



**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 Baku to Belem Roadmap to 1.3T**

The Food and Agriculture Organization of the United Nations (FAO) welcomes the opportunity to share views on the Baku to Belem Roadmap to 1.3T under the New Collective Quantified Goal on Climate Finance (NCQG) answering the guiding questions provided by the Presidencies.

Agrifood systems play a vital role in economies, societies, and ecosystems worldwide, yet they are highly vulnerable to the impacts of climate change. Extreme weather events threaten agricultural productivity and compromise food security. At the same time, agrifood systems accounts for to 29,7 percent¹ of global greenhouse gas (GHG) emissions and come with significant environmental and biodiversity costs if not transformed.

Transitioning agrifood systems to low-carbon and climate-resilient models can help adaptation to the climate change, reduce emissions, sequester carbon, and restore biodiversity. However, realizing their full potential demands a dramatic increase in climate finance. Transitioning global agrifood systems to resilient and 1.5°C-aligned pathway is estimated to cost over a trillion dollars annually. Since agrifood systems are currently receiving less than five percent of total climate finance, climate finance for agrifood systems needs to increase by 40 times its current level². Any delay in investment will only escalate climate impacts and drive costs higher, exacerbating the existing finance gap. Addressing these challenges requires integrating climate considerations into both domestic and international agrifood financing.

FAO is committed to supporting countries in transforming agrifood systems towards enhanced resilience and sustainability while ensuring food security. A key part of this effort is strengthening both the scale and effectiveness of climate finance to support this critical transition. The submission is structured to address the provided guiding questions while incorporating FAO's expertise on tracking and directing climate finance flows in agrifood systems.

1. What are your overall expectations for the “Baku to Belém Roadmap to 1.3T”?

While achieving zero hunger and fulfilling climate goals under the Paris Agreement increasingly depend on the transformation of agrifood systems, the sector remains underfunded. Agrifood solutions receive less than the average overall climate finance allocation, with only approximately one-fifth of climate-tagged Official Development Assistance (ODA). This transformation requires an estimated annual investment exceeding USD 1 billion. The *Baku to Belém Roadmap to 1.3T* is expected to serve as both a strategic guide and a reform catalyst for climate finance, presenting a key opportunity to redirect funding toward agrifood system transformation to effectively meet climate targets. Therefore, FAO expects that the roadmap serves a dual purpose in driving agrifood system transformation, as outlined below:

¹ FAO. 2024. Greenhouse gas emissions from agrifood systems – Global, regional and country trends, 2000–2022. FAOSTAT Analytical Brief Series, No. 94. Rome. Available at: <https://openknowledge.fao.org/items/74bfebdb-3272-4e6a-98f4-ee36c7146d44>

² Climate Policy Initiative (CPI). 2024. Landscape of Climate Finance for Agrifood Systems. Available at: <https://doi.org/10.4060/cd3611en>

- **Clarifying Climate Finance Pathways.** The roadmap is expected to provide clarity on the pathway to provide and mobilize the USD300 billion and USD1.3 trillion target in a way that is transparent, ambitious, and responsive to the needs of vulnerable countries. This entails clarifying certain aspects that are referred to in the NCQG decision but still leave space for ambiguous application which might hinder the scope of the goal.

In the context of agrifood systems the new climate finance goal should help bridge the current financing gap for climate-resilient agrifood systems, enabling investments in sustainable and transformative practices that enhance adaptation and reduce emissions. Addressing ambiguities in the NCQG decision is crucial to ensuring that agrifood systems receive adequate and targeted financial support.

- **Reshaping Climate Finance for End Beneficiaries.** As the NCQG is seen as an opportunity not only to set a new financial target but also to reshape how climate finance works, the roadmap is expected to propose solutions to both mobilise climate finance and ensure its flow to end beneficiaries. This is particularly important when considering reforms in Multilateral Development Banks (MDBs) and multilateral climate funds.

In the context of agrifood systems, small scale farmers who are responsible for a third of food production remain on the margin of climate finance. The NCQG should help to ensure climate finance is accessible for the most vulnerable groups especially small-scale farmers, women, youth and indigenous peoples.

By addressing these priorities, the roadmap can drive systemic change in how climate finance supports agrifood transformation, ensuring that funds reach those who need them most and fostering a more sustainable, inclusive, and food-secure future.

