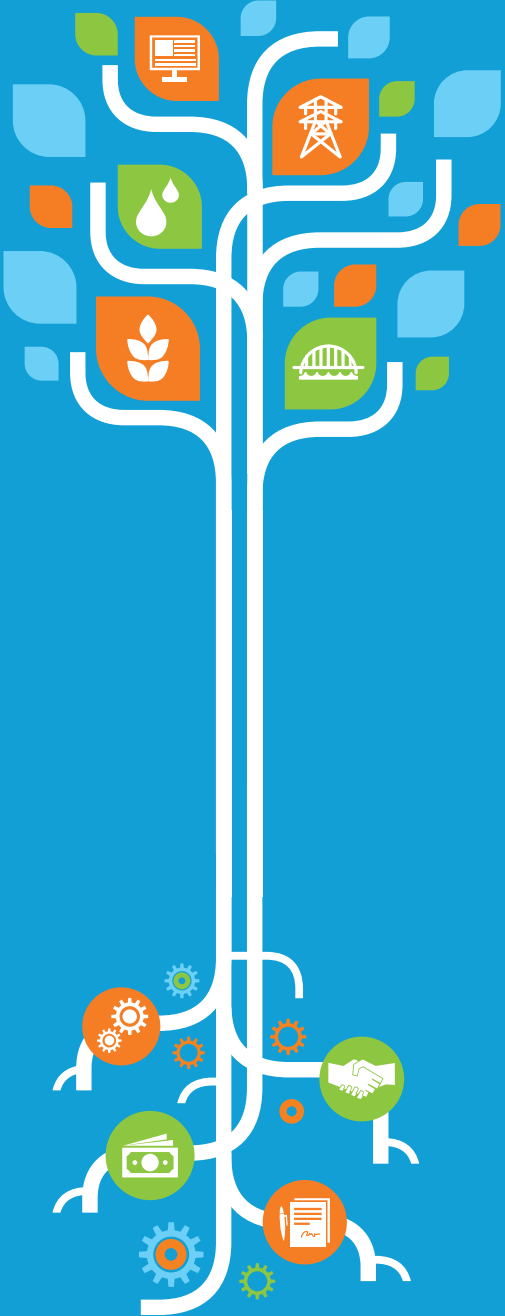


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Virtual Business Opportunities Seminar Series 2021: Climate Change, Disaster Risk Management and Procurement

7 October 2021

Presented by Brett Sutton
Technical Assistance Specialist, PSOD/AIT



Agriculture in Asia

Agrifood systems in Asia are highly vulnerable to climate change

- 420 million farmers in Asia and the Pacific
 - 0.5ha average holding
 - 90% of holdings <2ha
- 43% of South Asia's arable land is degraded
- 80% of Asia's freshwater is consumed by irrigation
- Majority of global zoonoses and AMR hotspots are located in Asia
- Smallholder farmers have been amongst the most impacted by the COVID-19 pandemic, highlighting vulnerability



Climate Change Impacts

Micro level impacts (smallholders)

- Suboptimal agriclimate and increased pest and disease prevalence
- Increased production costs
- Increased risk of crop failure due to extreme weather events
- Reduced yields, quality and farm profits

Macro level impacts

- Increased water demand and scarcity
- Increased prevalence of EIDs and the contribution of animal health
- Increased pest and disease prevalence; biosecurity, IPM and the impact on food security
- Nutrition



ADB's Agribusiness Response

Investment

- Agricultural inputs, farming and processing, logistics, food brands and retail
- Long and short-term loans, guarantees, and equity to agribusinesses and financial intermediaries at market rates
- Climate finance – direct support for climate change adaptation and mitigation
- Blended finance at concessional rates, often to support climate change adaptation and mitigation projects

Technical Assistance

- Concessional rates (often grant-based)
- Direct support to smallholder farmers, veterinarians or other supply chain participants
- Expert consultants engaged to deliver TA

