



Food and Agriculture
Organization of the
United Nations



Addressing Barriers & Leveraging Opportunities for Private Sector Engagement in Adaptation

APA Webinar

17 October, 2024





Background & Context

- Addressing climate change in AFOLU sectors is paramount. These sectors have vast **economic importance** in low-income countries and are central for **food security**.
- The sector **contributes significantly towards climate change** with a share of 20-24% of greenhouse gas emissions, and **are already impacted and among the most at risk sectors** to the adverse impacts of climate change.
- Climate change is projected to depress growth in global agriculture yields by up to 30 per cent by 2050 and increase the number of people without access to sufficient water from 3.6 billion today to more than 5 billion by 2050, according to Global Commission on Adaptation (GCA).
- **Funding gap** – we would need 26 times more than current funding for these sectors to shift to a low-carbon and climate resilient trajectory.
- It's important that this should not be seen as simply a cost, but as an **investment opportunity**, as for 1 dollar invested, potentially 15 dollars could be gained for society and businesses.



Barriers Limiting Private Sector Engagement for Adaptation

BARRIERS





Interventions to Support Private Sector Engagement for Adaptation

BARRIERS

- 1 Limited private sector engagement in NDC/NAP planning processes
- 2 Limited understanding of climate risks and business opportunities
- 3 Investment risks & insufficient commercial incentives
- 4 Insufficient investment pipeline & financing for NDC/NAP priorities

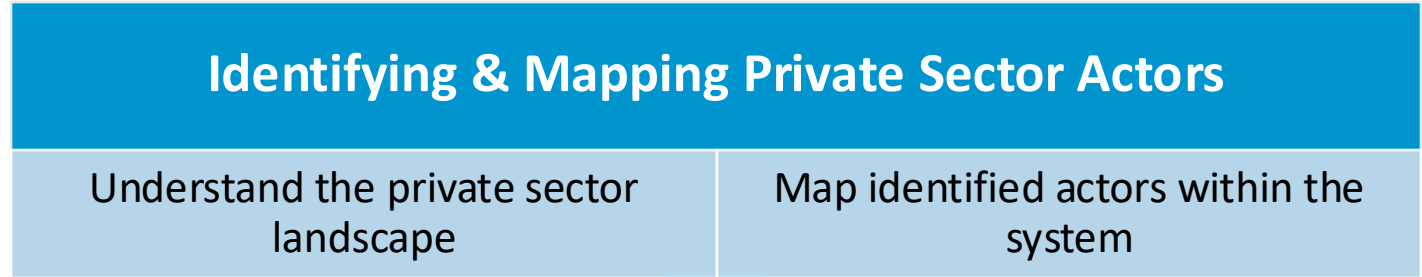
INTERVENTIONS

- 1 NDC/NAP review, PS opportunity mapping & outreach and multi-stakeholder coordination
- 2 Enhance climate-risk related market intelligence and build evidence base to catalyze action
- 3 Assess risks, business opportunities and de-risking instruments
- 4 Identify investment pipeline and develop concept notes with de-risking strategies