2. Which topics and thematic issues should be explored to inform the roadmap, within the scope of the mandate?

To ensure the Baku to Belém Roadmap to 1.3T is comprehensive and effective, it needs to (i) address overarching climate finance framework, including clear definitions, additional financial commitments, concessionality, and balanced allocations for mitigation and adaptation and (ii) factor in sector-specific financing needs, such as agrifood systems in the context of climate change mitigation, adaptation, and in global food security. These include the following:

- **Clarity on definition.** There are ongoing debates about whether the USD 100 billion climate finance goal has been met and when, largely due to differing definitions of climate finance. To ensure the effectiveness of the new goal, it is essential to establish a clear and consistent definition.
- **Additionality.** It is crucial to clarify how the new goal will be achieved through additional financial commitments rather than the reclassification of existing flows. Clarity is also expected on the definition of "alternative sources" of funding.
- **Concessionality.** While the roadmap mentions the importance of grant-based, highly concessional and non-debt-inducing finance, it should set an ambitious target to define and guide the level of concessional finance required.
- **Acknowledgement of sectoral challenges and needs.** The recent joint analysis from FAO and the Climate Policy Initiative, titled "The Triple Gap in Finance for Agrifood Systems," revealed that agrifood systems alone will require investments of approximately USD 1.1 trillion annually until 2030 to transition to low-carbon and climate-resilient pathways. Agrifood systems remain severely underfunded receiving only approximately one-fifth of climate-tagged Official Development Assistance (ODA).
- **Informed and aligned with national climate policies,** including Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). The bottom-up analysis of "The Triple Gap in Finance for Agrifood Systems" report, revealed that total cost of climate pledges included in the NDCs amounts only to USD 201 billion. This indicates a substantial planning gap from national governments to increase their climate finance commitments for agrifood systems. This planning gap needs to be addressed, and countries

need to receive assistance in determining and costing their financial needs specific for agrifood systems to achieve the goals set in the Paris Agreements.

- **Accessibility of finance.** Small-scale farmers, Indigenous Peoples, and communities dependent on agriculture, livestock, fisheries, and forestry are among the most vulnerable to extreme weather events and slow-onset climate impacts, yet they face major barriers in accessing existing climate finance mechanisms. The roadmap should consider these vulnerable groups when developing strategies to simplify access to finance.
- **Considerations on loss and damage.** Climate-induced disasters are rapidly outpacing resilience with agrifood systems absorbing a quarter of annual losses from disasters. Climate adaptation depends on resilience of agrifood system. Therefore, mobilising climate finance for developing country Parties need to factor in scaling up finance for adaptation and loss and damage in agrifood systems.

3. What country experiences, best practices and lessons learned can be shared related to barriers and enabling environments; innovative sources of finance; grants, concessional and non-debt creating instruments, and measures to create fiscal space?

Enabling environments

- **Coherent Policy Frameworks for Climate Action in Agrifood Systems.** Policy coherence across national climate and development goals is essential for improving climate finance to agrifood systems because they provide the anchor for directing financial flows and for building confidence of investors. To this end, FAO helps governments design and implement inclusive national policies, plans, and strategies such as NAPs, NDCs, and Long-term low emission development strategies, that integrate agrifood system solutions, identify pathways for climate finance flows, and open up opportunities for private sector engagement. Examples of such work includes Scaling up Climate Ambition on Land Use and Agriculture through Nationally Determined Contributions and National Adaptation Plans (SCALA) Programme³.
- **Capacity Building Initiative for Transparency (CBIT)** supports developing countries to build institutional and technical capacity to meet enhanced transparency requirements. The CBIT plays a key role in assisting countries with tools and training as they prepare their Biennial Transparency Reports (BTRs). This transparency plays a crucial role in improving and unlocking climate finance for agrifood systems, as it provides donors with reliable information on achievements and areas where further support is needed. FAO actively assists countries in meeting Enhanced Transparency Framework⁴ requirements in the agriculture, forestry, and other land use (AFOLU) sectors through the CBIT along other programmes. It encompasses various activities, including the development of national GHG inventories, reporting mitigation actions and tracking adaptation efforts, monitoring bilateral and multilateral climate finance flows, and providing a comprehensive array of tools and resources to enhance transparency efforts.
- **Redirecting agricultural investments and subsidies:** Repurposing agricultural investments is crucial for transforming food systems and maximizing their impact. Currently, governments allocate approximately USD 630 billion annually to food and agriculture, yet a significant portion of this funding distorts market prices, harms the environment, and disadvantages small-scale producers and Indigenous Peoples while failing to ensure nutritious diets for vulnerable populations. FAO analysis shows that governments can redirect these resources toward sustainable and equitable agrifood systems without increasing overall expenditures. FAO has been working with countries to optimize public spending through smart investment strategies that remain within existing fiscal constraints. In Ethiopia, FAO collaborated with the Ministry of Agriculture to explore public spending allocation scenarios, leading to insights on how shifting 6.5% of irrigation expenditure to seed and fertilizers could significantly improve agricultural GDP, create jobs,

