



Food and Agriculture Organization
of the United Nations

A PRELIMINARY REVIEW OF AGRICULTURE-RELATED ACTIVITIES IN THE GREEN CLIMATE FUND PORTFOLIO

This is a review carried out by the Food and Agriculture Organization of the United Nations (FAO), based on publicly available information in the Green Climate Fund (GCF) portfolio. It covers the 77 projects approved between the 13th GCF Board meeting in November 2015 and the 19th Board meeting in February 2018¹. These include 76 full scale projects and one Simplified Approval Project, supporting over 60 countries. Each of these projects was reviewed with the aim to assess the level of representation of the agriculture sector² in the Fund's project portfolio. This document presents data obtained through this exercise. It should be noted that this represents solely the FAO analysis, and that additional information may be available from the GCF Secretariat.

LEVEL OF REPRESENTATION OF THE AGRICULTURE SECTOR

More than a quarter of the projects focus primarily on one or more of the agriculture sub-sectors *sensu lato*. When considering the funding available and not the number of projects, those projects correspond to 12 percent of total GCF funding. In addition, 31 percent of all projects, representing 29 percent of the GCF funding, include some agriculture component, meaning that agriculture is at least one of the main sectors targeted by the project. In total, agriculture is present in 67 percent of all GCF projects, but at different levels of representation,

including 9 percent of projects that produce some agriculture co-benefits.

The remaining 33 percent of projects do not include agriculture in their action. They however receive more than half (52 percent) of the total GCF funding, while the remaining 48 percent is shared among projects with different levels of agricultural representation. This gives an indication of the size of the projects: non-agriculture projects are the largest ones, with an average size of USD 261 million per project, followed by projects with

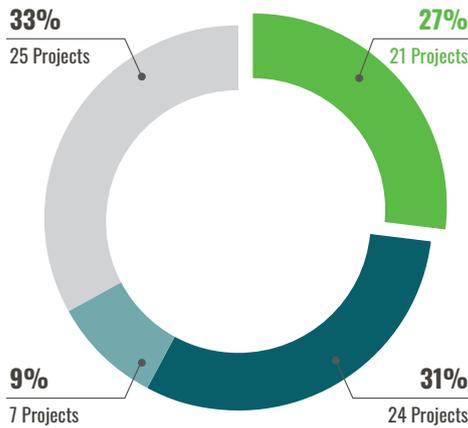
¹ No projects were approved at Board 20, and those approved at Board 21 last October are still being reviewed.

² For the purpose of this exercise, the agriculture sector is divided in the following sub-sectors: agriculture (crops and livestock), forestry and other land use, fisheries and aquaculture, integrated systems, water management and bioenergy. Projects may cover one or more sub-sectors at a time.

at least one agriculture component (USD 153 million), projects with agriculture co-benefits (USD 123 million), and projects with a primary focus on agriculture (USD 74 million).

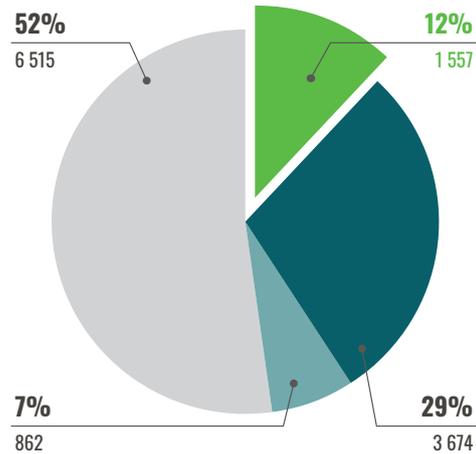
Co-funding represents 65 percent of the total funding for GCF Primarily Agriculture projects,

attracting a total of USD 1 billion. It is followed by grants with 28 percent of funding or USD 433 million, and by loan, equity and guarantee with 8 percent of funding or USD 118 million.



Number of GCF projects

- Primarily agriculture project
- Non primarily agriculture, but some agriculture component
- Non primarily agriculture, but with some agriculture co-benefits
- Non agriculture project

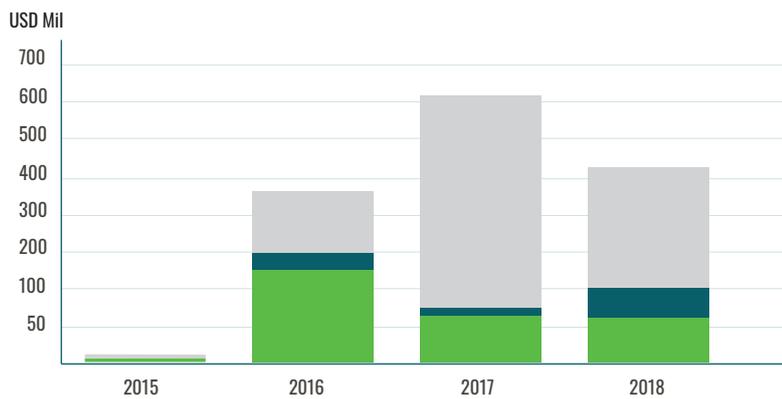


Funding of GCF projects (USD Mil)

- Primarily agriculture project
- Non primarily agriculture, but some agriculture component
- Non primarily agriculture, but with some agriculture co-benefits
- Non agriculture project

Financing type for Primarily Agriculture Projects

- Grant
- Loan, Equity, Guarantee
- Co-funding



KORONIVIA TOPICS

Among the 77 GCF-funded projects analyzed, 41 projects are linked to one or more of the five topics identified in decision 4/CP.23 on the Koronivia Joint Work on Agriculture (KJWA), adopted at the UN Climate Change Conference

(COP23) in November 2017. Therefore, out of 52 agriculture-related projects in the broad sense, 79 percent relate to one or more Koronivia topics, as listed in the decision:

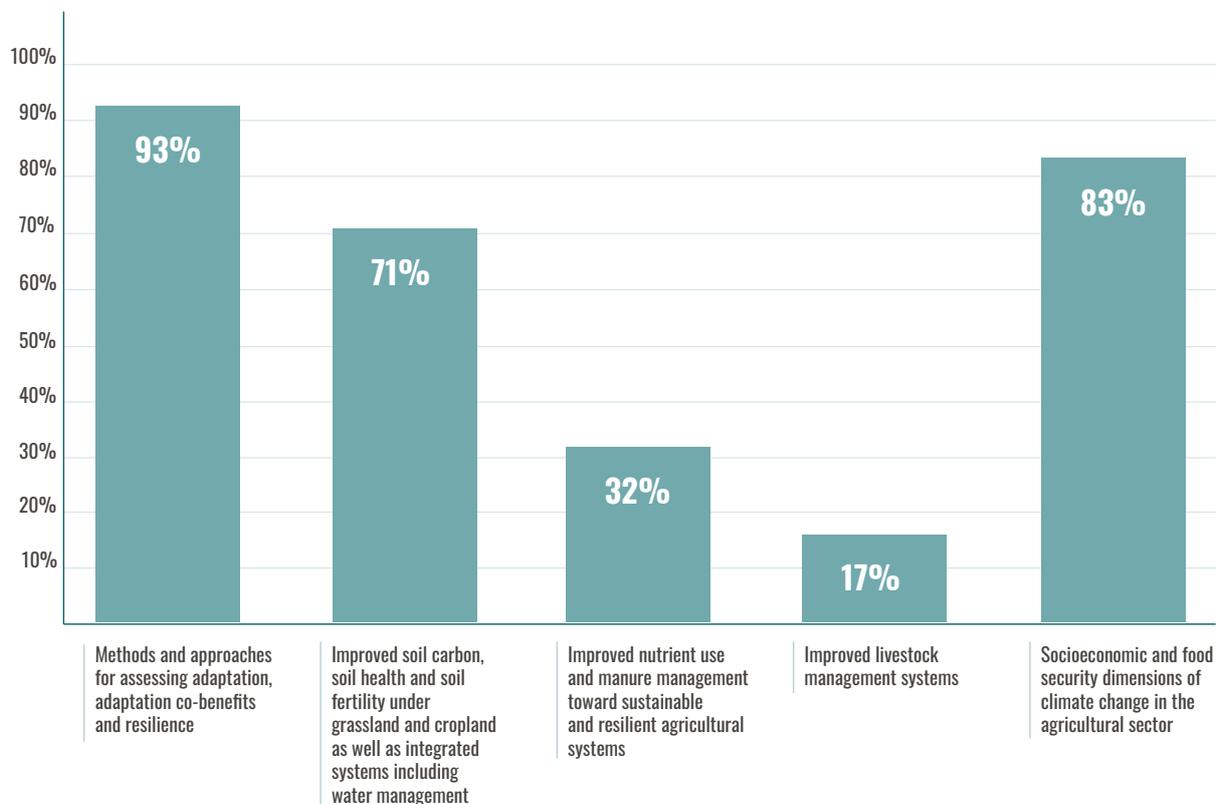
2(b) Methods and approaches for assessing adaptation, adaptation co-benefits and resilience

2(c) Improved soil carbon, soil health and soil fertility under grassland and cropland as well as integrated systems, including water management

2(d) Improved nutrient use and manure management towards sustainable and resilient agricultural systems

2(e) Improved livestock management systems

2(f) Socioeconomic and food security dimensions of climate change in the agricultural sector.



Koronivia topics in agriculture-related projects

However, these projects receive 54 percent of the funding dedicated to agriculture-related projects, and only 26 percent of total GCF funding. Koronivia topics concerned with adaptation, soil and water management, and socioeconomic and food security dimensions of climate change are the most represented in the GCF portfolio, while Koronivia topics related to

nutrient use, manure management and livestock management are the least represented.

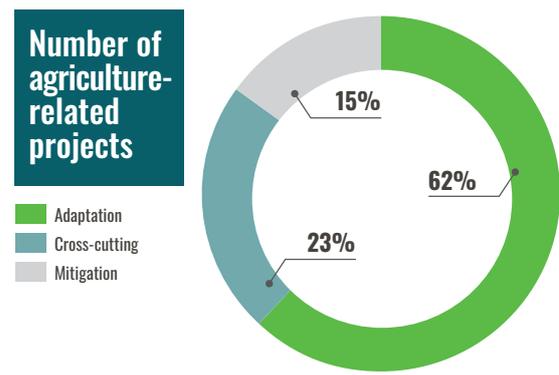
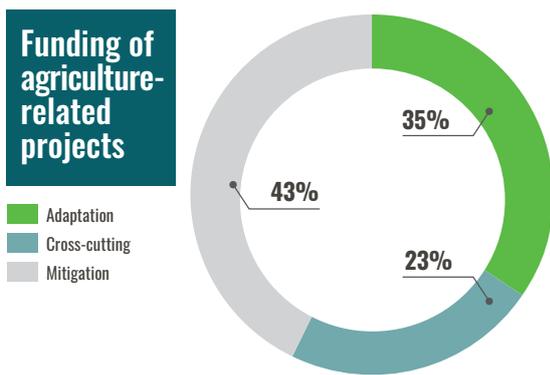
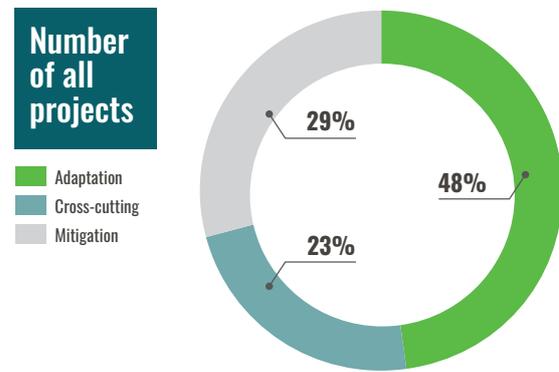
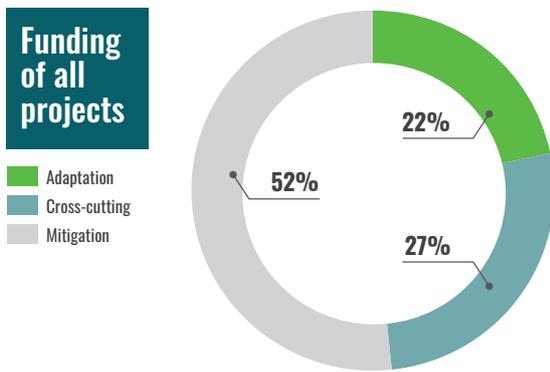
Primarily Agriculture projects linked to one or more Koronivia topics represent 24 percent of the funding for agriculture-related projects and only 12 percent of total GCF funding.

PROJECT TARGET

The analysis of the target of all projects shows that 48 percent of all projects specifically target climate change adaptation, while 29 percent of projects focus on climate change mitigation. The remaining 23 percent of projects have a cross-cutting action, targeting both climate change adaptation and mitigation.

In contrast, the analysis of the funding by target shows that only 22 percent of total GCF funding are devoted to adaptation, while a majority of 52 percent are directed to climate change mitigation projects.

