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SCALA private sector engagement strategy

Scaling up Climate Ambition on Land Use
and Agriculture (SCALA)

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Acronyms

AFOLU	agriculture, forestry and other land use
BMU	German Ministry of Environment, nature conservation and nuclear safety
BSR	Business for Social Responsibility
CDKN	Climate Development and Knowledge Network
CDP	Carbon Disclosure Project
CIF	Climate Investment Funds
EBRD	European Bank for Reconstruction and Development
FACS	Food and agriculture commodity system
FAO	Food and Agriculture Organization of the United Nations
GAA	Global Agribusiness Alliance
GAFSP	Global agriculture and food security program
GCF	Green Climate Fund
GHG	greenhouse gas
GSA	global support areas
IFC	International Finance Corporation
IKI	International Climate Initiative
IPCC	Intergovernmental Panel on Climate Change
LU	land use
MDBs	multilateral development banks
MNCs	large enterprises and multinational corporations
MSC	multi stakeholder consultations
MSMEs	micro, small and medium enterprises
NAP	national adaption plan
NDC	nationally determined contribution
PREP	Partnership for Resilience and Environmental Preparedness
PS	private sector
PSE	private sector engagement
SCALA	Scaling up Climate Ambition on Land Use and Agriculture through NDC and NAP
SDGs	Sustainable Development Goals
TFA	Tropical Forest Alliance
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
WBCSD	World Business Council for Sustainable Development

1. Purpose of the private sector engagement strategy

This strategy outlines the approach of the [Scaling up Climate Ambition on Land Use and Agriculture through NDC and NAP \(SCALA\)](#) programme to enable private sector engagement (PSE). One of the core objectives of SCALA is to catalyse the private sector in delivering climate solutions aligned with nationally determined contributions (NDC) and National Adaptation Plans (NAP) across agriculture and land use sectors.

This strategy has been developed to articulate the background, guiding principles and framework that informs potential country level and global activities related to PSE. In addition, it illustrates what these activities are and provides details on expected outcomes related to PSE across the different SCALA countries given their varying contexts and experience with PSE in the relevant sectors. Finally, the strategy highlights the PSE-related tools and methodologies that will be available for countries to support them in achieving their goals under the SCALA programme.

2. Background

The joint Food and Agriculture Organization of the United Nations (FAO) and United Nations Development Programme (UNDP) **Scaling up Climate Ambition on Land Use and Agriculture through NDCs and NAPs (SCALA)** programme is designed to support transformative climate action in the land use and agriculture sectors to reduce greenhouse gas (GHG) emissions and/or enhance removals, as well as strengthen resilience and adaptive capacity to climate change in SCALA partner countries. Its specific objective is for countries to translate their NDC and/or NAPs into actionable and transformative climate solutions in land use and agriculture with multi-stakeholder engagement. It emphasizes collaboration between the public and private sectors to drive implementation and addresses several cross-cutting issues.

Funded by the German Ministry of Environment, Nature Conservation and Nuclear Safety (BMU) through its International Climate Initiative (IKI), SCALA provides in-depth support to 12 countries in Africa, Asia, and Latin America from 2020–2025 (Argentina, Cambodia, Colombia, Costa Rica, Cote d'Ivoire, Egypt, Ethiopia, Mongolia, Nepal, Senegal, Thailand, and Uganda). It will also simultaneously provide both targeted support and promote knowledge sharing across a wider selection of non-programme countries through a technical assistance facility that is focused on private sector engagement. SCALA's national level work is linked to global activities and the global action plan will draw from national priorities and objectives. The objectives of SCALA will be achieved through three outcomes with the private sector (PS) strategy designed under Outcome 3 (figure 1):

FIGURE 1 SCALA Outcomes



SCALA will enable private sector engagement by integrating private sector inputs to identify, appraise and implement transformative actions proposed in NDCs/NAPs. This will be done by facilitating multi-stakeholder engagement and collaboration between the public and private sector, strengthening the evidence base to build

the business case for private sector engagement in climate action, and addressing barriers and catalyzing private investment through public de-risking instruments.

BOX 1 Definition of the private sector under SCALA

The term ‘private sector’ encompasses a range of actors. Each SCALA country will identify the type of private sector actors it wishes to engage with from the groups identified in figure 2. Different actors will have different roles to play under the programme and will be targeted based on their relevance to the various activities and interventions. SCALA defines the private sector as:

FIGURE 2 State-owned enterprises



This definition is based on FAO and UNDPs definitions of the private sector under their private sector strategies. To effectively engage the private sector in low-carbon and resilient agriculture they must be understood and approached in nuanced ways. Private sector entities will have different risk and capacity profiles. Private sector actors can also be categorized by their interest and relevance to climate action in agriculture and land use sectors. For example, private sector entities can be companies:

- **that contribute** to climate change and are responsible for unsustainable practices;
- **that are vulnerable** to climate change and require adaptation support to ensure stability;
- **that are solution providers** who help design, innovate, or deliver solutions; and
- **that seek capacity support** to transition to climate-smart practices. These are generally small companies in domestic markets that struggle to assess climate risks and lack means to engage.

SCALA will seek to work with these different kinds of private sector actors based on relevant entry points and their incentives to collaborate.

3. Rationale

3.1 WHY SHOULD GOVERNMENTS PARTNER WITH BUSINESSES ON NDCs/NAPs?

By working with the private sector, public sector climate change interventions can target changes at multiple entry points in the agri-food system. For example:

The private sector can be a source of finance for climate action in the agriculture and land use sector: The Intergovernmental Panel on Climate Change (IPCC) estimates climate finance needs to range from USD 1.6 trillion to USD 3.8 trillion annually between 2016 and 2050 to address the climate crisis. However, climate finance flows averaged USD 579 billion annually as of 2018, with private actors representing approximately USD 326 billion of the share (56 percent). Although the agriculture, forestry, and other land use (AFOLU) sector is particularly vulnerable to climate change impacts, public climate finance allocation in this area is disproportionately low,

representing only 22 percent of total climate finance in 2019 (FAO, 2021). In terms of private finance flows, this sector has been even more marginalized, with 85 percent allocated to renewable energy, 14 percent to low-carbon transport, and under 1 percent to all other sub-sectors, including AFOLU (World Bank, 2016). There is a major financing gap for AFOLU sectors, and scope for a more substantial role to be played by the private sector given the emerging investment opportunities in this space. NDCs and NAPs offer direction and policy signals for financiers and businesses in search of investments in climate relevant markets (NDCP, 2019). Hence, private companies can be a source of finance for implementing adaptation and mitigation options or by partnering with government interventions to accelerate NDC implementation (GCF, 2017; Crawford and Church, 2019).

Private sector actors can help implement NDC/NAP priorities: The private sector is a critical source of expertise, financing, networks and innovation in supporting climate action. Given the right incentives, businesses can be effective executors of adaptation and mitigation priorities outlined in NDCs and NAPs and also provide the necessary financing. They can implement actions that make their operations and supply chains more resilient to climate risks. They can also finance and invest in the design, innovation and proliferation of climate-relevant goods and services, such as efficient irrigation systems, climate-resilient crop varieties and weather index-based insurance schemes (Crawford, A, *et.al*, 2020). For governments, the inclusion of businesses in planning and implementation processes will improve the costing and monetization of climate actions (AC, 2019). Engagement of the private sector in the planning stages can help identify and implement solutions to climate problems contributing to early adoption of climate-smart practices and steering climate markets (UNEP, 2019).

In many countries where there are sufficient financial incentives and opportunities, businesses are already actively contributing towards climate action priorities. The Business and Sustainable Development Commission (2017) has estimated that sustainable and innovative business models could open economic opportunities worth nearly USD 2.3 trillion in the food and agriculture sector. Estimates also show that climate adaptation solutions could result in USD 236 billion in not of increased revenue for businesses across the globe, based on a survey by Carbon Disclosure Project (CDP, 2019). Considering the increasing entry points for private sector engagement, governments should seek to coordinate with ongoing and upcoming efforts of businesses to meet climate action goals (Section 5.4 further elaborates why businesses would see an incentive to engage in climate action).

3.2 BARRIERS TO PRIVATE SECTOR ENGAGEMENT

The NDCs and NAPs can be instrumental in creating enabling policy and regulatory environments and investment plans for increasing private sector participation in agriculture and land use sectors for climate action. However, the private sector is not sufficiently engaged in climate action in part due to several major barriers. Below, we describe some of these barriers and how SCALA will address these to enable increased private sector engagement.

Barrier 1: Limited private sector engagement in NDC/NAP planning processes. It is a key deterrent for private sector implementation of climate priorities. A recent World Bank report highlights inadequate institutional arrangements for multi-stakeholder and multisectoral planning as a major barrier for private sector engagement (World Bank, 2020). Implementation challenges partially stem from a perceived gap in the alignment of their objectives. Additionally, public-private collaboration in agriculture is often limited due to factors, such as companies' concern about the ability of governments to create strong enabling environments, lack of political will, lack of coordination and lack of incentives (UNDP, 2019a). A cursory review of NDCs of 12 SCALA countries reflects the limited engagement of private sector actors in shaping the climate plans of many countries, with three SCALA countries (Mongolia, Cambodia, and Thailand) having no mention of the private sector in their first NDCs (FAO, 2021). The private sector's lack of involvement in determining climate priorities at a policy level leads to information asymmetries and a lack of understanding of how they can implement recommended actions as part of their operations (Adaptation Committee, 2019).¹

The PSE approach under SCALA will address this barrier by involving the private sector in defining climate priorities at a policy level. This will help foster ownership and companies' understanding of how to incorporate additional NDC- or NAP-recommended actions into their existing operations using a multi-stakeholder approach.

