

Submission by the Federative Republic of Brazil

**INPUTS ON THE 2025 FORUM OF THE STANDING COMMITTEE ON FINANCE
ON ACCELERATING CLIMATE ACTION AND RESILIENCE THROUGH
FINANCING SUSTAINABLE FOOD SYSTEMS AND AGRICULTURE**

Considering the call for input for the “2025 Forum of the Standing Committee on Finance on accelerating climate action and resilience through financing sustainable food systems and agriculture”, Brazil presents its submission, aiming at contributing to the program, based and building on the possible sub-themes identified by the co-facilitators to further explore and develop the program of the Forum.

Fostering finance for climate action and support towards creating resilient and sustainable agrifood systems worldwide is a crucial step to achieve the goals of the United Nations Framework Convention on Climate Change (UNFCCC, article 2) and its Paris Agreement (article 2.1.b), as well as several Sustainable Development Goals of the 2030 Agenda (SDGs 1, 2, 3, 10 and 13). Hence, Brazil believes that discussions about agriculture at the UNFCCC must address its vulnerabilities in the context of climate change, emphasizing food security, in line with the Sharm el-Sheikh mandate for implementing climate action in agriculture and food security.

The Sharm el-Sheikh mandate was approved at the 58th meeting of the SBSTA/SBI (Decision 3/CP.27), in December 2022. The decision stresses the importance of adaptation and recognizes ensuring food security and combating hunger as a fundamental priority, considering that each food production system has its challenges and that solutions need to be context-specific, taking national circumstances into account.

In mobilizing and coordinating efforts to implement the Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security, Brazil recalls that it is paramount: i) to have clarity about the basis of information that will guide policy discussion; ii) to have clarity on the parameters and priorities for action and support; and iii) to build commitments around the key issues, based on the previous two sets of elements.

1. Evidence and information

In the intersection of food security and climate change, the two main releases of the concerned multilateral bodies – FAO and IPCC – should stand out as the main sources of information to be considered, complemented as needed and as applicable by others.

- The latest SOFI report (State of Food Security and Nutrition in the World 2023), jointly produced by FAO, IFAD, UNICEF, WFP and WHO, identified that:
 - Between 691 and 783 million people faced hunger in 2022, with a mid-range of 735 million (approximately 9.2% of the world's population).

- Moderate or severe food insecurity affected nearly 30% of the global population (2.4 billion people) in 2022, with 11.3% being severely food insecure, and 42% were unable to afford a healthy diet in 2021.
- In 2022, 148 million children under five years of age (22.3 %) were stunted. Such indices point to regional socioeconomic disparities (e.g. income, age, urban/rural settings), as well as race and gender inequalities. They also exacerbate the vulnerability of Indigenous Peoples and traditional communities, which historically suffer from greater risk of food and nutrition insecurity.
- The IPCC’s 6th Assessment Report asserts with high confidence that:
 - Human-caused climate change is already affecting many weather and climate extremes in every region across the globe. This has led to widespread adverse impacts on food and water security.
 - Climate change has reduced food security and affected water security due to warming, changing precipitation patterns, reduction and loss of cryospheric elements, and greater frequency and intensity of climatic extremes, thereby hindering efforts to meet Sustainable Development Goals. Individual livelihoods have been affected through changes in agricultural productivity, impacts on human health and food security, destruction of homes and infrastructure, and loss of property and income, with adverse effects on gender and social equity.
 - Some land-related adaptation actions, such as sustainable food production, sustainable forest management, soil organic carbon management, ecosystem conservation and land restoration, reduced deforestation and degradation, and reduced food loss and waste are being undertaken, and can have mitigation co-benefits.
 - Adaptation can generate multiple additional benefits, such as improving agricultural productivity, innovation, health and well-being, food security, livelihood, and biodiversity conservation, as well as reduction of risks and damages.
 - There is substantial mitigation and adaptation potential in agriculture, forestry and other land use that could be upscaled in the near term across most regions; however, minimizing trade-offs required integrated approaches to meet multiple objectives including food security.
 - Trade-offs in terms of employment, water use, land-use competition and biodiversity, as well as access to and the affordability of energy, food, and water can be avoided by well-implemented land-based mitigation options, especially those that do not threaten existing sustainable land uses and land rights, with frameworks for integrated policy implementation.

