the importance of the provision of adequate, predictable and accessible international public finance. The Climate Finance Work Programme should therefore consider not only the overall volume of climate finance, but also its terms, predictability, accessibility, distribution and effectiveness. Particular attention should be given to whether finance is reaching countries and sectors with significant climate needs such as agriculture and whether existing financing modalities are appropriate to the characteristics of different investments and beneficiaries including in marginalized and vulnerable rural communities.

FAO recommends that the Climate Finance Work Programme addresses the following elements:

- (i) Greater clarity on the role and provision of grant-based and highly concessional climate finance under Article 9, paragraph 1 for agrifood systems, particularly to support adaptation and resilience and countries with limited fiscal space;
- (ii) Stronger alignment of climate finance with agrifood system priorities identified in the National Determined Contributions (NDCs) and National Adaptation Plans (NAPs), through country-driven approaches that respond to the needs those most vulnerable to climate change, including of agriculture sector and its actors, farmers, small-scale producers, women, youth, and Indigenous Peoples;
- (iii) Improved understanding and scaling up approaches through which international public finance can support transformation of agrifood systems, including directly and through blended finance structures that reduce risks and mobilize additional investment, with greater attention to the persistent underfunding of agriculture and food systems; and
- (iv) Improved access to finance for agrifood systems in LDCs and other vulnerable contexts, including for smallholder farmers and producers who face particular barriers accessing finance.

2. Additional inputs in response to the guiding questions considered during the multi-stakeholder engagement workshop

(i) Provision and mobilization of climate finance - How can we scale up the provision and mobilization of climate finance from a wide variety of sources, instruments and channels to support climate actions in developing countries?

Scaling up climate finance requires attention not only to aggregate volumes, but also to the terms under which finance is provided. The recent contraction in ODA highlights the importance of ensuring that international public finance remains available and appropriately targeted to support developing countries' climate and development priorities, including ones for building resilience in agriculture and food systems and promoting food security. Grant-based and highly concessional finance is particularly important for adaptation, resilience and investments in agriculture and rural communities often in countries with limited fiscal space, where additional debt may constrain rather than enable climate action.

The latest FAO analysis shows that while climate-related development finance to agrifood systems increased between 2015 and 2024, its growth remained significantly below that of climate-related development finance across all sectors. The decline in finance to agrifood systems in 2024, in a year when climate-related development finance across all sectors also contracted, further demonstrates the need to ensure that reductions in

international public finance do not disproportionately affect sectors that are critical to climate action and resilience.

At the same time, FAO recognizes the important role of public finance in mobilizing additional sources of finance. Guarantees, risk-sharing instruments, blended finance, technical assistance and other approaches can help address specific risks and improve the conditions for investment, including in agrifood systems where investments may be small, dispersed or perceived as higher risk. Such approaches should, however, complement rather than replace the provision of international public climate finance and should be tailored to country circumstances and debt sustainability considerations.

Additional subtopics could address:

- (i) Increasing the scale, predictability and accessibility of grant-based and highly concessional climate finance, particularly for adaptation and resilience including in agriculture and food systems and for countries with limited fiscal space;
- (ii) Strengthening the role of multilateral development banks, climate funds and national financial institutions in providing appropriate instruments and supporting longer-term sectoral investment, including investment aligned with national agriculture, food security and rural development priorities;
- (iii) Identifying where guarantees, blended finance, risk-sharing and other instruments can effectively mobilize additional resources and address specific investment barriers in sectors and industries with high potential for adaptation, resilience and mitigation;
- (iv) Strengthening the capacity of national development and agricultural public development banks to originate, finance and aggregate climate investments across agrifood value chains and rural areas, with specific financial instruments that can serve farmers and small-scale producers;
- (v) Supporting investment pipelines and project preparation, particularly where investments are too small, dispersed or complex to attract finance individually as is often the case for smallholder farmers and producers; and
- (vi) Expanding access for LDCs, Small Island Developing States, and vulnerable groups, particularly farmers, small scale producers, women, youth and Indigenous Peoples whose livelihoods and food security depend on agriculture and agrifood systems;
- (vii) Strengthening inclusiveness of farmers, fishers, and rural communities in climate finance design, delivery, and governance, so that finance reaches intended beneficiaries and responds to locally identified priorities.

Initiatives such as the Baku Harmoniya Climate Initiative for Farmers³ and the FAST Partnership⁴ can contribute to these efforts by strengthening coordination among countries, financial institutions, technical organizations and other stakeholders and by helping connect country needs with available financing opportunities.

(ii) Access to “climate finance, including Article 9, paragraph 1, of the Paris Agreement in the context of Article 9 of the Paris Agreement as a whole”: What are concrete procedural, institutional and capacity barriers that prevent developing countries from accessing available climate finance, and how can these be addressed?

