



**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 Work Programme on Climate Finance**

The Food and Agriculture Organization of the United Nations (FAO) welcomes the opportunity to share views on the two-year work programme on climate finance, including on Article 9, paragraph 1, of the Paris Agreement in the context of Article 9 of the Paris Agreement as a whole.

In the context of Article 9 of the Paris Agreement, including paragraph 1 on the provision of financial resources, FAO underscores that while global climate finance is expanding, agrifood systems remain significantly underfunded despite their critical role in delivering mitigation, adaptation, biodiversity, and food security outcomes. Current finance flows fall far short of the estimated USD 1.3 trillion needed annually, with only a marginal increase in recent years and limited access for Least Developed Countries (LDCs) and smallholder farmers, highlighting the urgent need to scale up both the quantity and quality of international public finance, particularly grants and concessional finance, to unlock inclusive, sustainable, and resilient agrifood system transformation aligned with national climate priorities. FAO is committed to supporting the transformation of agrifood systems to become more resilient, sustainable, and climate-responsive, with a strong emphasis on scaling up both the quantity and quality of climate finance needed to unlock this transition. In this context, FAO highlights the urgent need to address the persistent underinvestment in agricultural sectors, which are central to achieving mitigation, adaptation, food security, and rural livelihoods outcomes under the Paris Agreement. Following the guidance from the co-chairs, this submission is structured to respond to the guiding questions while drawing on FAO's technical expertise and building on the work done from 2023 to 2025 under the UNFCCC.

1. What are your overall expectations for the climate finance work programme? What concrete outputs and outcomes should the climate finance work programme deliver?

FAO expects the climate finance work programme under Article 9 of the Paris Agreement to address systemic gaps in the quantity, quality, and accessibility of climate finance across all sectors, while ensuring that critical yet underfunded sectors such as agrifood systems are adequately prioritized. Despite their central role in delivering mitigation, adaptation, biodiversity, and food security outcomes, agrifood systems continue to receive a disproportionately small share of climate finance relative to their needs and potential.

While overall climate-related development finance grew by 12 percent between 2022 and 2023 across sectors, finance for agrifood systems stagnated with a mere 1 percent increase. Their share of the total climate-related development finance almost halved between 2009-2023.¹ This is in stark contrast to the large investment gap of USD 1.3 trillion or twelve times the current finance flow needed to transform agrifood systems towards sustainability, resilience, and inclusivity and to meet the goals of the Paris Agreement.

For sectors that are key to mitigating about 30 percent of global emissions, preventing hunger, malnutrition, and protracted food crises from climate extremes, the mismatch between finance and potential is stark and

¹ Galbiati, G.M., Caputo, I., Brierley, I., Ducastel, A. & Bernoux, M. 2025. Climate-related development finance to agrifood systems – Global and regional trends. Report 2025. Rome, FAO. Available at: <https://doi.org/10.4060/cd7500en>

unsustainable. Continuing to underinvest in agrifood systems means missing a crucial opportunity to mitigate and adapt to a warming climate.

The work programme should deliver concrete outcomes including:

- (i) Scaled-up and more predictable international public finance across sectors, with targeted increases for underfunded areas such as agriculture;
- (ii) Improved access to finance for LDCs and vulnerable groups, including smallholder farmers and producers;
- (iii) Strengthened alignment of finance flows with national priorities identified in Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) including those to be implemented through the agriculture sector and its actors;
- (iv) The development of robust pipelines of bankable, cross-sectoral investment opportunities, especially in actions and sectors with highest potential for mitigation and adaptation including agriculture and food systems; and
- (v) Accelerated transition toward inclusive, resilient, and low-emission development pathways, including agrifood systems transformation.