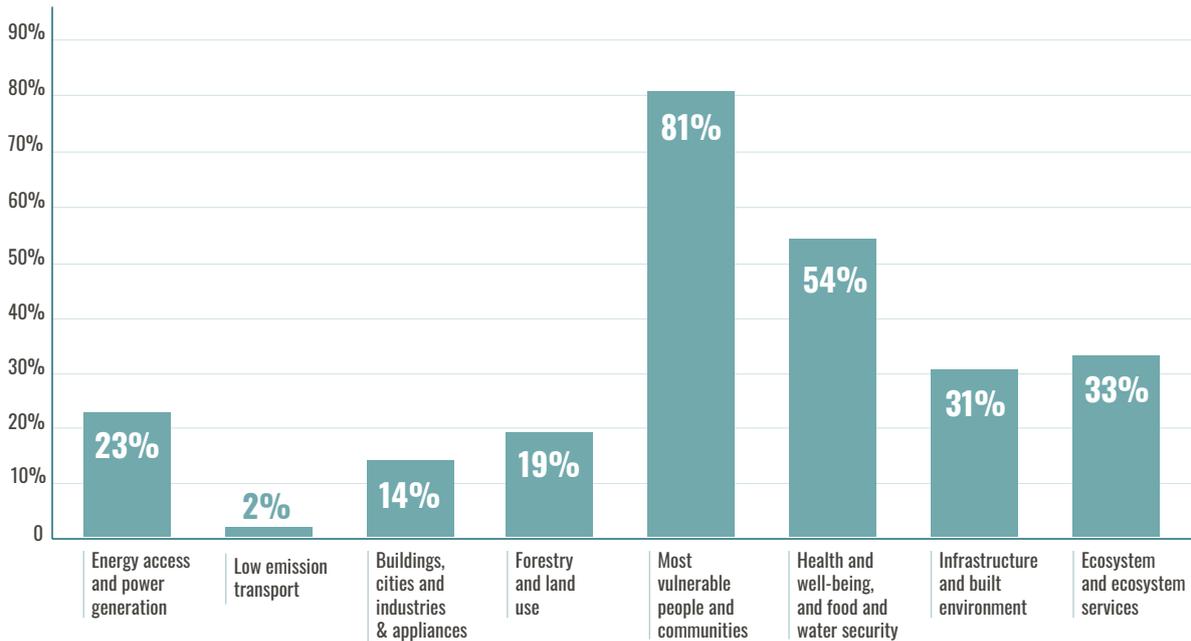
A similar scenario can be observed when considering only agriculture-related projects. While 62 percent of agriculture-related projects focus on adaptation, only 35 percent of agriculture-related funding is devoted to adaptation. Mitigation projects, which total only 15 percent of agriculture-related projects, receive 43 percent of agriculture-related funding.



IMPACT AREAS

The GCF has identified eight impact areas which will deliver major mitigation and adaptation benefits. Out of the 52 agriculture-related

projects, the majority is linked to one or more of the four impact areas related to adaptation.

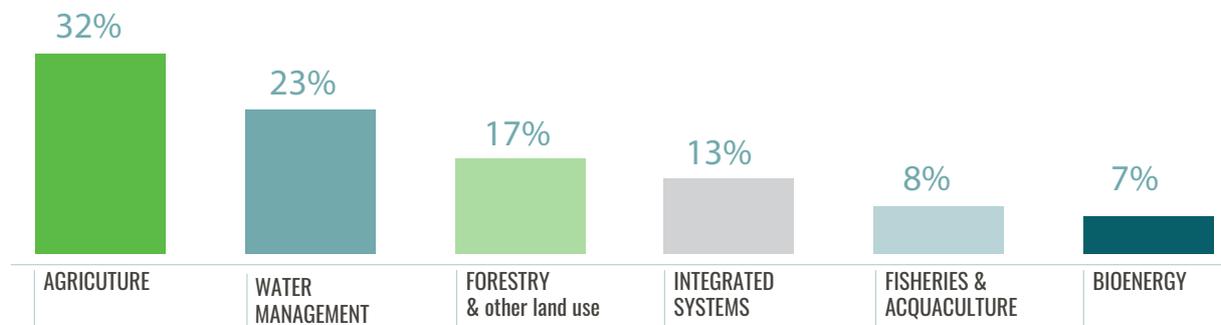


Impact areas of agriculture-related projects

MAIN SECTORS

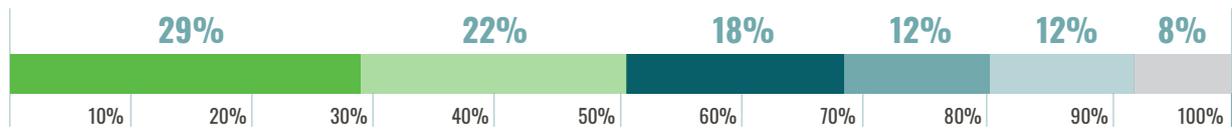
The composition of the agriculture-related cluster shows that agriculture (including crops and livestock) is the most widely represented sub-sector across agriculture-related projects (40 projects, 19 in Primarily Agriculture). In descending order, other sub-sectors covered by agriculture-related projects are water management (23 projects, 14 in Primarily