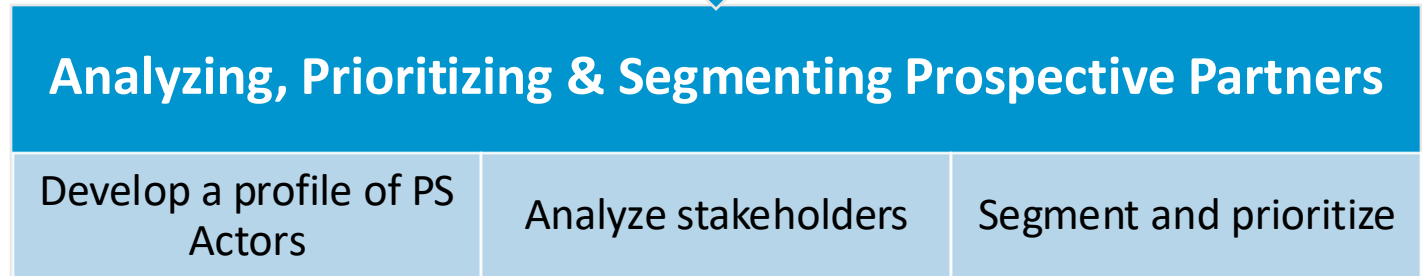


Private Sector Mapping, Outreach & Engagement

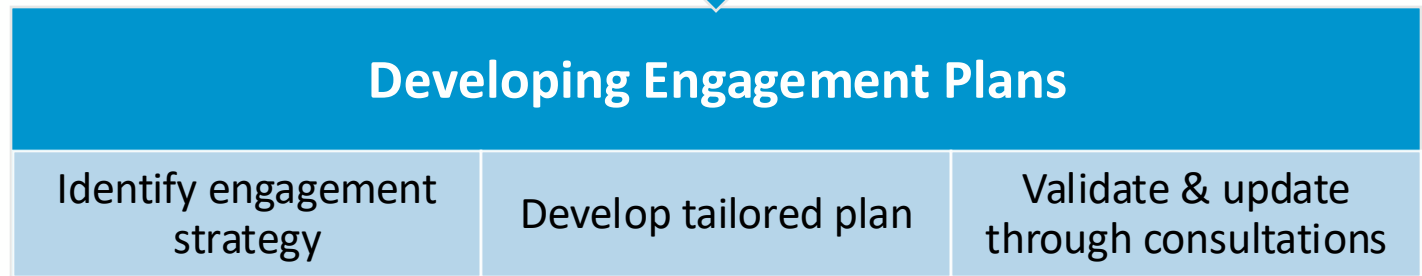
Step 1



Step 2



Step 3





Facilitating Multi-Stakeholder Collaboration

GUIDING STEPS TO IDENTIFY AND ENGAGE WITH THE PRIVATE SECTOR

1. Identify and map

Understanding the landscape and mapping private sector actors within the system

2. Analyse, segment and prioritise

Prioritizing actors focusing on climate relevance and contribution potential of different actors

3. Develop engagement plans

Identifying the most suitable type of engagement

4. (FOR PRIVATE SECTOR) Conduct private sector dialogues

GUIDING STEPS TO ENHANCE MSC FOR TRANSFORMATIVE CLIMATE ACTION

1. Identify and map required stakeholders and their engagement with climate action

Understand who the actors are, the relationships between them and individual level of awareness / engagement with climate action

2. Assess the current state of MSC collaboration & engagement with climate action

Via an MSC diagnostic tool (*) set the baseline of the current state of collaboration, awareness and engagement with climate action of the collective

3. Develop an MSC plan for climate action

Design, strengthen, improve MSC governance, operational mechanisms, stakeholder awareness and engagement towards climate action

Convene and facilitate spaces to:

- Build the business case
- Build capacities,
- Address barriers
- Catalyze private investment

towards further engagement with climate action (**)



Understanding Opportunities, Risks & De-risking Solutions for PSE

1

Identify transformative climate actions in agri-food systems

- Identify climate-specific prioritization criteria and evaluate agricultural measures
- Identify interventions within a specific agri-food system priority

2

Analyse priority interventions to determine their potential for private sector investment

- Identify interventions suitable for private sector investment
- Assess the bankability of a climate intervention for private sector investment

3

Analyse barriers and risks and identify de-risking solutions

- Identify and categorize barriers and risks
- Rank barriers and risks
- Select appropriate de-risking solutions to design public and private investment concepts



Developing Investment Pipeline and Enabling Environment to Crowd-in Private Investment for Adaptation Initiatives

1

Considerations for investment pipeline and concept note development

- Consideration of donor landscape and government priorities for project development
- Inclusion of de-risking activities to improve enabling environment to attract private sector engagement and investment

2

Matching investment needs with appropriate financing instruments

- Overview of the categories of investor and types of financial instruments
- How to identify investors and instruments most appropriate for the needs of the specific investment opportunity

3

Project preparation or development of investment concepts

- How to present key elements of a concept note that can attract private sector engagement
- Assess the bankability of a climate intervention for private sector investment



Country Highlights: Ethiopia & Colombia

Ethiopia

- System Level Assessment and Value Chain Analysis conducted in two micro-watersheds, identifying private sector engagement entry points
- Multi-stakeholder workshops to narrow down priority adaptation needs, barriers and de-risking solutions
- Report on barriers and incentives to support Climate-Smart Agriculture (CSA) prepared
- Development of legal framework to incentivize adoption of CSA based on studies, and development of a concept note to scale up prioritized climate actions based on established business case

Colombia

- Identification of IPs practices, and climate impact assessments in Chingaza and Sumapaz Moorlands
- Piloting of certification scheme for climate-adapted agriculture for MSMEs in coffee and native potatoes
- Mapping of mechanisms and incentives for climate finance for small and medium producers in the agricultural sector

THANK YOU!

www.fao.org/in-action/scala

www.adaptation-undp.org/scala



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