The expected outputs could include the following:

- (i) Clear guidance and recommendations on improving the quantity, quality, and accessibility of climate finance under Article 9;
- (ii) Agreed methodologies and frameworks to track and report climate finance flows, including for agrifood systems;
- (iii) Strengthened country capacities to develop and submit value-chain ready, high-quality, investment-ready project pipelines;
- (iv) Established or enhanced platforms for matchmaking between countries and financiers (public and private);
- (v) Compendium of best practices and case studies on financing agrifood systems and other underfunded sectors; and
- (vi) Technical tools and knowledge products to support alignment of finance with NDCs, NAPs, and national priorities.

2. What are the thematic pillars of the climate finance work programme and the related subtopics that we should address within each pillar?

The climate finance work programme could be structured around three mutually reinforcing pillars that address systemic gaps across all sectors, while ensuring that underfunded areas such as agrifood systems receive adequate attention:

- (i) **Scaling up the quantity of climate finance** across sectors, in line with global mitigation and adaptation needs. While overall climate finance grew in the past years, agrifood finance increased by just 1 percent and its share nearly halved since 2009, starkly contrasting with the USD 1.3 trillion annual investment gap needed to meet Paris Agreement goals. At the same time, current NDCs significantly underestimate financing needs, indicating that countries must substantially scale up agrifood finance planning.² This pillar should therefore focus on mobilizing increased public finance, strengthening the role of multilateral development banks and climate funds, and leveraging blended finance to attract private investment, with particular attention to underfunded sectors such as agrifood systems as a strategic investment area capable of delivering mitigation, adaptation, food security, biodiversity, and livelihoods co-benefits. In this context, scaling up finance should not only address aggregate volumes, but also correct the persistent under-allocation of resources to agrifood systems relative to their contribution to climate and development objectives.

The subtopics could address:

² Crumpler, K., Wybieralska, A., Roffredi, L., Tanganelli, E., Angioni, C., Prospero, P., Umulisa, V., Dahlet, G., Nelson, S., Nuutinen, M., Duchelle, A., Schiettecatte, L.-S., Rai, N., Salvatore, M., Some, S., Ayimasse, F., Totin, E., Wolf, J. & Bernoux, M. 2025. *Agrifood systems in nationally determined contributions – Global analysis*. Rome, FAO. Available at: <https://doi.org/10.4060/cd6284en>

- a. The nature and terms of climate finance should ensure that developing countries receive adequate, predictable, and accessible support. This should include providing grant-based, highly concessional finance and non-debt instruments. Such support should be aligned with countries' needs and priorities, particularly for adaptation and for those with limited fiscal space. It should also enable long term investments needed to transform agrifood systems and strengthen resilience of smallholders and rural communities;
 - b. The global investment gap and mobilizing international public finance, including for sustainable agriculture and agrifood systems transformation;
 - c. Enhancing the role of multilateral development banks and climate funds, including in developing dedicated pipelines and tailored instruments for agrifood systems transformation; and
 - d. Leveraging blended finance to crowd in private investment particularly by reducing risks and improving bankability for agrifood value chains, small scale producers, and nature positive land use investments.
- (ii) **Improving the quality, accessibility, and equity of climate finance, with a focus on the most vulnerable.** Beyond increasing volumes, climate finance must be directed toward mitigation and adaptation and avoid investments that exacerbate climate risks. Particular attention is needed to ensure that small-scale producers, women, youth, and rural communities, who are central to many developing economies yet face persistent access barriers, can benefit from climate finance. This requires simplifying access modalities, strengthening direct access mechanisms, and tailoring financial instruments to local needs and contexts, including grants, highly concessional finance, and non-debt instruments. Enhancing alignment with national climate plans and supporting inclusive decision-making processes could further contribute to more equitable and effective outcomes. In this context, strengthening linkages between multilateral development banks, national agricultural public development banks and farmers' organizations could contribute to improving the accessibility and effectiveness of climate finance. Initiatives such as the Baku Harmoniya Climate Initiative for Farmers³, a flagship programme under the Food and Agriculture for Sustainable Transformation (FAST) Partnership⁴, offer important opportunities to support coordination among financial actors and improve access to climate finance, contributing to more inclusive and resilient agrifood systems.