¹ Private sector and government participants inputs into Adaptation Committees workshop on "Fostering engagement of the agri-food sector in resilience to climate change" took place in Geneva, Switzerland from 29-31 October 2018.

Barrier 2: Limited understanding of climate risks and business opportunities. According to the World Economic Forum's 2020 Global Risks Report, climate change is ranked the number one business risk, while climate-related issues dominated all the top five long-term risks in terms of likelihood (WEF, 2020). Although larger businesses are increasingly aware of the threats posed by climate change, smallholder farmers and agriculture sector micro, small and medium enterprises (MSMEs) tend to be less informed about impending climate risks. This is primarily because the information on climate risks and uncertainties is sometimes unavailable, inaccessible, or incomprehensible for these actors (including in the context of short-term timelines that govern their business operations), making it difficult for them to incorporate climate risks into their planning and decision-making processes (GCF, 2017; World Bank, 2020). Moreover, in countries with limited climate information infrastructure and dissemination capacity, this lack of knowledge can also affect larger businesses and limit their investments in climate risk management due to uncertain risk-return assessments. A lack of information also limits the viability of effective risk management solutions, such as weather-index based insurance products, reducing business opportunities and entry points for private sector participation.

SCALA will seek to address this barrier by enhancing the generation and dissemination of actionable climate risk-related business intelligence to spur greater engagement from the private sector. It will do so by developing targeted studies that cover information gaps currently inhibiting PSE, based on NDC/NAP priorities and private sector interests. These studies could involve value chain analyses, market studies and sector specific climate risk analyses among others, all with the overarching goal of plugging information gaps that are holding back climate resilient investments (see relevant tools in Annex 3).

Barrier 3: Risks and insufficient commercial incentives. Despite the consensus on the extreme risks posed by climate change, private sector investment in climate action remains hugely inadequate in large part due to a lack of strong financial incentives. In many cases, climate action requires new investments over what otherwise would be required if climate change did not pose risks. Some investments that are required for climate change risk management can have large upfront costs, long payback periods and exposure to climate-based uncertainties. Banks, other financial intermediaries and certain agri-businesses, recognizing unfavorable risk-return profiles, might hesitate to invest in such activities, spend the time and resources to develop viable financial instruments to do so, or explore bankable investment opportunities. In the agriculture sector, smallholder farmers and MSMEs in particular struggle to obtain financing for resilient investments given constraints in raising the necessary collateral, lack of credit history and uncertainty around the effective deployment of capital and projected agricultural production. In addition, knowledge of and access to alternative types of financial instruments that can adjust the risk-reward profile of adaptation investments and incentivize financial institutions to support climate risk management measures might be inaccessible or beyond the capacity of MSMEs (CTA, 2018).

Addressing all the elements that limit private financing of resilient agriculture sector investments is outside the scope of SCALA. For instance, the program will not directly increase access to finance for smallholder farmers. Rather, SCALA will play a role in addressing the financing barrier by identifying public sector de-risking measures that target policy and regulatory barriers to private investment, with the aim of crowding-in private investment to support NDC/NAPs to meet both adaptation and mitigation targets.

Barrier 4: Lack of pipeline for marketable projects among NDC and NAP priorities. While the private sector is beginning to see the impacts of climate change on the value of their investments, they lack opportunities and investable ideas that are of adequate scale and that offer risk adjusted returns for their investment. There is a substantial amount of work yet to be carried out to quantify and cost NDC and NAP priorities and to identify actionable and bankable interventions.

SCALA will address this barrier by identifying a pipeline of relevant investment opportunities and developing project concept notes that aim to de-risk and catalyze private sector investment through publicly funded technical assistance.

The focus of SCALA's private sector-related interventions have emerged from the recognition of the above barriers. The identification of these barriers has been based on both an understanding of existing conditions in SCALA countries, and on the priorities of various climate funds that have established dedicated private sector windows to address businesses barriers to climate action. These climate funds include the Green Climate Fund's (GCF) private sector facility, which aims to overcome policy and regulatory barriers, barriers that affect access to climate

finance and local markets, affordability and technology barriers and knowledge barriers by providing targeted support for MSMEs and institutional investors (GCF, 2017).

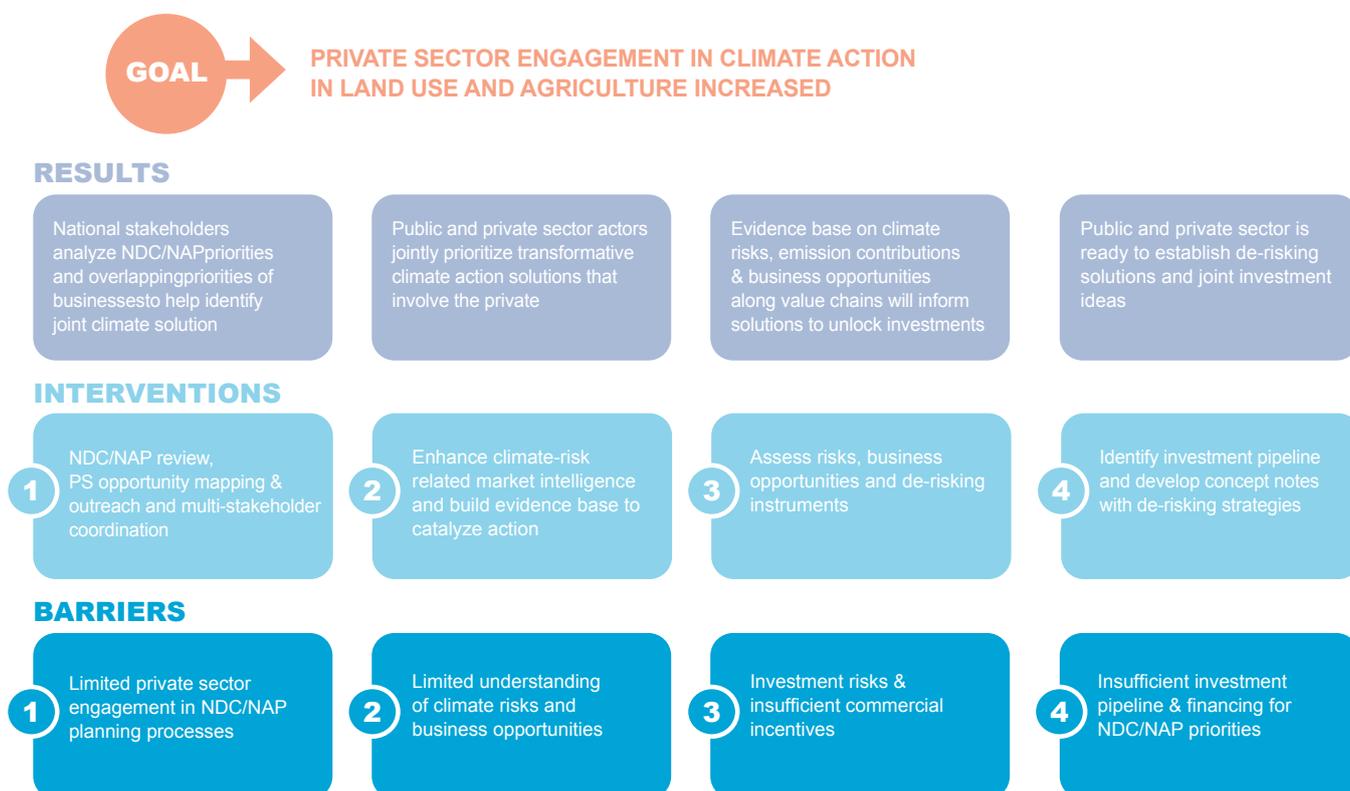
The World Bank hosts the Climate Investment Funds (CIF), which is another dedicated window for engaging the private sector in transformative climate solutions. The CIF highlights several barriers for PSE including lack of climate risk and vulnerability information, inadequate institutional arrangements for multi-sectoral and multi-stakeholder planning, and insufficient commercial incentives. Operational lessons emerging from CIF and other funds signal the importance of using tools for business risk assessments, technical assistance, and market studies to address private sector knowledge gaps, and the role of intensive, collaborative work with other stakeholders to help mitigate project risk and scale successful investments (CIF, 2016). These barriers and lessons learned from both in-country conditions and the experiences of existing PSF windows have been instrumental in devising SCALA's PSE strategy to ensure that climate interventions are implemented with key partners.

4. SCALA's private sector engagement strategy impact pathway

4.1 IMPACT PATHWAY

SCALA's PSE impact pathway is based on the following rationale - **to support transformative climate solutions to be implemented and scaled up in the land use and agriculture sector, it is essential to engage the private sector by removing barriers for their engagement.** Below is a diagram highlighting this impact pathway, informed by the barriers and interventions discussed above.