INDONESIA, PAPUA NEW GUINEA, TIMOR-LESTE, VIET NAM: Agricultural Value Chain Development

Client : Olam International Limited (Olam)

ADB assistance: \$100m loan in dollars and rupiah to fund Olam's expansion plan in Indonesia, Papua New Guinea, Timor-Leste and Viet Nam



Key features:

- Olam is a leading global agribusiness focusing on niche commodities and businesses, buying from growers and village-level agents at the farm gate, and providing value-added solutions and services

ADB additionality:

- Providing multi-country, multi-sector, and multicurrency long term debt financing with mobilization of additional \$75m concessional financing
- Enhancing environmental and social standards

Climate change features:

- Support for 110,000 climate-resilient agroforestry farmers
- \$3m TA to improve climate resilience of 30,000 smallholder farmers

BHUTAN: Climate-Resilient Hazelnut Value Chain in Bhutan

Client : Mountain Hazelnuts Group Limited

ADB assistance: \$1.5m grant-based technical assistance to improve climate resilience of smallholder hazelnut farmers

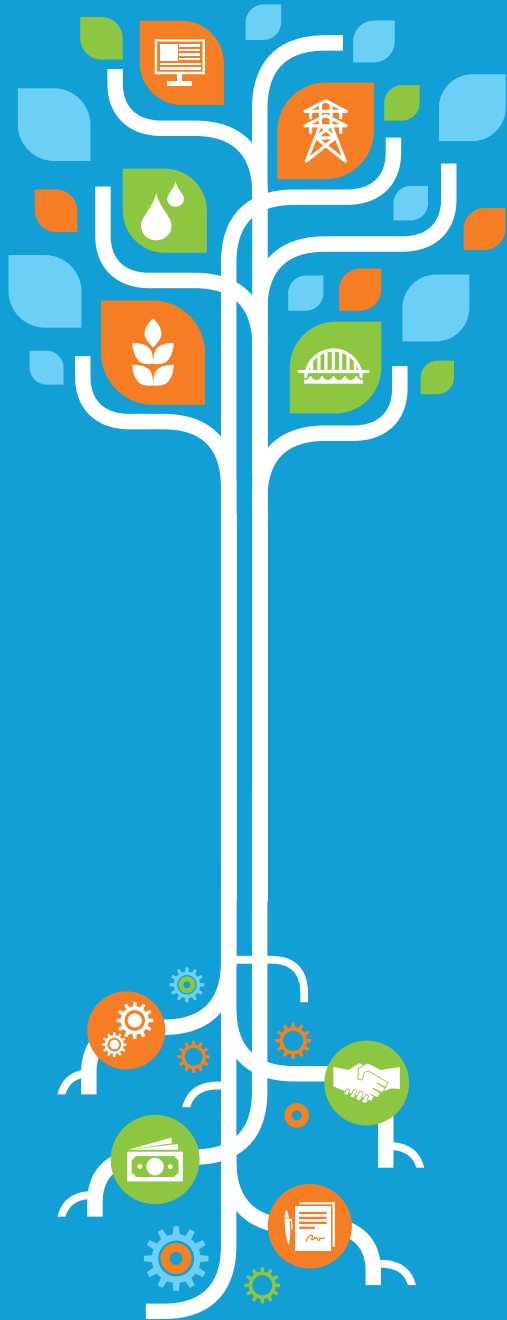


Key features:

- Best farming practices capacity building
- ICT solutions for knowledge disbursement
- Farmer financial literacy and access to finance
- Support for third-party entrepreneurs in the hazelnut value chain
- Monitoring and evaluation capacity building

Climate change features:

- Selective breeding for climate-resilient hazelnut varieties
- Climate-resilient farming methods
- Improved modelling of local climate and microclimates, and impacts on hazelnut trees
- Mobile app for support to and between farmers, including in response to changing climate patterns



THANK YOU!

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