



## Private sector finance for small producers' climate adaptation: can it be done?

**Time and date:** 14 February 2023, 15.00 – 16.00

### Context

Food and economic crises have intensified in terms of frequency and severity, and this trend is likely to continue as climate threats escalate and further threaten food security by limiting small producers' yields and resilience. To date, the global response to climate change has focused mostly on climate mitigation.

At COP27 in Sharm el-Sheik, the sheer magnitude and immediacy of the food crisis – driven partly by the war in Ukraine, partly by climate change and partly by the structure of our food systems – have called attention to the need to strengthen action for climate adaptation as an essential way to accelerate action for food security. Pre-COP27, the United Nations Standing Committee on Finance (SCF) reported that while there has been an increase in overall global climate finance flows, key targets to mobilize climate finance for developing countries have not been met. Third party research places the agricultural and household-related financial needs of small-scale farmers at approximately US\$240 billion per year globally. More than 2 billion people depend on smallholder farms for food and income, yet less than 2 per cent of global climate finance is devoted to helping these farms adapt to climate change.

Scaling climate adaptation finance for agriculture can only be achieved with private sector investment and the involvement of local financial institutions. However, expanding private sector engagement in climate adaptation finance for agriculture and rural agrifood businesses is subject to many challenges in terms of both supply and demand. These challenges relate mostly to assessments of the risks involved (real and perceived), the cost of engagement, and the lack of alignment around core definitions of climate adaptation finance on the supply side. As such, these challenges can only be addressed through collaborative action involving representatives from the private, public and development sectors.



In addition to the agreement to provide “loss and damage” funding for vulnerable countries hit by climate disasters, COP27 has established a new initiative called Food and Agriculture for Sustainable Transformation (FAST) to ramp up climate finance contributions for food systems. Governments also agreed on the way to move forward on the Global Goal on Adaptation, which will conclude at COP28 and inform the first Global Stocktake, to improve resilience among the most vulnerable. Finally, the SCF was requested to prepare a report on doubling adaptation finance for consideration at COP28 next year.

### Event Objective and Format

The event objective is to identify ways of scale up private sector finance from different financiers and local financial institutions to unlock access to climate adaptation finance for small producers, which would lead to action for food security. The event will seek to: (i) identify constraints and opportunities for boosting private sector engagement in climate adaptation finance for small producers, (ii) better understand what types of investments by private sector financiers can increase climate adaptation finance for small producers in developing countries and (iii) identify concrete investments and policy actions.

The event will last one hour and bring together a panel of practitioners in the field of climate adaptation finance for agriculture, representing the public and private sectors. The panel will seek to discuss concrete examples of innovative approaches and promising models for leveraging private sector and achieving impact at scale, and solutions to move forward.

#### BOX 1. Run of show

'5 mins	Moderator provides the audience with an overview of the next 60 mins	Moderator
'40 mins	Panellists will discuss the debate topic	
'20 mins	Open Q&A	Moderator, panellists and audience



## Panel composition

Moderator: **Dr Jyotsna Puri**, Associate Vice-President – Strategy and Knowledge Department, IFAD [TBC]

Speakers:

- **Mr Pasi HELLMAN** - Under-Secretary of State for Development Policy, Ministry of Foreign Affairs of the Republic of Finland, and IFAD Governor
- **Mr Eric Naivasha** - Associate Director Energy, Environment & Climate Change, Equity Bank
- A representative from a farmers' organization



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