Brazil is committed to enhance the scientific understanding regarding tropical agriculture, its practices and processes. Hence, Brazil believes that the scientific pillar that support the UNFCCC process, in particular the “Report of the World Commission on Environment

and Development: Our Common Future” and the “IPCC Special Report Climate Change and Land” should be strongly referred by the SCF when framing its the “2025 Forum of the Standing Committee on Finance on accelerating climate action and resilience through financing sustainable food systems and agriculture”.

2. Examples for the 2025 SCF Forum

In the following pages, Brazil presents examples of successful public policies, ongoing international initiatives, and national experiences related to financing sustainable food systems and agriculture that can be explored by and presented at the Forum, aiming at contributing to the program of 2025 Forum of the SCF.

2.1 Low-Carbon Agriculture Plan: the ABC+ Plan

The ABC+ Plan (2020-2030) is a strategic national policy for Brazil’s agricultural production. Based on the success of the first ABC Plan (2010-2020), the new program aims at consolidating national agriculture based on sustainable, resilient, and productive systems, using science-based solutions for adaptation and mitigation. The ABC+ Plan estimates to mitigate 1,1 Gt CO₂eq from the atmosphere by the end of 2030.

The ABC+ Plan provides significant support for the implementation of Brazil’s Nationally Determined Contributions (NDC) and is one of the key instruments of Brazilian agricultural policy focused on the promotion of sustainability and the reduction of greenhouse gas (GHG) emissions. The plan is based on a plethora of practices, including: no-till farming systems, recovery of degraded pastures, integrated crop-livestock-forestry, biological nitrogen fixation, planted forests, manure treatment, irrigated systems, intensive fattening and termination.

These “ABC technologies” aim not only to mitigate and adapt the national agriculture to climate change, but also to increase farmers’ income while enhancing the environmental, economic, and social sustainability of the agricultural sector. To achieve these objectives, the following strategies are adopted:

- i. Maintain incentives for the adoption and maintenance of conservationist and sustainable agricultural systems of production, aimed at increasing productivity and income, enhancing resilience, and controlling greenhouse gas emissions.
- ii. Strengthen actions related to technology transfer, dissemination, training, and technical assistance.
- iii. Encourage and support applied research to develop or improve systems, practices, products, and sustainable production processes, focusing on increasing resilience, productivity, income, and controlling greenhouse gas emissions.
- iv. Create and strengthen mechanisms to recognize and reward producers who adopt sustainable systems, practices, products, and processes of production.
- v. Promote, expand, and diversify economic, financial, and fiscal instruments linked to sustainable systems, practices, products, and processes of production.

- vi. Enhance the ABC+ information management system to implement monitoring, reporting, and verification (MRV), as well as monitoring and evaluation of its portfolio of actions and results.
- vii. Promote agriculture integrated into the landscape, encouraging the environmental regularization of rural properties and sustainable agricultural production.

By addressing the unique challenges faced by developing countries, the ABC+ Plan serves as a model for capacity-building and technical support. The capacity-building actions focus on empowering farmers, especially small and medium-sized enterprises (SMEs), enabling them to adopt sustainable agricultural practices and prepare investment-ready projects.

In this sense, the ABC+ Plan comprises training programs for farmers and rural institutions on sustainable techniques, such as no-till farming, crop-livestock-forestry integration (ILPF), and agroforestry systems. Technical assistance includes workshops and field demonstrations tailored to varying levels of farming expertise, ensuring knowledge dissemination reaches smallholders and larger enterprises alike.

So as to promote financial literacy and project readiness, the program also provides support for preparing investment-ready projects by helping farmers design and implement sustainable production systems. By offering financial education, the ABC+ Plan equips farmers with the tools to access national credit lines, such as low-interest loans for sustainable practices, and explore international funding opportunities.

