Delivering Climate Smart Agriculture: prospects from climate finance

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Framing

The presentation will cover:

• Background issues relating to climate change finance and agriculture;

• An overview of the current scene and possibilities for change;

• Key opportunities and next steps.
Agriculture as victim and villain

THE GREAT BALANCING ACT

The world must achieve a “great balancing act” in order to sustainably feed 9.6 billion people by 2050. Three needs must be met at the same time.

CLOSING THE FOOD GAP

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>31%</td>
</tr>
<tr>
<td>2050</td>
<td>69%</td>
</tr>
</tbody>
</table>

Required increase in food calories to feed 9.6 billion people by 2050

SUPPORTING ECONOMIC DEVELOPMENT

<table>
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<tr>
<th>Employment</th>
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<tbody>
<tr>
<td>28%</td>
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Global population directly or indirectly employed by agriculture

REDUCING ENVIRONMENTAL IMPACT

<table>
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<th>Impact</th>
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<tbody>
<tr>
<td>24%</td>
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</table>

Global greenhouse gas emissions from agriculture and land use change

SOURCE: WRI

CLIMATE-SMART Agriculture 2015
Recognition of importance of agriculture

United Nations
Framework Convention on Climate Change

ARTICLE 2

OBJECTIVE

The ultimate objective of this Convention and any related legal instruments that the Conference of the Parties may adopt is to achieve, in accordance with the relevant provisions of the Convention, stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.
Regional projections for increases in population, wealth, meat production and consumption 2005-2050

Sources: Collated from Alexandratos, N. and J. Bruinsma. 2012.
Global GHG abatement cost curve for the Agriculture sector

Evolution of multilateral climate finance and architecture

Source: Nakhooda and Norman, 2014
What has multilateral finance for agriculture targeted to date and where is it flowing?

Source: Climate Funds Update, 2015
So far...

- International climate policy been developing been mechanisms and generating resources to deliver interventions
- Been resistance to develop strategies on agriculture within the UNFCCC although food security embedded in core objective
- But at national level, agriculture projects been delivered with emerging climate funds (NAPAs, NAMAs)
A changing climate finance architecture

Source: Climate Funds Update (2014)
The role of the GCF

• The GCF ($10.2 billion now pledged) will seek to fill gaps in the existing climate finance architecture, and target key national priorities and needs building on national climate and development strategies.

• It works to country driven programming that reflects expressed national needs and priorities: stakeholders including smallholders, agribusiness, and community based organisations must engage in country programming.

• Relevant financing institutions may also seek accreditation as implementing entities of the Fund.

• The Fund has recognised agriculture as a key entry point that can deliver multiple mitigation and adaptation results and decisions imminent on CSA.
The GCF and climate smart agriculture

<table>
<thead>
<tr>
<th>Potential investment priority</th>
<th>Expected results area</th>
<th>Geographical region targeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Climate-compatible cities</td>
<td>Transport (M)</td>
<td>Africa, Asia, Latin America, Eastern Europe</td>
</tr>
<tr>
<td></td>
<td>Buildings, cities, industries and appliances (M)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Livelihoods of people and communities (A)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Infrastructure and built environment (A)</td>
<td></td>
</tr>
<tr>
<td>2: Sustainable climate-smart agriculture</td>
<td>Forestry and land use (M)</td>
<td>Africa, Asia, with an emphasis on LDCs</td>
</tr>
<tr>
<td></td>
<td>Livelihoods of people and communities (A)</td>
<td></td>
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<tr>
<td></td>
<td>Food and water security and health (A)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ecosystems and ecosystem services (A)</td>
<td></td>
</tr>
<tr>
<td>3: Scaling up finance for forests and climate change</td>
<td>Forestry and land use (M)</td>
<td>Africa, Asia, Latin America</td>
</tr>
<tr>
<td></td>
<td>Food, water and health (A)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ecosystems and ecosystem services (A)</td>
<td></td>
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<tr>
<td>4: Enhancing resilience in SIDS</td>
<td>Livelihoods of people and communities (A)</td>
<td>SIDS</td>
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<tr>
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<td>Food, water and health (A)</td>
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<td>Infrastructure and built environment (A)</td>
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<tr>
<td></td>
<td>Ecosystems and ecosystem services (A)</td>
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<tr>
<td>5: Transforming energy generation and access</td>
<td>Energy generation and access (M)</td>
<td>Africa, Asia, with a special focus on energy access in LDCs</td>
</tr>
</tbody>
</table>

Abbreviations: A= adaptation. M = mitigation. LDCs = least developed countries. SIDS = small island developing states.

Source: Analysis of the Expected Role and Impact of the GCF, 2015
The GCF as a significant opportunity space

Source: Climate Funds Update 2014
Next Steps for “CSA community”

• Track outcome of GCF Board Meeting end of March 24-26 and the framing of decisions

• Work with national entry points to GCF

• Support development of transformative integrated projects to meet GCF criteria

• Continue to develop improved measurement and reporting systems for CSA

• Support countries develop their Nationally Determined Contributions (NDCs)
Next steps 2015

- Countries may consider opportunities to address adaptation and mitigation in agriculture in developing their Nationally Determined Contributions (NDCs) which will be central to a 2020 climate deal.
- The role of agriculture in the Sustainable Development Goals (SDGs) also needs to be considered.
- Opportunities to reduce emissions and strengthen resilience in agriculture need to be mainstreamed – in national strategies and ODA.
Next Steps in 2015

• Other climate funds GEF6, (IFAD) can explore new approaches to supporting sustainable climate smart agriculture in developing countries

• 2015 agreement at Paris COP21 may reinforce the reference to food production in Article 2 and provide greater momentum on funding

• Efforts on Sustainable Development Goals must be consistent with climate change action
Key Points

• Emissions and vulnerability of agriculture a VITAL issue for climate change policy
• CC finance has been funding a range of projects in agriculture as funds have been developed (despite UNFCCC negotiations)
• On the cusp of a step change as the key Green Climate Fund has recognised CSA as a priority.
• So now the CSA world has to show what can be achieved as only got $10 billion not $100 billion/year so far
http://www.climatefundsupdate.org

Comprehensive information on the objectives and scope of dedicated public climate finance: