The role of private sector engagement and systems-level approaches in scaling-up climate ambition and accelerating climate action

Neha Rai, 7th September 2021
Why is the private sector crucial in scaling up climate ambition?

Urgency and need for collaborative action

**IPCC**: reported a grim picture. World expected to surpass global warming levels of 1.5°C in the next decades, unless immediate actions are taken.

**Implications on the agriculture sector are severe**: Agricultural and ecological droughts

**How can the agriculture sector step up?**

- Transformational shift through investments in resilient & low carbon practices
- Agricultural adaptation efforts that prioritise addressing climate risks across commodity value chains, from smallholder farmers to traders and processors
- Investments to address biodiversity loss
- **Collective action is needed both by public sector through de-risking measures, and by private sector through engaging and investing in climate action given the right enabling environment created by governments**
What role can the private sector play?

- Climate-proof business operations and supply chains
- Support climate relevant products and services
- Invest in design, innovation, technologies, R&D
- Investors can finance this transformation
Systems thinking and value chain approaches

Why systems thinking is important in PSE

• A systems approach recognises that climate change affects more than a company’s own operations. It impacts communities, people and the natural environment on which businesses and societies depend.

• All actors involved in food systems – farmers, processors, traders, manufacturers, retailers, financiers – need to commit, connect and collaborate.

• Climate ambition can only be met if we combine technological solutions with transformative systems change.

• **Value chain approaches represent a systemic approach to risk management** – they help **analyse and address** climate change risks at different stages during and beyond production and identify leverage points for transformative climate interventions. They take into account multiple, interconnected drivers e.g. by assessing gendered dimensions of risk and vulnerability and addressing needs through gender-responsive actions.
A value chains approach to assessing and managing climate risks

Climate risks will affect availability of agricultural commodities and raw materials for production

Producer

Productivity loss reduce demand for inputs

Processor

Climate risks will cause disruptions to networks affecting delivery times, causing production losses

Trader

Increase in prices, and risks of food insecurity

Retailer

Customer

Farmers food security and livelihoods dependent on production
Objective: support countries to translate their NDC and/or NAPs into actionable and transformative climate actions in land-use and agriculture with multi-stakeholder engagement.

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Implemented by **UNDP & FAO**

Funded by **IKI**

- **12 countries**
- **20 million euros**
- **2020-2025**