FIGURE 3 SCALA PSE Strategy impact pathway



4.2 GUIDING PRINCIPLES OF THE PRIVATE SECTOR ENGAGEMENT STRATEGY

To achieve the impact pathway goal, SCALA's private sector engagement strategy will be guided by the following principles:

- **Aligning with NDC/NAP priorities.** Ensuring that private sector engagement reflects country needs and commitments.
- **Prioritizing MSMEs and local markets.** Targeting needs of private sector actors that are most vulnerable to climate risks and have least access to finance and climate information.
- **Engaging global and national climate champion companies.** Engaging these actors as solution providers or enablers of change.
- **Applying a systems lens to transformational climate solutions.** Engaging the private sector through cross-sectoral, systems-level analyses to identify and co-create transformative climate solutions.
- **Incorporating gender responsiveness.** Ensuring private sector engagement actively integrates gender considerations.
- **Promoting shared learning and peer-to-peer exchange.** Identifying shared challenges across different countries and enabling peer-to-peer learning.
- **Prioritizing both mitigation and adaptation opportunities.** Ensuring private sector engagement is strengthened for resilient land use and agriculture practices along with mitigation actions.
- **Catalysing and leveraging existing initiatives.** Building on existing initiatives - within sectors, countries and globally - and partnering with existing initiatives and organisations.

5. Private sector engagement approach and methodology

5.1 APPROACH TO PRIVATE SECTOR ENGAGEMENT

In addition to being shaped by the guiding principles mentioned above, SCALA's approach to PSE will also be informed by the implementing agencies FAO and UNDP's existing PSE strategies and knowledge products. The SCALA programme recognizes that successful PSE will require collaboration with the private sector at each stage of the programme.

ENGAGING THE PRIVATE SECTOR AT EACH STAGE OF PROGRAMME IMPLEMENTATION

By engaging with private sector actors from the onset and convening a diverse range of stakeholders at each step of the program, SCALA will avoid the common programmatic pitfall of shoehorning the private sector at a late stage. Instead, the proposed approach will treat the private sector as an indispensable stakeholder in the planning, design, and implementation stages, increasing the probability and effectiveness of their engagement by understanding their interests and aligning them with program objectives, where mutually beneficial outcomes are possible.

- Under **Outcome 1**, the private sector will play an instrumental role during the identification and assessment of transformative climate actions under NDC/NAPs that can attract private investment, and their engagement will ensure there is a consensus on the prioritization of these actions.
- **Outcome 2** will involve the participation of the private sector as an integral part of multi-stakeholder planning, coordination, and systems leadership processes. This will include discussions on NDC/NAP priorities, which will help synchronize public and private investments to support climate action.
- **Outcome 3** will focus on understanding barriers and risks to private sector investment and identify appropriate de-risking instruments to catalyze private finance for climate action priorities. It will also involve fostering partnerships between the public and private sectors based on previously identified private sector engagement opportunities that align with NDC/NAP priorities. Finally, this outcome will also provide PS-oriented technical assistance in selected non-SCALA countries based on lessons learned under SCALA.

ALIGNMENT WITH FAO AND UNDP PRIVATE SECTOR STRATEGIES

SCALA's overall PSE approach aligns with [FAO's private sector engagement strategy](#) (2021-2025), which aims to strengthen strategic partnerships with businesses, as well as scale up and steer all private efforts to support and scale up innovation, promote investments, mobilize scientific expertise, generate data to achieve sustainable development goals based on shared resources, networks, knowledge and technologies. It also builds on [UNDP's private sector strategy](#) (2018-2022), which focuses on supporting governments to establish enabling policy and regulatory environments while facilitating multi-stakeholder partnerships and providing technical assistance to de-risk private investments to achieve the Sustainable Development Goals (SDGs).

LEVERAGING EXISTING UNDP AND FAO KNOWLEDGE PRODUCTS ON PSE

SCALA will leverage the technical knowledge and experience of both implementing agencies in engaging the private sector and seek to apply several PS-focused knowledge products. The program will work closely with FAO's Hand-in-Hand Initiative, which is an innovative business model through which partners across the public, private and other sectors can work together to end poverty and hunger and build prosperity in [developing countries](#).

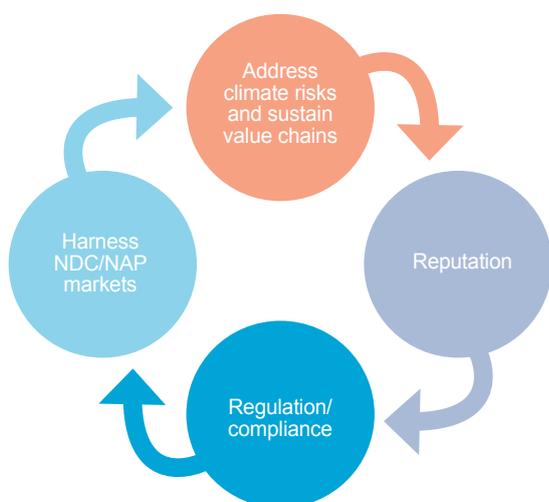
FAO will harness its Trade and Market division support in using the OECD-FAO guidance for responsible agricultural supply chains (OECD/FAO, 2016) and carbon accounting tools for sustainable land management to help agri-businesses and investors identify and mitigate the adverse impact of agricultural practices. In addition, SCALA's approach will apply multi-stakeholder engagement tools developed by UNDP's Green Commodity Programme, and orient SCALA's activities around de-risking on UNDP's Operational Framework for de-risking private sector investment.

Another key tool for conducting value chain analyses is UNDP-FAO's flagship Toolkit for [Value Chain Analysis and Market Development Integrating Climate Resilience and Gender Responsiveness](#) (see Annex 3 for a detailed list of tools). In applying these tools, the program will simultaneously develop the evidence base for and provide guidance to participating countries to effectively engage with the private sector.

5.2 CAPITALISING ON PRIVATE SECTOR'S MOTIVATION TO COLLABORATE ON CLIMATE ACTION

Before moving to specific PSE-related interventions under SCALA, it is important to highlight what drives private sector participation in climate action in the agriculture and land use sectors. These incentives are described below.

FIGURE 4 Private sector motivation



COMPANIES SEEKING TO ADDRESS CLIMATE RISKS

Many agri-businesses face significant climate risks both in their direct operations and in their supply chains. Risks can be both physical and transitional.² A wide range of companies are choosing to invest in climate action with the intention of managing and reducing the costs and risks associated with climate change.

SCALA will work with companies seeking to make their supply chains and operations resilient. SCALA will also work with governments to help companies identify climate risks, enhance risk assessment mechanisms, and convene private sector actors to discuss shared risks and opportunities. The increasing severity of climate risks demands more innovative business models, as 'business as usual' models will no longer be adequate (International Business Leaders Forum, 2012).

² Physical risks are direct risks due to changes in weather and climate. Transition risks arise from changes in policy due to transition to low carbon and resilient economy

SCALA aims to work with businesses and governments to identify and harness innovative business opportunities that address the systemic challenges that climate change poses (see SCALA-based example in Box 1). Companies are also seeking to reduce risks through carbon management measures, which also promote resource efficiency and limit the excessive use of potentially unsustainable inputs, such as fertilizers.

BOX 2 Example of companies working with smallholder farmers to reduce supply chain risks

Companies such as Olam, Mars, etc. are working with subsidiary companies to enable climate-smart agriculture practices amongst farmers. For example: in Cote d'Ivoire MARS has partnered with E.Com to provide extensive agribusiness training to cocoa farmers and cooperatives to invest in climate-smart practices. Olam is working with coffee farmers to become more resilient to climate change and maintain coffee yields in Uganda by following an approach that breaks down climate smart practices into several steps thus making it affordable for farmers to adopt climate resilient practices in different stages.

Source: Preliminary private sector mapping in SCALA countries.

COMPANIES SEEKING TO SEIZE CLIMATE-BASED BUSINESS OPPORTUNITIES

Countries embarking on a roll-out of NDC priorities can provide relevant private sector actors with a pipeline of investment or engagement opportunities. Climate change is creating markets for climate relevant products and services or what Oxfam (2009) calls an “adaptation marketplace”. For example, in the agriculture sector, climate and drought resilient seeds, drip irrigation technology and weather-index based insurance are amongst many opportunities that have emerged for businesses (AC, 2019). SCALA aims to engage with companies seeking to invest in new products and services needed to deliver adaptation and mitigation priorities as outlined in NDC/NAPs. The program will help governments identify some of these climate resilient goods and services for the purpose of implementing the NDC/NAPs and communicate these needs to the private sector. SCALA will also help in surveying members of the private sector to better understand which climate-resilient goods, services, and practices are already in place but not yet aligned with the aims of NDC/NAP processes.

BOX 3 Example of companies developing and distributing goods and services

An example of a company investing in climate resilient seeds is Equator Seeds in Uganda. Equator Seeds is a domestic seed company that invests in producing, processing, and marketing climate-resilient varieties, for vegetables, legumes, and cereals—including rice. The small business provides complementary services (such as training) to its business partners and clients, thus enabling an environment for the adoption of climate-resilient products and services. In Cambodia, United Cambodia Agriculture - a private agriculture consultancy company - disseminates climate-smart agriculture practices among farmers and invests in weather stations to collect reliable weather data.

Source: UNDP, 2020 and Preliminary private sector mapping in SCALA countries.

COMPANIES SEEKING TO COMPLY WITH REGULATIONS AND INVESTOR REQUIREMENTS

A wide range of companies are investing in mitigation and adaptation in response to regulatory requirements or investor interests. For example, carbon neutrality is now a key policy theme across the globe with many governments setting ambitious carbon reduction targets. For example, UK, France, Sweden, Denmark, New Zealand, Hungary, China, Japan and South Korea have all announced legally binding net zero emission targets. Businesses are responding by establishing their own emission reduction targets (see Box 3). Companies are also responding to investor requirements that expect disclosures on climate risks and adaptation actions taken to reduce risks, helping investors make informed decisions (TCFD, 2019). SCALA seeks to work with companies aiming to reduce their operational and supply chain emissions and build greater resilience.

BOX 4 Examples of companies responding to regulatory and reputational needs

Companies engaged in the AFOLU sector in the SCALA countries include Danone, Nestle, and Cargill have all announced 50 percent carbon reduction commitments by 2030 from its scope 1, 2, 3 emissions. Companies have also set up funds, such as The Livelihoods Fund that was set up by 17 companies aiming to build sustainable supply chains for companies while improving the lives of smallholders through sustainable agricultural practices that help to restore ecosystems and improve yields. The Livelihoods Carbon Fund is another, which was set up by 13 companies (including Danone and Mars), to finance environmental restoration, agroforestry and rural energy projects benefiting vulnerable people in developing countries.

Source: Preliminary private sector mapping in SCALA countries.

COMPANIES GENUINELY INTERESTED IN SUSTAINABILITY AND SEEKING TO ENHANCE REPUTATION AND BRAND

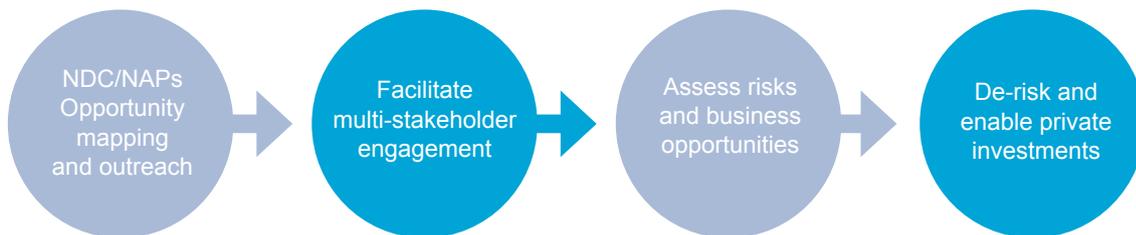
A wide range of companies that are genuinely investing in climate solutions also want to enhance their reputation and brand image (Crawford and Church, 2019). Participating in climate programs can help burnish the reputation of private companies and demonstrate their commitment to tackling climate change. Many large corporations see a direct link between increased competitiveness and sustainability branding. SCALA aims to work with these climate champions that are motivated to deliver on sustainable values - for example, those seeking to engage in certification schemes.

5.3 INTERVENTION AREAS FOR PRIVATE SECTOR ENGAGEMENT

Activities related to PSE under SCALA will be designed under four broad intervention areas to address the barriers discussed in Section 3.2. SCALA will integrate private sector perspectives to identify, appraise and implement transformative climate actions proposed in NAPs/NDCs, as well as in defining additional information assessment needs. It will facilitate multi-stakeholder engagement to convene public sector and relevant private actors to jointly determine climate action initiatives that will increase private sector engagement.

It will also expand knowledge and build evidence on climate-related risks and business opportunities in the agriculture and land use sectors. Finally, SCALA support will focus on identifying public de-risking instruments that create financial incentives for increased private sector investment in climate action and support partnership and concept development to help secure funding for de-risking strategies.

FIGURE 5 Intervention areas/pillars



The following page includes a list of PSE-related activities that countries can choose from to develop their work plans. The list is intended to provide guidance in the selection of activities, which will ultimately be informed by country priorities, context, and existing levels of PSE.

It is not expected or intended for countries to incorporate all these activities; however, it does illustrate how a cohesive list of PSE activities can be designed.

TABLE 1 List of proposed activities

1. NDCs/NAPs opportunity mapping and outreach
<ul style="list-style-type: none"> Analyse NAP/NDCs priorities for private sector engagement opportunities; analyse private sector landscape to identify potential partners for climate action on NAP/NDC priorities; develop value proposition for engaging businesses in climate action and conduct initial outreach; and identifying successful and climate-positive business models and production practices.
<p>Expected outcomes: Supported activities will help analyze NDC/NAP priorities and overlapping priorities of businesses to help identify joint climate solutions in the country.</p>
2. Facilitate multi-stakeholder engagement
<ul style="list-style-type: none"> Facilitate integration of private sector actors into NAP/NDC multi-stakeholder committees; organize public-private engagement mechanisms on climate action; enable exchange and linkages between private sector actors; strengthen linkages with global sustainability efforts of larger companies; support development of multi-stakeholder partnerships involving the private sector; and training or webinar on systems-leadership and systems-change approaches.
<p>Expected outcomes: Supported activities will convene public and private sector actors in each country to ensure private sector considerations can inform policy, planning and budgeting on climate action initiatives.</p>
3. Assess risks and business opportunities
<ul style="list-style-type: none"> Assess climate impacts on priority value chains and develop evidence base to encourage private sector investment through studies and relevant FAO/UNDP tools (training/webinar/implementation support); identify, appraise and recommend successful business models and production practices that support climate action goals; and assess the optimal role of public and private actors in implementing climate solutions and drive sustainable agriculture in alignment with NDC/NAPs.
<p>Expected outcomes: The use of studies and tools will develop evidence base on climate risks, emission contributions and private sector entry points along value chains to help inform solutions that can unlock private investments.</p>
4. De-risk and enable private investments
<ul style="list-style-type: none"> Identify and prioritize risks and investment barriers faced by private sector (using de-risking framework and other tools); identify de-risking instruments to incentivize PS to invest in NDC/NAP priorities (regulatory incentives, access to finance, capacity development etc.); economic/financial analysis of de-risking strategies; and incubate de-risking strategies through concept refinement, partnership development and matchmaking support.
<p>Expected outcomes: Identifying and analyzing risks, barriers and de-risking instruments will help design targeted public-private de-risking strategies. These will be incubated by partnership and concept development support to bring intervention ideas towards the financing stage.</p>

SCALA's PSE activities will be implemented in three ways. At a country level, SCALA will support a range of activities based on country context to ensure private sector engagement. At a global level, country efforts will be supported through targeted technical assistance from the global team and by sharing knowledge and best practices on private sector engagement in climate action. Global team support will also be provided as part of the technical assistance facility to enhance PSE in additional non-SCALA countries, drawing upon lessons learned under SCALA.

Note: Further details on the technical assistance facility for PSE for non-SCALA countries can be found in the related Concept Note.

6. Global work plan

One clear function of SCALA's global activities is to provide support to countries on implementing PSE activities. The other broader function covers knowledge generation and dissemination, advocacy, facilitating peer to peer exchange, external advocacy and communications on SCALA and facilitating PS partnerships and networking. The global work plan covering both functions for the first 18 months of the programme is detailed below.

6.1 TENTATIVE GLOBAL SUPPORT WORK PLAN: FIRST 18 MONTHS

See Annex 2 for global activities for next three years.

TABLE 2 Broad list of global work plan activities

A	Global activities	Outputs	Expected timeline
1	Intervention Area 1: NDC opportunities mapping and outreach		
1.1	Analyses of private sector's main entry points in NDCs and NAPs as they relate to land use and agriculture	1	By Mar 2022
1.2	Regional webinars to build capacity on private sector engagement. (LAC, Asia, Africa)	3 webinars	2021–2022
1.3	Annual SCALA PSE Review and knowledge sharing event focusing on lessons learned, review of progress made, knowledge sharing on best practices for each of the 12 program countries. Develop and disseminate knowledge product based on PSE analysis	1 event (annual)	Starting 2022
1.4	At least 1 panel lesson sharing event each year at a global platform bringing together private sector and SCALA countries. E.g. COPs, Climate action weeks, regional events, etc.	1 event (annual)	2021, 2022
2	Intervention Area 2: Multi-stakeholder engagement		
2.1	Engagement with global off take companies sourcing from SCALA countries to understand their interests, initiatives, barriers, opportunities for activities in SCALA countries	1	By Mar 2022
2.2	Engagement with input companies	1	By Mar 2021
3	Intervention Area 3: Evidence on business opportunities and transformative climate solutions		
3.1	<ul style="list-style-type: none"> Potential placeholder topics (TBC after consultation with companies and countries); opportunities for private sector in NDCs/NAPs as they relate to land use and agriculture; Strategic report highlighting models to support NDC/NAP implementation; Innovative solutions around the key value chains and landscapes; Transformative climate solutions, business opportunities and production practices to drive low carbon climate resilient agriculture aligned with NDC/NAPs. De-risking instruments to drive PSE. Scale of climate finance going to de-risking and the role it has played in leveraging private investments 	1 evidence piece each year	Starting 2022
4	Intervention Area 4: De-risk and enable private investments		
4.1	Readying deployment of PS-related tools, including de-risking framework and VC toolkit integrating climate resilience and gender responsiveness		By Mar 2022
4.2	<ul style="list-style-type: none"> Analysis of barriers, risks, and opportunities for private sector engagement in identified transformative solutions De-risking instruments and enabling environment for private sector engagement 	1 paper 1 paper	
4.3	Set foundations for developing an action-oriented partnership with at least one company network/ sustainable agri-company	At least 1	Starting 2022