The subtopics could address:

- a. Expanding access for LDCs, Small Island Developing States, and vulnerable groups, particularly those dependent on agriculture and agrifood systems;
 - b. Simplifying and harmonizing access modalities for small-scale producers and smallholder farmers;
 - c. Increasing the use of grants and concessional finance while ensuring debt sustainability, particularly for investments in sustainable agrifood systems; and
 - d. 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.
- (iii) **Strengthening enabling environments and enhancing the effectiveness of finance** between multilateral development banks, national agricultural public development banks and farmers' organizations to facilitate access to climate finance This includes aligning financial flows with national priorities such as NDCs, NAPs, and development strategies, building institutional capacity and readiness, and supporting the development of robust pipelines of bankable projects across sectors, with particular attention to agrifood systems as a priority investment area. Improved tracking, transparency, and impact measurement, as well as strengthened data and information system, will be critical to ensure that finance is effectively deployed and delivers measurable results, including in areas like agrifood systems where investment gaps remain particularly pronounced. This also requires stronger national capacities to identify, prepare, and monitor agrifood climate

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>

investments, ensuring that climate finance is not only mobilized, but translated into sustained implementation on the ground.

The subtopics could address:

- a. Aligning finance with NDCs, NAPs, and national development strategies, including stronger integration of agrifood investment priorities;
- b. Building institutional capacity and readiness, including with relevant ministries, financial institutions, and stakeholders engaged in agrifood systems;
- c. Supporting project preparation and development of bankable pipelines in agrifood value chains; and
- d. Enhancing tracking, transparency, and impact measurement of finance flows, including through strengthened data and information system.

3. How should the climate finance work programme be organized to ensure that the format is inclusive, balanced, and technically robust, while addressing climate finance comprehensively and delivering outcomes that are actionable and meaningful?

The work programme should be organized as an inclusive, country-driven, and action-oriented process that combines technical depth with practical outcomes. This includes:

- (i) Ensuring balanced participation from developed and developing countries, as well as farmers' organizations, multilateral development banks, and technical partners;
- (ii) Structuring discussions through iterative technical dialogues that move from problem identification to solution design and implementation pathways;
- (iii) Integrating evidence-based inputs and data to inform decision-making and track progress;
- (iv) Promoting regional and cross-sectoral perspectives to reflect diverse contexts including the specific financing barriers faced in agrifood systems and other underfinanced sectors; and
- (v) Linking discussions to existing processes and institutions to avoid fragmentation and enhance coherence.
- (vi) Facilitating knowledge exchange and the sharing of good practices and lessons learned across regions and sectors.

To ensure actionable outcomes, the work programme should prioritize the identification of practical recommendations, institutional solutions, and replicable financing approaches that can support Parties in scaling climate finance and improving delivery in underfinanced sectors, as well as the co-creation of investment-ready proposals and financing frameworks, thereby supporting a transition from dialogue to implementation.

Conclusion

FAO remains committed to working with Parties and partners to strengthen the quantity, quality, and accessibility of climate finance across all sectors, with particular attention to underfunded areas such as agrifood systems. FAO contributes through policy support, capacity development, and the delivery of context-specific, investment-ready solutions that align with national priorities and global climate goals to realize its vision for the Strategy on Climate Change⁵.

Addressing the persistent underinvestment in agrifood systems is essential to unlocking their full potential to deliver mitigation, adaptation, biodiversity, and food security outcomes. Scaling up inclusive and accessible finance, particularly for the most vulnerable, will be critical to ensuring a just and effective transition toward sustainable, resilient, and low-emission development pathways.

FAO stands ready to support the climate finance work programme under Article 9 through its technical expertise, partnerships, and field experience, and looks forward to contributing to a results-oriented process that translates dialogue into tangible action and impact.

⁵ FAO. 2022. FAO Strategy on Climate Change 2022–2031. Rome.