Family Farmers for Climate Action.

How to get climate finance directly to farmer organisations

ABOUT US

Family Farmers for Climate Action (FFCA) is a growing network of 11 Global South regional and international family farmer organisations representing over 50 million producers from over 90 countries across Africa, Asia, Latin America and the Pacific.

We are calling on governments and funders – public and private – to recognise the critical role family farmers play in building sustainable and climate-resilient food systems.

This briefing outlines our key demands to reform food systems as a major component of national and international climate action. Using surveys and consultations with leaders and experts from 10 family farmer organisations, it addresses the barriers hindering our access to finance and preventing our engagement in policy development and financial decisions. It includes specific recommendations for how different stakeholders, including governments, multilateral organisations and financial institutions, can meet our demands.

1. Introduction

Family farming is a system of agricultural, forestry, fisheries, pastoral and aquaculture production that is managed and operated predominantly by families using family-based labour. Family farmer organisations function at the grassroots and district, national, regional and international levels, to represent a diverse group of farmers – including women, youth and Indigenous Peoples – within member-based, democratic structures.

There are over 600 million family farms across the world. Of these, 570 million (84%) are smallholdings of less than two hectares. Family farmers in our network include small-scale producers like this, as well as families farming on larger areas of land. We are united by our family farming model, with our organisations providing critical services to our members such as technical support, advocacy, cultural services, knowledge sharing and access to finance. For instance, we promote savings groups and manage financial cooperatives, providing accessible, locally-tailored and trust-based financial mechanisms that improve farmers' livelihoods.

Family farmers play a critical role in addressing the climate crisis – both in adaptation and mitigation – through the use of resilient agricultural practices, including agroecology.

We define sustainable, climate-resilient agriculture through three key pillars: boosting soil health, enhancing biodiversity and creating diverse income streams. These practices help tackle and adapt to climate change by reducing emissions, storing carbon in soils and plants, preserving biodiversity and developing drought- and heat-tolerant crop varieties.

However, although we are on the front lines of the climate crisis and play a key role in national, regional and global supply chains, family farmers receive very little support.

2. Key Challenges

Family farmers are already implementing many of the solutions the IPCC has highlighted as necessary for building sustainable food systems – increasing climate resilience, enhancing food security and supporting rural economies. Yet, our critical role is often overlooked. When excluded from decision-making processes at local, national, regional and international levels, family farmers are denied access to the kind of funding and policy support that aligns with local needs and contexts.

Current climate finance flows are not getting directly to family farmer organisations. Funds allocated for sustainable agricultural practices are also far behind. In 2021, small-scale family farmers received just 0.3% of international climate finance – a fraction of the US$368 billion that we are already spending on climate adaptation out of our own dwindling resources. In the same year, only 19% of international public climate finance for agriculture, forestry and fishing was directed towards sustainable and resilient practices. The key barriers to direct access to finance at subnational, national and international levels are:

- **Lack of inclusion and limited participation of family farmer organisations in decision-making processes**, and in the design of funds and their objectives;
- **Complex and time-consuming application processes for global funds**, with high transaction costs for family farmer organisations;
- **Limited awareness among governments and funders about the governance systems of farmer organisations** and their role in delivering climate finance at the grassroots level;
- **A short-term approach to international finance** that is unsuitable for the agricultural sector – where changing practices and policies require significant time – leading to unrealistic expectations for impact monitoring. Additionally; failure of financial products to meet the specific needs of family farmers, such as the seasonality of agricultural income and investment cycles;
- **Uncertainty on land tenure at both the national and local level**, making it challenging for organisations to invest in food or fibre production;
- **Lack of suitable regulatory frameworks** and lengthy formalisation requirements, meaning farmer organisations struggle to be recognised as official entities and are prevented from becoming credible partners for financial institutions and governments;
- **Lack of resources within regional farmer organisations** to improve financial literacy for some farmer organisations at the local level.

3. Our Demands

Building sustainable and resilient food systems capable of feeding people while combating the challenges of climate change cannot be achieved without us.

