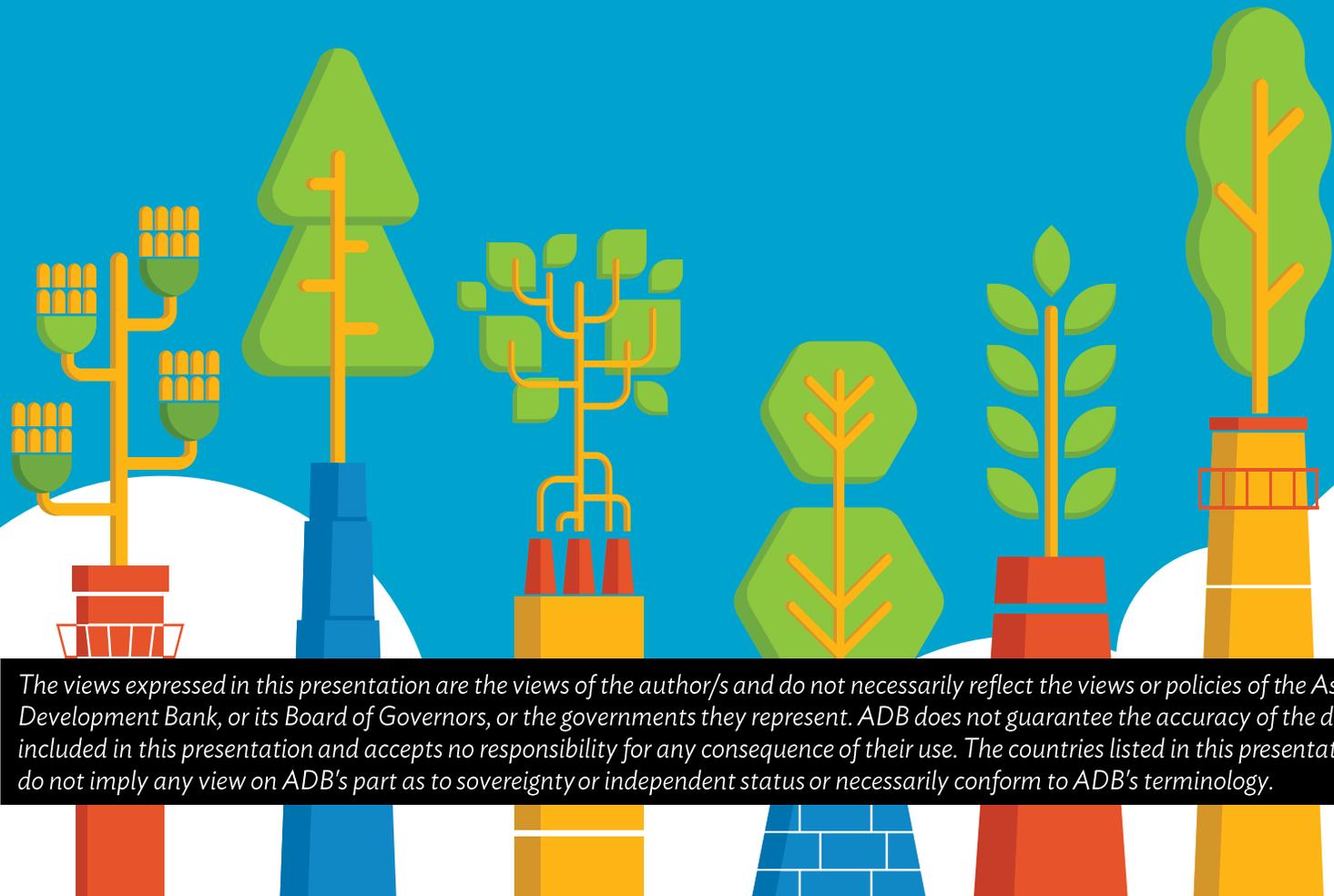


ADB's Efforts in Greening Agriculture Value Chains

- An ANR Sector Sovereign Operational Perspective -

Takeshi Ueda, SEER/SERD

Sustainable Financing for Nature Positive Investments: Tools for Integrating Economic and Market-Based Instruments into Projects



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Areas of Greening Agriculture Value Chains



Consumer side

- Change diet: more plant-based and less animal-based (reduce GHG emissions from animal)
- Change origins of food: locally grown (reduce GHG emissions from transportation and storage)
- Reduce food wastes at home (40%-50% of food loss) and when dining out

Producer side

- On farm: less agro-chemical use, less plastic use, less water use, less/no tillage, crop rotation, use of crop residues and manure, less food loss on farms (weather, pests, and disease)
- Processing: less energy use (energy-efficient machinery and storage/refrigeration), change in energy source to renewable energy, less water use, less packaging, less plastic use, and less food loss in processing facilities
- Sales (wholesale/retail): less energy use for food storage/refrigeration, less packaging, less plastic use, and less food loss (particularly perishables)
- Transport: change vehicle type from gasoline/diesel-powered to electric/hybrid-powered, reduce food loss during transport, efficient overall transport and logistic systems

Efforts in Greening Agriculture Value Chains



1. Commonly through envi. safeguard compliance (and envi. sustainability measures in project design)
2. No cost for envi. safeguard compliance for concerned stakeholders (sovereign projects pay for)
3. Increasing private sector's participation in AVC projects → Mechanisms required to get the stakeholders to pay for envi. safeguard compliance
4. Consideration: “Greening” is costly, particularly, in the environment where laws and regulations are not enforced and for SMEs. → How to incentivize “Greening”?
5. Instruments at project level: concessional financing through FIL to promote green financing for AVCs, match-making with international buyers (cost of greening to be rewarded by higher revenue), business advisory services
6. Instruments at regional level: green financing mechanisms (e.g., ASEAN Infrastructure Fund)
7. Challenges: (i) setting up feasible and sustainable mechanism(s) at project level given the specific context, (ii) mobilizing grants/concessional funds in greening AVCs.

Examples of Greening Agriculture Value Chains



1. PRC: Henan Sustainable Livestock Farming and Product Safety Demonstration Project (2015-)

- Environmental sustainability measures for meat processors and livestock farms

<https://www.adb.org/sites/default/files/project-document/171768/46081-002-iee-01.pdf>

2. MON: Agriculture and Rural Development Project (2009-2021)

- Environmental safeguard compliance as part of concessional lending conditions (support through the project management unit)

https://www.adb.org/sites/default/files/project-documents/39229/39229-033-emr-en_3.pdf

3. CAM: Agricultural Value Chain Competitiveness and Safety Enhancement Project (2020-)

- Pilot green financing scheme with the financial support of ASEAN Infrastructure Fund and technical support of ASEAN Catalytic Green Finance Facility

<https://www.adb.org/sites/default/files/project-documents/50264/50264-002-esms-en.pdf>

<https://www.adb.org/sites/default/files/publication/221281/asean-infrastructure-fund.pdf>

<https://www.adb.org/sites/default/files/publication/544486/asean-catalytic-green-finance-facility.pdf>

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(https://www.greengrowthknowledge.org/sites/default/files/downloads/resource/Greening%20Value%20Chains_Asi%20an%20Fruit%20%26%20Veg_Web-Version_2014.pdf)
- **The Case of the Meat Processing Industry (2013)**
(https://www.unido.org/sites/default/files/2013-11/Meat_Processing_Report_0.pdf)