Asia-Pacific Rural Development and Food Security Forum Battling Climate Change and Transforming Agri-food Systems #RDFS2022



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Vulnerabilities of Food Supply Chains



ADB

Food security becoming increasingly uncertain in DMCs

Three Drivers of Food Insecurity: Extreme weather and climate change, Economic Shocks and Political Crisis/ Conflict

DMCs with at least two drivers*



*WFP identifies countries with at least two food insecurity drivers at risk as cause for immediate concern

Source: WFP Assessment of Food Security (does not include PRC and Mongolia among others)



Source: FAO (release date 04/03/2022 https://www.fao.org/worldfoodsituation/foodpricesinde x/en/



Meeting nutrition target in Asia at Bay



Source: UNICEP, WHO, World Bank Group, Joint Child Malnutrition Estimates, 2021



Source: Global Nutrition Report





Agriculture resources on the decline



Source: Food and Agriculture Organization of the United Nations

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Frequency of observations, listing countries as subject to high or very high future water risks





Source: Review of 64 publications, accounting for 142 countries.

Future of agriculture in Asia faces climate change-related challenges

As the physical thresholds that severely affect agriculture production (heat, cold, rain, wind and humidity) are reached, agricultural sector in Asia would be hit the hardest.



Way Forward Accelerating Food System Transformation through Diversified Investments and Knowledge Solutions

More diversified investment portfolio

- Increased investments by more than 4 times in 10 years
- More investments in agricultural policy, institutional and capacity development; water-based natural resources management; agro-industry, marketing, and trade; rural market infrastructure; and rural sanitation
- Increased green finance mechanism to support
 sustainable agriculture and eco-tourism

2009-2020 Agriculture, Natural Resources and Rural Development Investments and 2021 Lending Pipeline



Knowledge solutions

- Sector research and diagnostics to provide innovative, pragmatic and context-aware knowledge solutions
- Partnerships with international and national knowledge partners
- Knowledge sharing, capacity development, policy dialogues
- Biennial Rural Development and Food Security Forum



Way Forward **Towards a novel, natural resource-conscious financing strategy**

Three Pillars to Support Projects with significant "Natural Capital Components": Which are underpinned by, and will augment, ADB's core project financing services



Co-financing projects with ADB and other partners, secured against streams of future incremental income & ecocompensation rewards

> Innovative Natural Capital Financing Facility (INCFF)

Natural Capital Lab:

Identifying & disseminating information, knowledge and best practices and providing training for better utilization, restoration & improvement of natural capital Agribusiness Service Platform: Digitalizing supply chains to assist project sponsors to improve and upgrade value creation in their marketing, procurement and logistics efforts



ADB remains committed to collaborative works to build climate-smart agriculture across the entire agriculture and food value chains, including the blue economy.

Thank you!

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