Country level global support activities (Country level global support activities to be decided post country work planning but tentative activities include)		Outputs	Expected timeline
1	Intervention Area 1 and 2: NDC opportunities mapping, outreach, multi-stakeholder engagement		
1.1	<ul style="list-style-type: none"> Up to 3-4 country-level dialogues/roundtables for prioritization of transformative NDC/NAP activities that are relevant for private sector Followed by documentation of a plan on public-private sector collaboration on one transformative initiative 	3-4 country level dialogues/roundtables	Starting 2022
		3-4 investment plans	By 2022
1.2	<ul style="list-style-type: none"> Opportunities for private sector in climate action Existing status and level of private sector action in climate change 	12 country level maps	By 2021 By mid-2022
2	Intervention Area 3: Evidence on business opportunities and transformative climate solutions		
2.1	Analysis/assessment of transformative climate actions and business opportunities in value chains identified under Outcome 1	Minimum 3 analysis (using value chains analysis approach or business model assessments)	
3	Intervention Area 4: De-risk and Enable Private Investments		
3.1	De-risking measures identified to de-risk climate solutions for PSE and validated by coalitions of private sector actors.	Minimum 3 countries 3 reports	2023
3.2	Establish practical partnerships to take actions on identified priorities (following dialogues and assessments).	Minimum 3 partnership agreements	By 2023
3.3	Enable support in conceptualizing investment ideas	At least 2	By 2023

6.2 TIERED APPROACH TO IMPLEMENTATION OF GLOBAL STRATEGY

SCALA will adopt a tiered approach to help countries engage with the private sector that will help define the level of effort and the type of support given to various SCALA countries (see figure 6).

This approach is based on the recognition that different SCALA countries are at different stages of advancement and maturity regarding PSE in the agriculture and land use sectors. Accordingly, the PSE-related outcomes for countries through SCALA activities are expected to vary based on their current circumstances.

FIGURE 6 Tiered approach to global support



Early-stage support. Some countries have nascent PSE efforts and are still unclear about how businesses can play a key role in climate action. The private sector in these countries may also have limited engagement with low carbon and resilient agricultural practices. In these countries the global support team can play a key role in creating awareness, conducting training, and building capacity. The primary focus would be opportunity mapping, outreach, and multi-stakeholder engagement (**Intervention areas 1 and 2**) to facilitate public-private dialogue and engagement with NDC/NAP processes and identify transformative climate action that could attract private investment.

Nepal, Ethiopia, Colombia, Senegal

Holistic support. Some countries are keen to draw from multiple PS intervention areas, from opportunity mapping and multi-stakeholder engagement to developing evidence to support business cases for PSE and identifying de-risking solutions. This kind of holistic support will cover multiple intervention areas (**most likely between intervention areas 1-3**), however, support in some areas may be less intensive depending on the level of focus and resource availability.

Uganda, Thailand, Argentina, Colombia, Mongolia

Focused support. Some countries have a clear sense of the value chains and interventions where the private sector can play a key role. In these countries, the private sector is already active in the climate action space. Depending on the level of advancement, the global support team can provide focused late-stage support, including identifying barriers, risks, and de-risking solutions, developing ideas into project concept notes that attract funding, and building partnerships between relevant public and private sector actors in (**intervention areas 3 and 4**).

Costa Rica, Cote d'Ivoire, Cambodia

*This is a tentative clustering of countries that requires further validation.

7. Implementation partners and key stakeholders

Although most of SCALA's private sector stakeholders will be identified through the planned preliminary activities, the programme will also be working with a wide range of other existing stakeholders and complementary initiatives for PSE-related actions in the agriculture and land use sectors.

At the national level, some of the primary PSE stakeholders outside of the private sector will be government implementing partners, including in the national NDC coordination units and the climate change units in Ministries of Agriculture and Environment. Other relevant government stakeholders include entities that coordinate the national response to climate change, national DRR and DRM agencies, as well as ministries with strong influence over the planning process and allocation of funds, including Ministries of Finance, Environment and Planning.

Other significant national partners will include civil society organizations and academic and research institutions that can support the implementation of the interventions described earlier. Key technical partners will include the UNDP Green Commodities Programme and FAO's Hand-in-Hand Initiative, while other groups may include the Global Agribusiness Alliance (GAA), hosted by the World Business Council for Sustainable Development. Other possible partners include multilateral development banks (MDBs) and funding institutions such as International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD), Climate Investment Funds (CIF), and Green Climate Fund (GCF), focusing on their agriculture and climate-focused private sector financing windows such as IFC's Global Agriculture and Food Security Program (GAFSP) and GCF's Private Sector Facility (PSF). National, regional, and international financial institutions also have a key role to play in the successful implementation PSE activities by providing funding sources for identified intervention strategies, as do institutional and impact investors, such as the Acumen Fund. Finally, SCALA will seek to collaborate with relevant coalitions and networks, including certification programs such as the Rainforest Alliance. The table below provides an illustrative list of the kind of private sector partners that will be targeted, and the anticipated scope of collaboration.

TABLE 3 Potential private sector partners

Potential Private Sector Partners	Collaboration Scope
Chambers of commerce	Partner with public sector to implement climate actions and facilitate coordination with private sector.
Associations of private sectors / producers	Partner with public sector to implement climate actions and facilitate coordination with private sector.
Large corporations and large enterprises and multinational corporations (MNCs)	Provide understanding of climate risks faced and possible support needed to de-risk further investments along agricultural value chains.
SMEs along agricultural value chains including farmers' organizations and cooperatives, traders, wholesalers, and processors	Provide understanding of climate risks faced and possible support needed to de-risk further investments along agricultural value chains.
Agricultural input suppliers	Provide understanding of climate risks faced and possible support needed to de-risk further investments along agricultural value chains.
Financial institutions and institutional/impact investors	Provide financing for investments to improve resilience across land use and agricultural value chains.
Technology firms including agri-tech and fin-tech companies	Develop technology/solutions to facilitate the adoption of resilient land use and agricultural practices.

8. Measuring success

8.1 WHAT DOES SUCCESS LOOK LIKE?

The impact pathway illustrates how PSE interventions will address barriers and seek to deliver results to ensure private sector engagement in climate action in land use and agriculture is increased. Success will depend on the current levels of readiness of the country to engage with the private sector and the maturity of the private sector to engage in climate action in agriculture and land use sector. PSE strategy envisages **success along a readiness continuum** (i.e., a spectrum of stages along a path towards private sector's readiness in climate actions), as illustrated below.

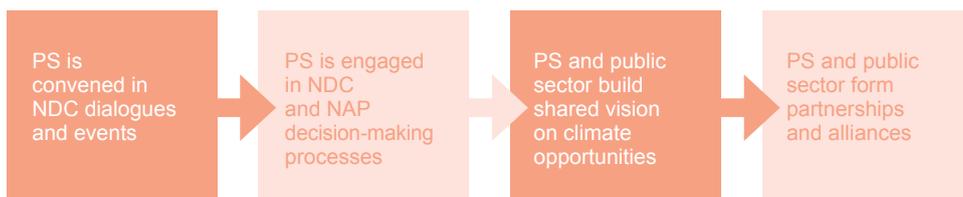
Making climate change everyone's businesses. In the initial stages of the programme, SCALA teams aim to support private sector champions to engage and incentivize them in catalyzing their ongoing sustainability efforts in SCALA countries. Going further, success would entail SCALA support to understand risks and opportunities will enable a wider range of private sector actors, with the effect that climate action becomes business as usual for a wide range of companies beyond the frontrunners.

FIGURE 7



From engagement to partnership. SCALA's support towards multi-stakeholder engagement will aim to enable the private sector to engage in the NDC processes and build a shared vision around climate opportunities. Success would mean countries transition from convening and matchmaking two actors into to partnership where the actors can work together to reach specific goals.

FIGURE 8



From funding to financing. SCALA's catalytic funding aims to prepare the public and private sector to bridge the gap between the demand and supply of private finance. SCALA's support would help build capacities of public and private to identify, appraise, develop, and seek financing for climate projects and match make with finance providers. Success would mean SCALA funding could set foundations for leveraging private finance.

FIGURE 9



9. Managing risks of engagement

Effective management of risks of engagement with the private sector is key under the programme. SCALA's engagement with companies can involve a wide range of risks. As stated in FAOs private sector engagement strategy, these could include:

- conflicts of interest;
- undue or improper influence exercised by a private sector entity on FAO and UNDPs work, especially, but not limited to, policies, norms and standard-setting;
- a negative impact on agencies integrity, independence, credibility, reputation or mandate;
- the engagement being primarily used to serve the interests of the private sector entity;
- the engagement conferring an endorsement of the private sector entity's name, brand, product, views or activity, and
- the blue-washing of a private sector entity's image through an engagement with UN agencies.