³FAO. 2025. Scaling up Climate Ambition on Land Use and Agriculture through Nationally Determined Contributions and National Adaptation Plans (SCALA). Available at: <https://www.fao.org/in-action/scala/overview/about/en>

⁴ FAO.2025. FAO and the Enhanced Transparency Framework. Available at: <https://www.fao.org/in-action/climate-change-transparency/en>

reduce poverty, and enhance diet affordability. In Nigeria, the modelling pilots are incorporating climate and biodiversity outcomes as part of the optimization exercise.

- **Access and quality of finance:** The FAST Partnership is hosting an E-discussion on Gaps and challenges to accelerate climate finance for agrifood systems⁵. The first part of the discussion, currently ongoing, is shaped around two questions on access and quality of finance. The most common challenges reported in literature for accessing finance are lack of public and/or private funding, lack of comprehensive planning for financial needs, lack of data, inherent and specific risks of agrifood activities, complex and top-down funding procedures, lack of suitable opportunities/projects, and governance issues -e.g. short-termism, investees' weak participation.

Key aspects related to quality of finance include equity – prioritizing the most vulnerable countries and groups, sustainability – strengthening communities' resilience and capacities, both now and in the future, inclusivity – ensuring the active participation of stakeholders, including targeted groups, in the decision-making and allocation processes, long-term – mobilizing long-term and stable fundings, risk mitigation – assessing and managing all related risks, planning – aligning climate finance with national climate plans and targets, and access - ensuring finance mechanisms are adapted to different scales and needs such as those of underrepresented/vulnerable groups who may lack specific technical knowledge or capacity

Innovative sources of finance

- **Carbon markets.** The decision regarding Article 6 on global carbon markets presents an opportunity to unlock financial support for developing countries through UN-backed global carbon markets. The development is important for the agrifood systems, which remain underrepresented in the previous Clean Development Mechanism. Developing country Parties need support to tap into the future carbon market. To do so, FAO has been supporting the development of national readiness roadmaps, and strengthening MRV systems, such as through the well-established Decarbonization of Global Agricultural Soils (RECSOIL) Programme and FAO's Open Foris tools to measure, monitor and report on forests and land use. In addition, partnerships with international organisations and networks are strengthening the evidence base, developing methodologies and norms and standards crucial for effective carbon markets implementation.
- **Connecting MDBs and Agricultural Public Development Banks (AgriPDBs) for leveraging additional finance.** Linking MDBs with AgriPDBs can help to build complementarity and coherence across investments and scale up access to finance for farmers. MDBs play a critical role as providers of climate-related development finance (CRDF). In 2022 Development Assistance Committee (DAC) Members and MDBs provided, respectively, 46 percent and 45 percent of CRDF to agrifood systems with the World Bank being the largest resource provider. MDBs will also play a critical role in reaching the 300 billion goal. Areas for building complementarity include (i) linking resources and capacities of MDBs with the local knowledge and reach of AgriPDBs (ii) aligning investment strategies and global frameworks such as the Paris Agreement with local lending programs (iii) building complementarity between MDBs' concessional capital and AgriPDBs' flexible credit terms for local projects.

FAO, in collaboration with the FAST Partnership⁶ under the Harmoniya⁷ work program is organizing a workshop to bring together MDBs, AgriPDBs and Farmers Organizations to identify synergies for and leverage their combined strengths to enhance farmers' access to climate finance and facilitate the adoption of sustainable agricultural practices.

- **Grant-based funding, concessional and non-debt creating instruments** remain essential for supporting developing countries, particularly in addressing adaptation and loss and damage. This underscores the need to define which financial instruments qualify as climate finance under the Paris Agreement. The NCQG and the Roadmap should integrate a mix of financial instruments, aligned with the Paris Agreement, and be strategically bundled across relevant sectors to maximize impact. This approach ensures that the

⁵ Please contact FAST-Partnership@fao.org if interested to contribute.