It is essential that governments, donors, financial institutions and investors **recognise the unique role of family farmers**. They can support our efforts to unlock our full potential and drive a transformative shift in food systems through:

i. Recognition and meaningful engagement of family farmer organisations in decision-making;
ii. More and better finance for family farmers through our organisations;
iii. Increased climate finance for sustainable, climate-resilient agricultural practices.

i) Recognition and meaningful engagement of family farmer organisations in decision-making

Key recommendations for governments

- **Ensure family farmers, and their organisations, are involved in decision-making from the outset** – including policy development and investment decisions – through:
  - Ensuring that family farmers have the right information and data to be part of a meaningful and timely decision-making process;
  - Organising information and awareness-raising meetings on political and financial mechanisms;
  - Making funds available to convene meetings and consultations;
  - Supporting robust feedback mechanisms to international policies and programmes;
- **Include farmer organisations in research and development** on any topic related to food systems and climate change issues;
- **Ensure the voices of women and youth farmers are heard in policy platforms**;
- **Build legal frameworks that are suitable for farmer organisations**, especially around land tenure and access to support services.

The Togolese Coordination of Farmers' Organizations and Agricultural Producers (CTOP) brings together 20 producer groups with over half a million members.
CTOP has facilitated dialogues with the Ministry of Agriculture and succeeded in ensuring that proposals from family farmers are included in key policies – including the draft National Agricultural Framework Law, Togo's planned National Strategy for Agroecology and Organic Farming, the development of agro-industrial processing units, and the regulations for implementing the land and real estate code that was approved in 2018.

ii) More and better finance for family farmers through our organisations

Key recommendations for public and private financial institutions (banks, traders, investors, insurance companies, etc.) **including the Global Environment Facility (GEF) and the Green Climate Fund (GCF)**

- **Ensure direct access to finance for family farmer organisations** – with no intermediaries – allowing for direct redistribution to family farmers at the grassroots level through our memberships;
- **Enable the involvement of family farmer organisations in the design of climate funds** to ensure they address specific needs and challenges;
- **Increase the scale of funding directed to family farmers and design specific mechanisms for direct grants**, including payments for ecosystem services;
- **Increase the length of investments through longer term and predictable funding** (from 1-4 years to 10 years or more), which is particularly important for tree-based crops and agroforestry;
- **Set clear financial targets and provide accountability indicators** to monitor how much climate finance reaches farmer organisations and to measure progress;
- **Simplify financial application processes and provide technical assistance** to family farmer organisations on how to comply with requirements and submit proposals;
- **Improve transparency and efficiency** by making funding application and approval timelines shorter and clearer, and by ensuring the timely disbursement of funds;
- **Ensure that family farmers benefit from effective, equitable and accessible climate insurance** for their crops and small businesses to tackle the impacts of extreme weather events;
- **Offer lower interest rates** to family farmer organisations to encourage investment in sustainable practices and economic diversification;
- **Reconsider repayment methods to support long-term planning**, as integrating tree crops in farming enhances climate resilience, sequesters carbon and promotes biodiversity, but reaping the benefits of trees takes much more time and farmers need to have an enabling financial environment to plan long term;
- **Increase investment in diverse crop and tree production at the farm level** to create a supportive financial environment for farmers, rather than focusing solely on post-harvest;
- **Consider innovative financial measures that are suitable for farmer organisations**, including new types of collateral for asset-based lending.

Key recommendations for governments

- **Support and facilitate direct access to finance** through inclusive financial and business support services, and by establishing market linkages for under-utilised native crops;
- **Prioritise investments in projects driven by family farmer organisations** to ensure that financial resources are directed towards sustainable and impactful initiatives that suit local needs;
- **Ensure that family farmers benefit from effective, equitable and accessible climate insurance** for their crops and small businesses to tackle the impacts of extreme weather events;
- **Invest in capacity-building initiatives to empower financial cooperatives** to drive food systems transformation and climate action;
- **Support family farmers and small and medium businesses** by implementing preferential government purchasing policies, subsidies, tax breaks and revolving funds to help them compete with large-scale agriculture and foreign companies.