Building on FAOs "proactive" approach to due diligence in facilitating the formulation and implementation of partnerships, SCALA will apply FAOs **exclusionary criteria** in its engagement with the private sector. SCALA will not engage with companies that (FAO, 2021):

- are directly engaged in activities inconsistent with UN Security Council Sanctions, Resolutions, Conventions (for example, climate, biodiversity, or transnational organized crime, terrorist financing) or other similar measures, including the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) standards of the International Monetary Fund's Financial Action Task Force (FATF);
- are complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour;
- are directly involved in the sale, manufacture or distribution of weapons banned by United Nations treaties, including antipersonnel landmines or cluster bombs and ammunitions, and 33 JIU/REP/2017/8 34 UNSDG (2020) 18 CL 165/4 Rev.1 biological, chemical or nuclear weapons, or which otherwise do not meet the obligations or responsibilities required by the United Nations;
- are involved in the production and wholesale distribution of tobacco products, or whose revenues are derived from gambling (except lottery) or pornography; and
- have systematically failed to demonstrate a commitment to meeting, or failed to meet in practice, the principles of the United Nations, including statements or principles that are consistent with and reflect the Universal Declaration of Human Rights, the Rio Declaration, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights or the United Nations' system-wide zero tolerance policy on all forms of sexual exploitation and abuse.

Before formal partnerships with private sector entities, FAO and UNDP conduct due diligence and risk assessments to preserve its integrity. However, during informal engagements and interactions with companies where there is no commitment, risks, financial transactions, and no formal partnerships, SCALA will interact with companies on an informal basis. SCALA use a step wise process to ensure risk are managed whilst engaging with the private sector in different forms (see table 4):

TABLE 4 Engagement types and SCALA's approach to managing risks

Types of engagement	Description	SCALA approach
Connect and consult	Informal engagement. Consult and engage the sustainability department of companies to discuss interests, barriers and initiatives	No formal assessment needed
Multi-stakeholder engagement and platforms	Engaging with companies through platforms and roundtables	Apply exclusionary criteria. Engage with companies through networks such as World Business Council for Sustainable Development (WBCSD) who have already vetted these companies
Partnerships	Co-creation of investment ideas	Due diligence or risk assessment as per FAO/UNDP policies

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Annex 1

PRELIMINARY MAPPING OF PRIVATE SECTORS COMPANIES IN AGRICULTURE, FORESTRY AND OTHER LAND USE SECTOR OF SCALA COUNTRIES

Country	Company name	Products involved / initiatives
ARG	Cargill	Multiple
ARG	Danone	Dairy – Multiple
ARG	Ferrero	Cocoa - Multiple
ARG	Ingredion Inc.	Multiple
ARG	Mars	Cocoa - Multiple
ARG	Nestlé	Cocoa - Multiple
ARG	PepsiCo, Inc.	Multiple
ARG	Sudzucker	Multiple
ARG	The Coca-Cola Company	Sugar - Multiple
ARG	Unilever	Multiple
ARG	Celulosa argentina	Largest paper producer in Argentina, It is also among the first Argentinian company for revenue in the AFOLU sector
ARG	S.A. San Miguel	San Miguel is fruits and vegetables producing company with headquarters in Argentina
ARG	Molinos Agro	Molinos agro is a leading actor in the Argentine Agroindustry understands the interaction with the community close to our plants as a construction of long-term relationships
ARG	Mirgor Group	In 2019, Mirgor began exporting commodities, originally wheat and soya. They also manage the supply chain of corn, sunflower, animal proteins, and by-products like oil
ARG	Molinos Rio de la Plata	Major wheat producers
ARG	Bioceres Crop Solutions	Bioceres' parent company was founded in 2001 by a leading group of growers in Argentina, to address the demand for higher crop yields and productivity in sustainable and environmentally-conscious investments
ARG	Grupo Ledesma	Ledesma was created as a sugar company and is currently the main producer of sugar in Argentina (17% of the total production.) www.ledesma.com.ar/productos/
ARG	Morixe Hermanos	Large food manufacturing company focusing primarily on wheat products https://morixe.com.ar/en/quienes-somos/
ARG	Agrana Group	Fruit, starch and sugar company active in Europe with production plants in Argentina
ARG	Renova	Company financed by the International Finance Corporation, has a leading agri-business company in Argentina, with two plants: a soy-bean processing plant and a biodiesel plant
ARG	Syngenta-Adama	Holding 17.1% of agrochemicals market in Argentina
ARG	Bayer-Monsanto	Holding 18.4% of agrochemicals market in Argentina
CIV	Ajinomoto	Multiple
CIV	Barry Callebaut	Cocoa - Multiple
CIV	Cargill	Cocoa - Multiple
CIV	Cargill Cocoa	Cocoa - Multiple

CIV	Cargill West Africa	Cocoa - Multiple
CIV	CEMOI	Multiple
CIV	Danone	Dairy - Multiple
CIV	Heineken	Crops - Multiple
CIV	Herhsey's Company	Cocoa - Multiple
CIV	Lindt and Sprungli	Cocoa - Multiple
CIV	Nestlé	Dairy - Multiple
CIV	Nestlé Côte d'Ivoire	Cocoa - Multiple
CIV	Société Africaine de Cacao (SACO) barry-callebaut	Cocoa - Agri-production
CIV	Sodiaal (and Candia)	Multiple
COL	Cargill	Multiple
COL	Danone	Dairy - Multiple
COL	Ferrero	Multiple
COL	Ingredion Inc.	Multiple
COL	Nestlé	Multiple
COL	PepsiCo, Inc.	Multiple
COL	Diageo	Multiple
COL	The Coca-Cola Company	Multiple
COL	Unilever	Multiple
CRI	Cargill	Multiple
CRI	Nestlé	Multiple
CRI	Kerry Group	Multiple
CRI	The Coca-Cola Company	Multiple
CRI	Unilever	Multiple
CRI	Del Monte	Multiple
CRI	Alca	Multiple
CRI	Agrocosta	Multiple
CRI	Netafim	Technology
CRI	Grupo el Ángel	Agri production
CRI	Mondelez	Retail
CRI	Grupo Acòn	Group of Costa Rican fruit producers and exporters
CRI	Corporation Del Monte (Del Monte Fresh Foods Costa Rica)	Fresh fruits
CRI	Alvarez y Marin (owner of "Grupo Calinda")	Fresh fruits
CRI	Grupo Aproveco (fruits and cattle)	Fresh fruits / Cattle
CRI	Chiquita Brands Costa Rica	Several initiatives in agricultural chemicals reduction and organic farming. Farming 4.0 program will identify areas where low-input organic systems are possible and will be most sustainable
CRI	Fyffes Costa Rica	Engagement in launching climate-neutral bananas initiatives, and waste/packaging efforts. Also, they installed modern water recycling systems to save up to 80% of water in Banana production in Costa Rica. www.fyffes.com/news/category/sustainability/

CRI	Zukra (sugar cane)	It has an organic line of products, which is not extensively promoted. Large margin to scale up initiatives. Part of LAICA, engages in its activities: https://zukra.cr/
CRI	Natuvia (sugar cane)	Part of LAICA, engages in its activities: https://natuvia.cr/
CRI	Dona Maria (sugar cane)	Part of LAICA, engages in its activities
CRI	Hispacori Exports and Logistics	Costa Rican company involved in the export of agricultural products such as pineapple, banana and papaya
CRI	Chiquita	In collaboration with the Rainforest Alliance and GIZ has established a protected area in the region of Nogal to support biodiversity conservation in the area
CRI	Platanera Río Sixaola	The company has the Rainforest Alliance certification. It works with sustainable practices in water, soil and biodiversity. Engagement in biodiversity and stronger soils
EGY	Cargill	Multiple
EGY	Danone	Multiple
EGY	Heineken	Multiple
EGY	Nestlé	Multiple
EGY	Ajinomoto	Multiple
EGY	Sodiaal (and Candia)	Multiple
EGY	Sudzucker	Multiple
EGY	Unilever	Multiple
EGY	Meri Chai	Multiple
ETH	Diageo	Multiple
ETH	Nutriset	Multiple
ETH	Karuturi Global Limited	Multiple
ETH	Makobu Enterprises PLC	Importers and distributors of prime quality agricultural inputs, spraying equipment and public health related products
ETH	AgriVision	Multiple
KHM	Angkor Kasekam Roongreung.co Ltd	Largest rice mill in Cambodia
KHM	Golden Rice Miller	Golden Rice miller is working with AFD on contract farming. The scheme is looking at farm mechanization and seed nursery. The company currently supplies high quality paddy to 50,000 farmers that produce around 100,000 tons of rice/year
KHM	Amru Rice	Largest rice miller and exporter in 2015, and Baitang, that both use contract farming and farmers cooperation to secure their supply chain of fair and organic rice. Both use contract farming and farmers cooperation to secure their supply chain of fair and organic rice
KHM	BOF28	An organic fertilizer company selling to SMEs and big companies looking at increasing resilience of their soil or rehabilitate a degraded soil (rubber, pepper, cassava...)
KHM	Green Eagle Company and Khmer Organic Initiative	It's working with CEDAC and GIZ on a green center approach where government and private sector would work together to promote bio-fertilizer, and seeds
NPL	Golchha Group	Golchha Organization is a business conglomerate involved in a wide range of sectors, including food grain processing and oils, sugar, biscuits and confectioneries, plastic and tin packaging, particle boards, jute, aluminum, furniture, knitwear and agricultural tools and equipment. Eastern Sugar Mills Limited is a subsidiary of Golchha Organization