Through partnerships with public and private institutions, the ABC+ Plan connects farmers with diverse financing instruments, including impact investors and agribusinesses. Tailored financing mechanisms, such as interest rate reductions (-0.5 p.p.) for environmentally compliant practices, incentivize adoption and facilitate access to resources for sustainable development.

As a result of the first 10 years of implementation, the ABC Plan (2010-2020) provided more than BRL 32 billion (around USD 7 billion) for funding “ABC technologies” through 38,300 contracts, applying sustainable technologies to more than 54 million hectares. Designed with the goal of reducing between 133,9 million and 162,9 million tons of CO₂eq, the initiative mitigated 170 million tons of CO₂eq.

RenovAgro

A crucial operational instrument for implementing ABC and ABC+ Plans is the credit line specifically designed to help farmers that adopt “ABC technologies”: RenovAgro program. RenovAgro is a comprehensive tool for promoting sustainability in agriculture, addressing environmental, economic, and social dimensions through tailored financing solutions. RenovAgro serves as a program for financing the ABC+ Plan, encompassing three distinct modalities: RenovAgro Environmental, RenovAgro

Pasture Recovery, and RenovAgro Other Investments in Sustainable Systems and Practices.

While RenovAgro Environmental focuses on financing the restoration of legal reserves and permanent protection areas on agricultural properties and ensuring compliance with environmental regulations, RenovAgro Pasture Recovery is designed to fund investments in the recovery of degraded pastures, including the implementation of integrated crop-livestock-forestry systems (ILPF), alternative energy solutions, and no-till farming systems on crop residue. Finally, RenovAgro Other Investments in Sustainable Systems and Practices aims at supporting a broad range of sustainable agricultural practices, providing financial resources for innovative and eco-friendly farming techniques.

The program provides financing directly to rural producers, on the basis of a fixed interest rate of up to 7% per year for recovering degraded pastures, adjustment or regularization of rural properties in accordance with environmental legislation, recovery of degraded areas, and the implementation and improvement of sustainable forest management plans. Other technologies have a rate of up to 8.5% per year.

The repayment term for these lines is up to 12 years, with a grace period of up to 8 years. The program finances up to 100% of the project value, with a limit of BRL 5 million per producer per agricultural year. The access to these financing lines is widespread and made available by several financial institutions, that distribute resources received from the Brazilian Development Bank (BNDES).

Plano Safra (“Harvest Plan”)

Access to financing under Brazil’s Harvest Plan is multifaceted, leveraging public funds and promoting private sector participation. A massive portion of Harvest Plan’s budget (USD 69 billion for 2024/2025) is dedicated to supporting sustainable agriculture, through reduced interest rates for pasture recovery and rewards for rural producers who adopt more sustainable agricultural practices. The strategy is to reward rural producers engaged with sustainability, such as a 0.5% discount on interest rates for those who have their Rural Environmental Registry (CAR) analyzed, and additional 0.5% discount for those who adopt “ABC technologies”.

2.2 Family Farming Activity Guarantee Program: Proagro

The Family Farming Activity Guarantee Program (Proagro) exempts rural producers from financial obligations related to rural financing for agricultural costs when the assisted crop has its revenue reduced due to climate events or uncontrolled pests and diseases – limited to BRL 335,000 (around USD 54,000) per agricultural year. Although it is eligible to all producers, the main target audience of the program are small and medium-sized producers.

Producers are covered in the following adverse events: drought, excessive rain, frost, hail, excessive temperature variation, strong winds, cold winds, disease or pest without a known and economically viable method of combat, control or prophylaxis, and others. Between January and October 2023, Proagro insurance was activated in more than 72,000 agricultural cost contracts, within the scope of the National Program for Strengthening Family Farming (Pronaf). Thus, more than BRL 6,4 billion (around USD 1,03 billion) was allocated to guarantee income for family farmers who suffered from crop losses.