In Guatemala, the Federation of Cooperatives of the Verapaces, or Fedecovera, supports 100,000 people. It provides access to credit from banks such as Banrural, operates its own credit programme financed by accumulated savings, and connects members to incentive programmes. These incentives are crucial, as conventional loan finance mechanisms are often unsuitable for agroforestry projects due to the lengthy time needed for trees to mature and become viable for loan repayment.

To encourage tree-based businesses in Mozambique, government credit programmes have extended repayment periods to 5-10 years. Adjustments of this sort, including the introduction of grace periods, can be make or break in terms of access to credit for a forest and farm producer organisation (FFPO).

iii) Increased climate finance for sustainable, climate-resilient agricultural practices

Key recommendations for governments and financial institutions

- **Increase the scale of finance and ensure direct financial support towards climate-resilient practices** that safeguard nutrition and biodiversity;
- **Engage meaningfully with family farmer organisations to develop policies and interventions** that support the transition to sustainable agriculture and align with local needs – including equipping family farmers to co-develop research and innovation, rather than merely transferring technology;
- **Increase policy and financial support to diversify on-farm income** by ensuring family farmers have greater financial independence and value-added opportunities while enabling them to respond to demand from consumers.

In Cameroon, the Concertation Nationale des Organisations Paysannes au Cameroun (CNOP-CAM), operates a revolving loan fund through a farmer cooperative that offers low-interest loans to its members to support them in implementing agroecology solutions. In partnership with the government, NGOs, and with support from the Agroecology Fund since 2021, CNOP-CAM focuses especially on women and young farmers. A second grant in 2023 helped establish a dedicated fund to enhance credit access for women farmers, with the aim of increasing agroecological production, building technical skills and supporting product commercialisation.

4. Road to COP30

The 30th Session of the Conference of the Parties (COP30) set to take place in Brazil in 2025 is a major opportunity to accelerate climate action while elevating the voices of family farmers worldwide. Hosting COP30 in the heart of the Amazon will spotlight critical climate and biodiversity threats, as well as the solutions that family farmers are implementing to tackle and adapt to the severe impacts of climate change.

Holding policy-makers to account in the run up to COP30 will be vital to ensuring that food systems, agriculture and food security remain high on the agenda, and that food systems are fully integrated in national climate pledges – called Nationally Determined Contributions (NDCs).

COP29, hosted in Azerbaijan in November 2024, is key to maintaining pressure on decision-makers in the lead-up to COP30. Governments will need to demonstrate how they are following up on the outcomes from the first Global Stocktake (GST) concluded at COP28 – a process for monitoring progress agreed by countries in the Paris Agreement – and how they are in alignment with pathways that limit global average temperature rise to 1.5°C.

COP29 will also set the stage for crucial discussions on the climate finance needed to support developing countries and local communities in tackling and adapting to the climate crisis. A strong commitment at COP29 could pave the way for accelerating climate action at COP30, while helping to emphasise the importance of integrating family farmers in political decisions and supporting them in the transition to sustainable food systems.

Key recommendations for UNFCCC / parties / governments

- **Ensure that food systems, agriculture and food security remain high on the political agenda** at COP29 and COP30;
- **Integrate sustainable food systems in national climate plans** such as Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and National Biodiversity Strategies and Action Plans (NBSAPs);
- **Ensure that the new climate finance goal New Collective Qauntified** (NCQG) – to be negotiated at COP29 – **recognises the scale of the need for finance to support food systems transformation** and focuses on support for agroecology and small-scale food producers in the Global South;
- **Ensure the Global Goal on Adaptation** – a critical framework to set targets for what good adaptation looks like – will be enhanced at COP29 with the addition of specific, quantified, measurable targets and indicators that **address the needs of family farmers** and ensure the transition to sustainable food systems.

Family Farmers for Climate Action is an alliance of family farmer organisations representing over 50 million producers from Africa, Asia, Latin America and the Pacific.

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