NPL	Sharda Group	Agro-processing group
NPL	Probiotech (part of Nimbus Group)	Probiotech, a leading processor and producer of animal health and nutrition products in Nepal. Today, Probiotech sells animal feed to over 12,000 customers annually, including an estimated 7,200 small-scale poultry producers
NPL	eKutir	Multiple
THA	Cargill	Multiple
THA	Danone	Multiple
THA	Ingredion Inc.	Multiple
THA	Barry Callebaut	Multiple
THA	Nestlé	Multiple
THA	Ajinomoto	Multiple
THA	Kerry Group	Multiple
THA	Diageo	Multiple
THA	Fonterra	Multiple
THA	Unilever	Multiple
THA	McCormick Corporation	Multiple
THA	Coconut Merchant	Multiple
THA	PepsiCo, Inc.	Multiple
SEN	Nestlé	Multiple
SEN	Sodiaal (and Candia)	Agri production
SEN	Dolima Danone	Agri production
SEN	Arla food	Multiple
SEN	Industrie chimique du Sénégal (ICS)	Technology
SEN	SENCHEM SA	Technology
SEN	Société des produits industriels et agricoles (SPIA)	Technology
SEN	Compagnie Sucrière Sénégalaise (CSS)	Agri production
SEN	Sahélienne d'entreprise distribution agrobusiness (SEDABSARL)	Technology
SEN	SISMAR (Equipements agricoles)	Technology
SEN	Tracts Services Equipement Afrique (TSE AFRIQUE)	Technology
SEN	AGROPHYTEX SA	Technology
SEN	Biotech Services Senegal	Technology
SEN	Elefant Vert Senegal	Technology
UGA	Unilever	Multiple

Annex 2

TENTATIVE MENU OF OPTIONS FOR GLOBAL SUPPORT ACTIVITIES FOR 3 YEARS

INTERVENTION AREA: NDCs/NAPs Opportunity mapping and outreach and facilitate multi-stakeholder engagement		
YEAR 1	YEAR 2	YEAR 3
<p>Establish communication with at least 3 key coalitions, federations, and commodity federations. i.e.</p> <ul style="list-style-type: none"> Sustainability department of major companies sourcing from SCALA countries Coalitions relevant to key commodities in SCALA countries <ol style="list-style-type: none"> Rice Cocoa Livestock Coffee <p>Prepare sensitisation material to support national capacities in engaging the private sector on NDCs and/or NAPs. 2 briefings</p> <p>Organise country level, regional or global introductory webinars.</p>	<p>Launch multi stakeholder consultations (MSC) at the country level</p> <p>Dedicated trainings, capacity support and dissemination on NDC/NAP processes and climate action. At least 3 online trainings</p> <p>Dialogues to convene and broker linkages between public and private sector</p> <p>Dialogues and global partnership development to convene and broker linkages between companies. For example:</p> <ul style="list-style-type: none"> With industry associations coalitions. Partnerships with global companies that span more than one SCALA country <p>Develop or nurture thematic private sector working groups by commodities or key global themes</p>	<p>Joint partnership agreements on concept note development</p>
INTERVENTION AREA: Assess risks and business opportunities		
YEAR 1	YEAR 2	YEAR 3
<p>Scoping evidence:</p> <ul style="list-style-type: none"> Assess and scope out existing private sector engagements Map out private sector actors in key value chains Review companies and their profiles to identify potential entry points for climate change and adaptation investment. Survey with private sector companies to understand their readiness, ambitions, barriers, and risks to engage in climate action 	<p>Evidence on business opportunities:</p> <ul style="list-style-type: none"> Cross country study on - Climate impacts on selected priority value chains Choose 2-3 climate solutions and develop a study on key business models and opportunities with regards to adaptation and mitigation priorities identified within NDCs and NAPs. For example, from amongst the following- emerging themes from work plans include: <ol style="list-style-type: none"> Digital advisory services for improving climate information systems Climate focused agriculture extension service Climate resilient crop varieties Climate focused financing, insurance schemes, etc. Traceability and low carbon and resilient agriculture commodities Integration of climate risks and resilient practices in key commodity value chains 	<p>Evidence on de-risking and enabling environment:</p> <ul style="list-style-type: none"> Study on drivers, risks, and barriers to private sector investment in climate change adaptation and mitigation. Study on de-risking solutions (regulatory incentives, access to finance, capacity development. etc.) Study on enabling environment for public private partnerships Recommendations on enabling environment to incentivize the private sector to engage in NDC/NAP processes and implement climate ambition

**INTERVENTION AREA:
De-risk and Enable Private investments**

YEAR 1	YEAR 2	YEAR 3
<ul style="list-style-type: none"> • Support with stress testing investment ideas • Investment readiness and brokering to funders • Brokering connections to technical support - market specialists, investment advisory 		<ul style="list-style-type: none"> • Support with developing concept notes • Support with appraisals, studies, consultations to inform the concept note development

**INTERVENTION AREA:
Global outreach activities**

YEAR 1	YEAR 2	YEAR 3
<ul style="list-style-type: none"> • Organizing events, webinars, or thematic events on key commodities • Organizing lesson sharing events between SCALA countries. • Meta- analysis and disseminate of lessons emerging from countries • Amplify examples of interesting or successful private sector engagement initiatives in events. 		

Annex 3

LIST OF TOOLS

STEP 1 - Engage private sector actors in existing multi-stakeholder processes: enable processes to integrate representatives from private sector into NAP/NDC multi stakeholder committees to allow them to highlight private sector priorities and ensure opportunities as well as investment barriers faced by the private sector in AFOLU sectors are considered when developing plans and budgets

TOOL NAME	SOURCE/LINK
Toolkit for Engaging the Private Sector in National Adaptation Plans (NAPs)	https://napglobalnetwork.org/wp-content/uploads/2020/06/napgn-en-2020-Toolkit-for-engaging-the-private-sector-in-NAPs.pdf
Targeted Scenario Analysis (TSA)	www.greencommodities.org/content/gcp/en/home/tools/TSA.html
Farmer Support Systems (FSS)	www.greencommodities.org/content/gcp/en/home/tools/farmer-support-systems.html
Business leadership on climate change adaptation: Encouraging engagement and action	https://pwc.blogs.com/files/encouraging-engagement-and-action-full-report-publication.pdf
Companies and Climate Resilience: Mobilizing the power of the private sector to address climate risks	https://climatecentre.org/downloads/files/Climate%20Centre%20Private%20sector%20working%20paper%20Aug19.pdf
Resilient Business, Resilient World: A Research Framework for Private-Sector Leadership on Climate Adaptation	www.bsr.org/reports/BSR_Resilient_Business_Resilient_World_A_Research_Framework_for_Private_Sector_Leadership_on_Climate_Adaptation.pdf
Analysis of barriers to crowding-in and maximizing the engagement of the private sector, including Private Sector Advisory Group recommendations	www.greenclimate.fund/document/gcf-b17-03
Business Action for Climate-Resilient Supply Chains A Practical Framework from Identifying Priorities to Evaluating Impact	www.bsr.org/reports/BSR_Report_Climate_Resilient_Supply_Chains.pdf
A framework for priority-setting in climate smart agriculture research	www.sciencedirect.com/science/article/pii/S0308521X18301288
Methodological toolkit for promoting business partnerships in agrifood chains	www.fao.org/3/i2416e/i2416e.pdf
Multi-stakeholder platform for linking Small farmers to value chain	www.fao.org/plant-treaty/tools/toolbox-for-sustainable-use/details/en/c/1071294/
Sustainable Rice Platform (SRP)	www.sustainablerice.org/
MRV Platform for Agriculture (it's not related private sector directly) (cross-cutting with CC sheet)	https://ccafs.cgiar.org/resources/tools/mrv-platform-agriculture
E-Agriculture platform	www.fao.org/e-agriculture/international-digital-council-food-and-agriculture
Platform for Climate Action in Agriculture (PLACA)-Latin America (Argentina and Costa Rica) (private sector not specified) (cross-cutting with climate change sheet)	https://ccafs.cgiar.org/news/latin-america-caribbean-strengthen-their-cooperation-climate-action https://sdg.iisd.org/news/lac-countries-join-platform-for-climate-action-in-agricultural-sector/
Sustainable Food Value Chains Knowledge Platform	www.fao.org/sustainable-food-value-chains
World Banana Forum	www.fao.org/world-banana-forum/about-the-forum/en/

STEP 2 - Strengthen the evidence base for climate solutions: assess climate risks on agri value chains of PS