Proagro finance mechanism

Proagro is financed by federal budget and rural producers. The administration of Proagro stimulates the annual disbursement of the government taking into account changes in agricultural policy guidelines for each harvest. Rural producers also finance Proagro through “Proagro Additional” (premium) – a single installment paid at the time of the producer’s enrollment. The amount paid by each producer corresponds to a percentage of the total amount covered by Proagro, including both the financed portion and the producer’s own resources. Rates vary depending on the cultivated product, the producer’s size, the use or not of irrigation, and the location of the enterprise.

Under applicable legislation, Proagro invests its funds in transactions involving federal public bonds, exclusively with the Central Bank of Brazil, through spot purchases of securities with a resale commitment on a future date. In these transactions, the securities are treated as guarantees and are thus held in custody in the Special System for Settlement and Custody (Selic). They are valued at prices below those observed in the secondary market (base price) to protect Proagro’s resources from market rate fluctuations (prices).

These transactions are remunerated according the Selic rate (the reference interest rate for the Brazilian economy), and their execution considers the maturity period of the securities received as guarantees. However, resources may be redeemed early to meet Proagro’s cash flow needs. The transactions are established without a “free movement” clause, meaning that the definitive sale of the securities received as guarantees is not permitted during the operation’s term.

In addition, the federal government is responsible for maintaining the financial balance of the program. Hence, in the case of unforeseen situations, the government guarantees the payment of coverages and other expenses, if needed. As a result, the occurrence of a negative net worth does not pose a risk to the continuity of the program.

2.3 National Program for Strengthening Family Farming: Pronaf

The National Program for Strengthening Family Farming (Pronaf) was created in 2001 to facilitate rural credit operations, aiming at promoting the sustainable development of rural areas through increased production capacity, job creation and income growth for family farmers. In a nutshell, the program finances individual or collective projects that generate income for family farmers and agrarian reform settlers.

In this effort, rural credit operations may include the acquisition of inputs and seeds, as well as the coverage of the costs of family farmers' activities, such as the cultivation of corn, rice, beans, vegetables, and medicinal herbs. Additionally, the program considers the costs of sociobiodiversity products, agroecological production systems, organic systems, dairy cattle farming, laying hens, aquaculture and fishing, ecologically sustainable extractivism, among others.

Pronaf has several subprograms. Among them, the following stand out: (i) Pronaf Agroindustry, for financing investment in processing, storage, and marketing of agricultural, extractive, artisanal, forestry products, and supporting rural tourism; (ii) Pronaf Women, for financing female farmers who are members of a family production, regardless of marital status; (iii) Pronaf More Food, for investment in production structure and services, aiming at increasing productivity and raising family income; (iv) Pronaf Youth, focused on beneficiaries that are between 16 and 29 years old.

Brazilian Family Farming Harvest Plan

Under Pronaf, the Brazilian Family Farming Harvest Plan brings together a set of actions to strengthen sustainable food production by Brazilian family farming. In 2024, the plan guaranteed the reduction of interest rates in 10 financing lines within the scope of Pronaf. In addition, interest rates were also reduced to 2% for sustainable practices.

The program is implemented through around 20 public and private banks, including the National Development Bank (BNDES) and rural credit cooperatives. Following the rules of the program, the financial institution must give preference to proposals that: (i) aim to finance agroecological production or projects that promote the removal or reduction of greenhouse gas emissions; (ii) are intended for women; (iii) are intended for young people.

The 2024/2025 plan has historically increased the volume of credit made available, forecasting a total volume of resources in the order of BRL 76 billion (USD 12.28 billion). In operation in 25 of 27 of the Brazilian states, the program is an example of gender-responsive policy and demonstrates the importance of dialogue and interaction between federal and local governments, as well as engaging with banking agents that offer credit to family farmer.

2.4 National Program for the Conversion of Degraded Pastures (PNCPD)

The PNCPD is a national program that aims to restore degraded pastures, so as to make them productive again – while promoting sustainable practices in the agricultural sector. This program seeks to address issues related to land degradation, improve productivity, and contribute to environmental conservation and climate goals.

The primary objective of the PNCPD is to recover degraded pastures, increasing their productivity without the need to clear new areas. By focusing on sustainable land management, the PNCPD increases soil carbon sequestration, improve land use efficiency, and alleviate deforestation pressure, thus contributing to both environmental sustainability and agricultural productivity.