⁶ FAO. 2025. Food and Agriculture for Sustainable Transformation (FAST) Partnership. - Available at: <https://www.fao.org/food-agriculture-sustainable-transformation-partnership/en>

⁷ IISD. 2024. Launch of Baku Harmoniya Climate Initiative for Farmers. Available at: <https://enb.iisd.org/baku-harmoniya>

diverse financial needs of developing countries are met through tailored solutions that leverage the strengths of various funding mechanisms. FAO has been supporting countries to access vertical funds including the Green Climate Fund (GCF) and Global Environment Facility (GEF) and channel investments to local solutions that deliver on climate, biodiversity, environment, food security, and nutrition

- The **Fund for Responding to Loss and Damage (FRLD)** is an important instrument to support countries and communities most affected by climate change. To fully realise this potential, it should have a dedicated funding window in the FRLD funding mechanism on agrifood systems and farmers who are on the front lines of loss and damage associated with climate change.

4. Which multilateral initiatives do you see as most relevant to take into account in the Roadmap and why?

The Food Systems Integrated Programme (FSIP) under GEF, led by FAO and IFAD, aims to transform global food systems from farm to table to ensure they are sustainable, regenerative, nature-positive, resilient, inclusive, and pollution-free. Building on GEF's integrated programs from GEF-6 (Food Security in Africa and Taking Deforestation out of Commodity Supply Chains) and GEF-7 (Food Systems, Land Use, and Restoration Impact Program), the FSIP will tackle the underlying drivers of unsustainability throughout the food system. This will be achieved by transforming and strengthening value chains, business models, incentive and finance frameworks, and policy and institutional conditions, all of which support the implementation of integrated and sustainable landscape and farm management practices.

The FSIP plans to invest USD 252 million across 32 countries, aiming to restore 800,000 hectares, improve management of over 13 million hectares, and benefit more than 3 million people by transforming agrifood systems.

The Food and Agriculture for Sustainable Transformation (FAST) Partnership is a multi-stakeholder partnership that aims to catalyze and accelerate the transformation of agriculture and food systems by leveraging global and regional initiatives and by fostering COP-to-COP collaboration. The FAST Partnership structures its working groups around three interlinked pillars: 1) Access to finance, 2) Knowledge and capacity, and 3) Policy support and dialogue.

To date, the Partnership counts 41 members and 10 observers, including several member countries, intergovernmental or multi-country organizations, NGOs, civic society organizations, youth and women associations, and academic institutions.

The FAST Partnership Task Force has been engaging with the past COP Presidencies (the United Kingdom, Egypt, United Arab Emirates, Azerbaijan) to ensure agriculture remains central in all discussions, from policy to finance. At COP29 the Baku Harmoniya Climate Initiative for Farmers reinforced family farmers and women at the center of climate finance discussions, and it became a flagship programme under the Partnership. On the road to COP30, FAST recently welcomed Brazil as Board Member and co-chair as incoming COP Presidency.

All those recent developments position the FAST Partnership as a key COP-to-COP vehicle for coordination and coherent action in the realm of climate and agriculture.

The three pillars of the **Baku Harmoniya Climate Initiative for Farmers** are:

1. Clarifying the landscape of initiatives and offering a platform for knowledge and experience exchange and fostering more efficient collaboration.
2. Catalyzing investments in agrifood system transformation from both private and public sectors, building on strong collaborations with MDBs and AgriPDBs, and developing synergies.
3. Empowering farmers, in particular women and youth and supporting the development of climate-resilient villages and rural communities for adaptation action in the food, agriculture and water sectors.

Conclusion

FAO remains committed to collaborating with the UNFCCC and partners at all levels to increase quantity and quality of climate finance to support transformation of agrifood systems. As the lead UN agency, FAO supports countries in strengthening policies, building institutional and community capacity, and delivering context-specific solutions to realize its vision for the Strategy on Climate Change.⁸ Agrifood systems should be sustainable, inclusive, resilient, and adaptive to climate change and its impacts. They must contribute to low-emission economies while providing sufficient, safe, and nutritious foods for healthy diets, along with other agricultural products and services for present and future generations, leaving no one behind.

We express our full commitment to supporting the Baku to Belém Roadmap to 1.3T and share out technical expertise on landscape of climate finance for agrifood systems.

⁸ FAO. 2022. FAO Strategy on Climate Change 2022–2031. Rome.