Agriculture), forestry and other land use (19 projects, 10 in Primarily Agriculture), fisheries and aquaculture (10 projects, 5 in Primarily Agriculture), bioenergy (10 projects, 4 in Primarily Agriculture) and integrated systems (9 projects, 8 in Primarily Agriculture).



Sectors in Primarily Agriculture projects

GEOGRAPHIC DISTRIBUTION³



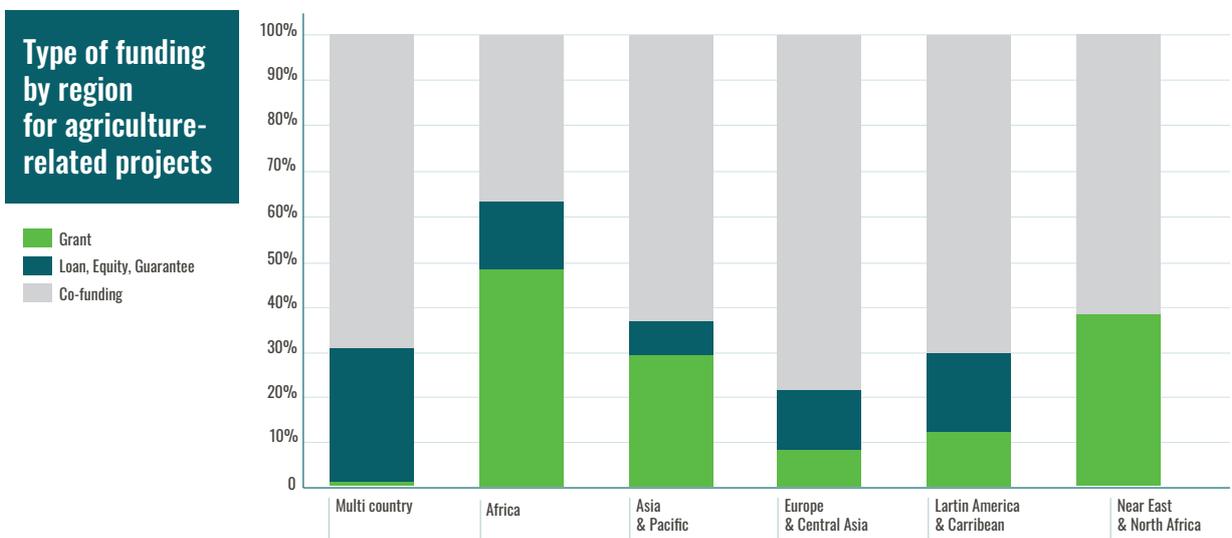
Regional share of funding for agriculture-related projects



Latin America is the region that has attracted the largest funding for agriculture-related projects so far, with 28 percent of the share. It is followed by Asia and the Pacific, multi-country action, Africa, Europe and the Near East. This distribution also reflects the share of the total funding including non-agriculture projects, with the difference that multi-country is the second largest recipient of funding, followed by Asia and the Pacific.

the largest share of funds is allocated to climate change mitigation.

The geographical distribution of type of funding in the agriculture sector, considering all agriculture-related projects, shows very different patterns among regions. In Africa, 64 percent of funding derives from grants and loans (with a share of 50 percent and 14 percent respectively) and 36 percent of the total funding comes from co-funding. Asia and the Pacific is the second



In Africa and the Near East, climate change adaptation projects receive the largest share of funding, while in Asia and the Pacific, cross-cutting projects that address both adaptation and mitigation receive the largest share. In Latin America, Europe and for multi-country projects,

largest recipient of grants with 30 percent of the share, followed by the Near East with 27 percent, Latin America with 15 percent and Europe with 9 percent. On the other hand, loans are particularly important for multi-country action, representing 31 percent of total funding.

³ Geographical distribution considers FAO regional definition.