To achieve its goal, the PNCPD provides technical assistance to rural producers, equipping them with modern techniques for soil management, crop rotation, and sustainable livestock rearing. In addition, the program uses advanced monitoring tools, such as remote sensing and geoprocessing, to identify degraded areas and evaluate the outcomes of restoration efforts.

To finance the program, the PNCPD leverages public several financing mechanisms, including dedicated credit lines. Public-private partnerships are also instrumental, engaging agribusinesses, rural credit institutions, and international partners to expand restoration projects and incorporate sustainable practices into agricultural systems. Finally, the PNCPD is pioneering innovative financial tools, including carbon inventories and performance-based incentives, which encourage their adoption among smallholder farmers.

2.5 Dom Helder Câmara Project

The Dom Helder Câmara Project (PDHC) aims to reduce poverty and food insecurity among family farmers in the Northeastern semiarid region of Brazil and to combat gender, generational and ethnic-racial inequalities. The project began in 2001, financed by an international loan agreement signed between the Brazil and the International Fund for Agricultural Development (IFAD), and is structured on three componentes: (i) promoting food and nutritional security from an agroecological perspective; (ii) capacity building, innovation and dissemination; (iii) promoting food and nutritional security from an agroecological perspective.

Over its more than 20 years of operation, the PDHC became a benchmark in sustainable rural development projects for family farming in semi-arid regions, serving to more than 100,000 families in Brazil. The Project's third phase will start in 2025, and the implementation period goes up to 2030, aiming to reach 90,000 families.

Access to the Dom Helder Câmara III Project is decentralized. A partnership between the federal government and public and civil society organizations enable grass-root organisations to actively search and identify families, groups and organizations that can be benefited. This participatory approach ensures the observation of the project's

targeting criteria and the implementation of territorial focus. Priority is given to families and groups living in poverty, women, youth, traditional peoples and communities, Indigenous Peoples, and those settled by agrarian reform and land credit.

The PDHC budget is financed both by the federal budget and IFAD. As an example, 77.8% of the current budget, estimated in approximately BRL 221 million (USD 45 million), was provided by the loan agreement with IFAD.

2.6 Possible sub-theme number “10”

Commenting on possible sub-theme number “10”, Brazil asks for the reformulation of the title, excluding the words “essential” and “trade and trade policies”, given that these expressions may lead to unwanted focus on green protectionism and unilateral trade measures.

3. Additional sub-themes for the co-facilitators to consider in the program

In this section, Brazil suggests items that could be incorporated by the Forum program in different formats (e.g., panel, workshop, presentation). Recognizing the extensive reach of the Forum, which includes both online and in-person participants from all continents, the event can serve as a catalytic platform for ideas and ongoing initiatives, as well as for promoting international cooperation in its various formats.

3.1 Financing inter-tropical low-carbon agriculture

The development of low-carbon technology for tropical agriculture in Brazil is a successful experience of innovation, investment, and adaptation. Since 1973, with the establishment of the Brazilian Agricultural Research Corporation (Embrapa), Brazil dedicates research efforts focused to tropical conditions. By understanding the unique challenges of tropical agriculture, such as acidic soils, pests, diseases, high temperatures and humidity, Embrapa was capable of developing tailored solutions for Brazil’s national circumstances, including lime application, phosphorus enrichment, crop innovations and adapted seeds.

In the last decades, Embrapa also introduced the development of sustainable agricultural practices, such as the incorporation of native plants and biodiversity conservation into agricultural systems, no-till farming, crop-livestock-forest integration (ILPF), precision agriculture, sustainable intensification, recovery of degraded lands, and organic and agroforestry systems. Currently, efforts on low-carbon, climate-resilient agriculture emerge as necessary strategies for adaptation to climate change, with important mitigation co-benefits.