Access barriers should be considered not only as a question of capacity in developing countries, but also in relation to the design and requirements of climate finance institutions. Lengthy approval processes, fragmented

³ FAO. 2024. Together for farmers: FAO and COP29 Presidency launch the ‘Baku Harmoniya Climate Initiative for Farmers’. Available at: <https://www.fao.org/newsroom/detail/fao-and-cop29-presidency-launch-baku-harmoniya-climate-initiative-19112024/en>

⁴ FAO. 2026. Food and Agriculture for Sustainable Transformation (FAST) Partnership. Available at: <https://www.fao.org/food-agriculture-sustainable-transformation-partnership/en>

requirements, high transaction costs, limited flexibility and insufficient support for project preparation can prevent available resources from reaching countries and intended beneficiaries.

These challenges are particularly relevant in the current context of constrained public finance, where ensuring that available resources can be accessed and deployed efficiently becomes increasingly important. Strengthening access should therefore involve both building country capacities and making financing systems more responsive to national circumstances and to the characteristics of different investments.

For agrifood systems, access challenges are particularly pronounced because investments are often geographically dispersed, involve large numbers of small-scale actors and require long-term and context-specific approaches. Appropriate aggregation and intermediation mechanisms can therefore be important in connecting smaller-scale investments and producers with national and international sources of finance.

Additional subtopics could address:

- (i) Further simplifying and harmonizing access requirements and reducing transaction costs;
- (ii) Ensuring balanced participation from developed and developing countries, as well as farmers' organizations, multilateral development banks, agricultural public development banks, and technical partners;
- (iii) Increasing the use of programmatic, multi-year and country-driven approaches, particularly for adaptation and resilience;
- (iv) Strengthening readiness and project preparation support so that countries can develop high-quality investment pipelines;
- (v) Improving access for small-scale producers, farmers' organizations and rural communities through appropriate financial aggregation and intermediation mechanisms adapted to the scale, risks and production cycles of agrifood investments;
- (vi) Strengthening direct access and the role of national and sectoral institutions in the design and implementation of climate investments; and
- (vii) Improving coordination between international financial institutions, national development banks, agricultural public development banks and local financial actors to strengthen the delivery of climate finance across agrifood value chains and at the local level.

(iii) Transparency of “climate finance, including Article 9, paragraph 1, of the Paris Agreement in the context of Article 9 of the Paris Agreement as a whole”: How do we enhance the transparency of climate finance and the measurement of progress on the impacts, results and outcomes of climate finance, including Article 9, paragraph 1, of the Paris Agreement in the context of Article 9 of the Paris Agreement as a whole?

Transparency should go beyond reporting aggregate volumes of climate finance to provide a clearer understanding of where finance is going, on what terms, to which sectors, through which channels, for which purposes and with what results. This is particularly important in a context of increasing pressure on international public finance, where stronger evidence can support more informed prioritization and improve accountability for the use of available resources.

FAO's latest analysis demonstrates the value of more detailed sectoral and regional data in identifying trends and persistent financing gaps. Continued improvements in the availability, consistency and granularity of climate finance data can help inform discussions on whether resources are reaching countries, sectors and groups facing significant climate vulnerabilities and whether financing is aligned with national priorities.

For agrifood systems, improved data can also support a better understanding of the scale, composition, providers, climate objectives and regional distribution of climate-related development finance, as well as how these flows compare with broader climate finance trends.

The subtopics could address:

- (i) Enhance transparency and accountability on climate finance for agriculture and food systems through better data and evidence to inform decision-making and track progress;
- (ii) Improving the consistency, comparability and granularity of climate finance data for agriculture and food systems through more consistent reporting and greater disaggregation by sector, financial instruments, mitigation and adaptation objectives and recipients and country contexts including data on finance reaching small scale producers;
- (iii) Increasing transparency on the quality and terms of finance, including the distinction between grants, concessional finance and other instruments and their suitability for different agrifood investments, recipients and national circumstances;
- (iv) Strengthening country-level climate finance tracking and information systems to monitor finance for agriculture and food systems, assess alignment with NDCs and NAPs, and inform decision-making and national priorities.

Conclusion

FAO looks forward to supporting the Climate Finance Work Programme under Article 9 of the Paris Agreement and to contributing technical expertise, data, partnerships and country-level experience to its implementation.

The evolving development finance landscape and the latest evidence on climate-related development finance to agrifood systems reinforce the importance of addressing both the scale and the quality of climate finance. In particular, ensuring adequate, predictable and accessible grant-based and highly concessional finance for developing countries remains critical to advancing adaptation, resilience and long-term climate action, particularly in countries with limited fiscal space.

At the same time, strengthening access, improving the strategic use of public finance to mobilize complementary resources, and enhancing transparency and evidence on climate finance flows will be important to ensure that available resources translate into effective implementation at scale. Greater attention to agrifood systems will also be essential to unlock their contribution to mitigation, adaptation, resilience, biodiversity, food security and rural livelihoods.

FAO stands ready to continue supporting countries and partners in advancing these objectives and looks forward to contributing to a results-oriented Climate Finance Work Programme that strengthens the provision, access and effective use of climate finance in support of developing countries' climate, development and food security priorities.