TOOL NAME	SOURCE/LINK
MOSAICC (Modelling D21:D70system for agricultural impacts of Climate Change) → generate evidence for Adaptation options	www.fao.org/climatechange/mosaicc/en/ www.fao.org/climatechange/34871-0c61824b36f6cd0dfe1daea75cf06e453.pdf
The EX-Ante Carbon-balance Tool for value chains (EX-ACT VC) → generate evidence for Mitigation measures	www.fao.org/in-action/epic/ex-act-tool/suite-of-tools/ex-act-vc/en/ file:///C:/Users/User/Downloads/EX-ACT_IDWG-RAI%2011%20May%202021.pdf
Global Livestock Environmental Assessment Model (GLEAM) → generate evidence for Mitigation measures	www.fao.org/gleam/en/
Sustainability Assessment of Food and Agriculture systems (SAFA)	www.fao.org/nr/sustainability/sustainability-assessments-safa/en/
Agro-Chain Greenhouse Gas Emissions (ACE) calculator	https://ccafs.cgiar.org/index.php/resources/tools/acge-calculator
How to do note: Fisheries, Aquaculture and Climate Change	www.ifad.org/en/web/knowledge/publication/asset/39182309
Toolkit-Commodity value chain: Climate change risk assessments in value chain projects	www.ifad.org/documents/38714170/40195554/Climate+change+risk+assessments+in+Value+Chain+Projects/e0fd0f38-42fe-4418-beda-56aff9c8bebf
UNDP-FAO Toolkit for value chain analysis and market development integrating climate resilience and gender responsiveness	www.fao.org/3/cb0699en/cb0699en.pdf
Smallholder dairy methodology: Draft Methodology for Quantification of GHG Emission Reductions from Improved Management in Smallholder Dairy Production Systems using a Standardized Baseline	www.fao.org/3/i6260e/i6260e.pdf
Value Chain Climate Resilience: A guide to managing climate impacts in companies and communities	www.bsr.org/reports/PREP-Value-Chain-Climate-Resilience_copy.pdf
Reduce Carbon and Water footprints in Banana industry (VC specific)	www.fao.org/3/I8333EN/i8333en.pdf https://wbfcwf.apps.fao.org/ (requires authorization for access)

STEP 3 - Identify interventions and sort most relevant for private sector

TOOL NAME	SOURCE/LINK
Analyzing climate change adaptation options using Multi-Criteria Analysis (African and Latin American resilience to climate change - ARCC)	www.climatelinks.org/sites/default/files/asset/document/Multi-Criteria%2520Analysis_CLEARED_0.pdf
UNDP-FAO Toolkit for value chain analysis and market development integrating climate resilience and gender responsiveness	www.fao.org/3/cb0699en/cb0699en.pdf
A toolkit to prioritize interventions in climate-smart agriculture	https://cgspace.cgiar.org/rest/bitstreams/38402/retrieve
UNDP's operational framework for derisking private sector investments in climate risk management	Currently being finalized

STEP 4 - Analysis of key business models and production practices around climate solutions

TOOL NAME	SOURCE/LINK
Inclusive business models (IBMs)	www.fao.org/3/i5068e/i5068e.pdf
Inclusive business models: Training modules	www.fao.org/3/i7968e/i7968e.pdf

Agricultural value chain finance - Tools and lessons	https://static1.squarespace.com/static/52f220cbe4b0ee0635aa9aac/t/53db8d27e4b0eb1cb505a608/1406897447366/Ag+VCs+-+tools+%26+lessons+-+FAO.pdf
Business modules with climate services	www.sciencedirect.com/science/article/pii/S2405880719300524
Economic tools	https://climate-adapt.eea.europa.eu/knowledge/tools/economic-tools
Economics toolkit	www.globalsupportprogramme.org/sites/default/files/resources/ecca-toolkit.pdf
Value chain analysis for policy making: FAO VCA Tool 3.2	www.fao.org/policy-support/tools-and-publications/resourcesdetails/en/c/885654/#:~:text=Users%20can%20build%20different%20scenarios,international%20trade%2C%20new%20technologies%20adoption www.fao.org/docs/up/easypol/432/value_chain_analysis_software_fao_vca_tool_073en.zip
Economic approaches for assessing climate change adaptation options under uncertainty Excel tools for cost-benefit and multi-criteria analysis	www.adaptationcommunity.net/download/ms/mainstreaming-guides-manualsreports/Economic_assessment_of_CC_adaptation_options_-_GIZ_2013.pdf
Cost-benefit analysis for climate change adaptation policies and investments in the agriculture sectors	www.fao.org/3/I8905EN/i8905en.pdf
STEP 5 - Appraise business opportunities	
TOOL NAME	SOURCE/LINK
Guidelines for identifying business risks and opportunities arising from ecosystem change	https://files.wri.org/s3fs-public/corporate_ecosystem_services_review_1.pdf
Value Chain Toolkit - Harnessing the power of markets to drive change	www.crs.org/sites/default/files/tools-research/value_chain_guide_english_aug_2019.pdf
STEP 6 - Identify de-risking instruments	
TOOL NAME	SOURCE/LINK
UNDP's operational framework for de-risking private sector investments in climate risk management	Currently being finalized
Agricultural risk management tools (Platform for agricultural risk management)	https://p4arm.org/app/uploads/2016/05/PARM_ARM-Tools-Elearning_Gunjal_May2016.pdf
Adapting to climate change: methods and tools for climate risk management	www.climate-service-center.de/imperia/md/content/csc/csc_report17.pdf
Toolkit-Commodity value chain: Climate change risk assessments in value chain projects. (crosscutting with step 2)	www.ifad.org/documents/38714170/40195554/Climate+change+risk+assessments+in+Value+Chain+Projects/e0fd0f38-42fe-4418-beda-56aff9c8bebf
Climate risk assessment tool (CRAT)	Case studies: https://snv.org/update/two-years-climate-risk-assessment-tool
STEP 7 - Develop project / ideas / concept note / bankable projects	
TOOL NAME	SOURCE/LINK
The 10 principles for responsible investment in agriculture and food systems (CFS-RAI)	www.fao.org/3/au866e/au866e.pdf
Guidebook: Mobilizing private sector finance for climate change adaptation	www.weadapt.org/knowledge-base/climate-finance/guidebook-mobilising-private-sector-finance-for-climatechange-adaptation
Adapting to climate change: A guide for the financial services industry	www.bsr.org/reports/BSR_Climate_Adaptation_Issue_Brief_Financial_Services.pdf
Bridging the adaptation gap: Approaches to measurement of physical climate risk and examples of Investment in climate adaptation and resilience	http://427mt.com/wp-content/uploads/2016/11/GARI-2016-Bridging-the-Adaptation-Gap.pdf
Emerging solutions to drive private investment in climate resilience	https://climatepolicyinitiative.org/wp-content/uploads/2015/06/Finance-for-Climate-Resilience.pdf

Understanding and increasing finance for climate adaptation in developing countries	https://climatepolicyinitiative.org/wp-content/uploads/2018/12/Understanding-and-Increasing-Finance-for-Climate-Adaptation-in-Developing-Countries-1.pdf
Addressing the barriers to climate investment	https://cdkn.org/wp-content/uploads/2013/11/CDKN_GuideFinancialInstruments_final_web-res.pdf
Guidebook: Agricultural value chain finance strategy and design technical note	www.ifad.org/documents/38714170/39144386/Agricultural+value+chain+finance+strategy+and+design.pdf/1ae68ed6-4c3c-44f4-8958-436e469553bb
Investments in the agricultural value chain	www.sifem.ch/fileadmin/user_upload/sifem/pdf/en/Other_Documents/Investments_in_the_Agricultural_Value_Chain.pdf
Agricultural value chain finance-tools and lessons	https://static1.squarespace.com/static/52f220cbe4b0ee0635aa9aac/t/53db8d27e4b0eb1cb505a608/1406897447366/Ag+VCs+-+tools+%26+lessons+-+FAO.pdf
How to do Public-private-producer partnerships (4Ps) in agricultural value chains	www.ifad.org/en/web/knowledge/-/publication/how-to-do-public-private-producer-partnerships-4ps-inagricultural-value-chains
Responsible investments in agriculture and food systems. A practical handbook for Parliamentarians and Parliamentary advisors	www.fao.org/documents/card/en/c/cb1991en www.fao.org/3/cb1991en/online/cb1991en.html#/#/
Guide on incentives for responsible investment in agriculture and food systems	www.fao.org/publications/card/en/c/CB3933EN/

STEP 8 - Assess projects against safeguards: environmental, gender, social hazards

TOOL NAME	SOURCE/LINK
Principles for responsible investment in agriculture and food security	www.fao.org/3/au866e/au866e.pdf
OECD-FAO Guidance for responsible agricultural supply chains	www.oecd-ilibrary.org/agriculture-and-food/oecd-fao-guidance-for-responsible-agricultural-supplychains_9789264251052-en
Annual report on the OECD guidelines for multinational enterprises 2019	http://mneguidelines.oecd.org/2019-Annual-Report-MNE-Guidelines-EN.pdf

SCALING UP CLIMATE AMBITION ON LAND USE AND AGRICULTURE
THROUGH NATIONALLY DETERMINED CONTRIBUTIONS AND
NATIONAL ADAPTATION PLANS (SCALA)

 www.fao.org/in-action/scala/en

 www.adaptation-undp.org/scala

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