As presented in details in section 2, the success of Brazil’s cutting-edge tropical technologies for low-carbon agriculture derives from the myriad of agricultural programs implemented in recent decades. Their continuity, however, is based on strong financial strategies that include the government, public and private actors, the national development bank (BNDES), international stakeholders, and social engagement – as

exemplified by RenovAgro, Harvest Plan, Proagro, the Brazilian Family Farming Harvest Plan and the international loan agreement with IFAD.

By integrating innovative policies, diverse financing mechanisms, and inclusive approaches, the Forum can catalyze transformative climate action in agriculture and livestock. Hence, Brazil suggests the inclusion of a panel dedicated to financial strategies of low-carbon tropical agriculture, that could contain the participation of Brazilian experts in the development and/or implementation of the financial mechanisms of agricultural national plans.

3.2 Global Alliance against Hunger and Poverty

Food security must never be overlooked when discussing agriculture. As outlined in section 1, debates on agriculture at the UNFCCC must address its vulnerabilities in the context of climate change, emphasizing food security, in line with the Sharm el-Sheikh mandate for implementing climate action in agriculture and food security. Therefore, Brazil believes that the Forum should incorporate the presentation of the Global Alliance against Hunger and Poverty in its agenda, so as to shed light on this new global cooperation platform and its possibilities.

The Global Alliance against Hunger and Poverty was established as a proposal from the Brazilian presidency of the G20 to support and accelerate efforts to eradicate hunger and poverty (SDG 1 and 2), while reducing inequalities (SDG 10). The core of the Alliance is the Policy Basket, a menu of rigorously evaluated policy instruments, ensuring that donor investments are directed toward cost effective, high-impact initiatives.

Acting as a neutral facilitator, the Alliance builds partnerships and mobilizes financial and knowledge resources to implement these policy instruments. In an innovative approach, the Alliance reduces transaction costs and avoids duplication of efforts by leveraging a unified database, streamlining the identification of knowledge and funding needs and opportunities.

The Alliance already counts on 88 countries, 41 foundations, 25 international organizations, and 9 international financial institutions — and remains open to all governments, international organizations, knowledge institutions, development funds and banks, as well as philanthropic institutions. Member countries can adopt the Alliance's proposed policy instruments and programs and receive technical and financial support from other members.

The Alliance calls to action in three pillars — national, financial, and knowledge. The financial pillar is composed of a wide variety of supporting entities which have made a general commitment, under their own rules and mechanisms, to support member countries in their own national commitments under the Alliance.

Brazil is deeply convinced that having the Global Alliance against Hunger and Poverty presented in the Forum will help to promote the Alliance initiatives and catalyze the

engagement of interested countries and stakeholders, playing a key role in advancing climate action in agriculture focused on food security.

The year of 2025 will be critical for aligning climate financing with just transitions toward low-carbon, climate-resilient societies, in the context of sustainable development and efforts to eradicate hunger and poverty, which remain the primary mission of the Global Alliance Against Hunger and Poverty.

4. Final considerations

Agricultural systems operate under risks and uncertainties and should be designed with the ultimate goal of guaranteeing the human right to adequate food. However, this goal will not be achieved sustainably unless it is linked to climate action. In this context, agricultural systems must be protected from the adverse effects of climate change by reducing their respective vulnerabilities in line with local realities, while also leading the way in a just transition that reduces inequalities.

The multilateral debate on agriculture and food security cannot overlook the importance of social and sustainable development aspects, nor the need to address structural challenges. Conventional agriculture should be promoted in coexistence with, family farming, regenerative agriculture, agroecology, agroforestry, and organic farming, adapted to local circumstances.

Brazil is alarmed with the urgency of climate action. Impacts of climate change are already being felt in all countries around the world, including in the Brazilian territory, causing severe human and economic losses and suffering in agriculture, particularly among the poorest and most vulnerable populations.

Agriculture is part of the solution to addressing climate change and serves as an important driver for achieving the objectives of the UNFCCC and its Paris Agreement. Thus, it is urgent to expand, prioritize, and integrate climate action across the entire economy, including agriculture. Promoting resilient, adapted, and sustainable agricultural systems will be crucial to face climate change while enhancing food security.