

Private and blended Finance to scale up climate finance in Agriculture sector

Dr. Riham Rizk

Head of social Planning Unit

Ministry of Planning and Economic Development, Egypt

Traditional challenges

Water scarcity

Water salinity

For the most productive lands in the Nile Delta area.

Limited availability of arable land

Land fragmentation

Second :Challenges facing the value chains to agri-processing and trade

Poor food safety

Egypt is among the top middle-income countries with the highest share of productivity loss due to unsafe food].

Poor food quality

Overall agri-food sector's contribution to exports and employment generation is limited

Egypt has a relatively lower share of agri-food processing

Transformation in Agri-business required

1. Jobs

would be less dominated by agriculture and include more jobs from value-added sectors, in Egypt's case – more jobs in food manufacturing sectors.

2. Skills upgrading

- Upgrading the skillsets of rural labor both in primary agriculture and in other manufacturing food sectors
- **Highly skilled labor**, with workers who have knowledge of modern practices and tools, such as information and communication technologies.
- **Skills beyond agricultural production**—including in food storage, grading, processing, and alternative energy.

Challenges and programs for SMEs usage of blended financing

Challenges	Initiatives and programs
Lack of access to finance particularly to small farmers	<p>GOE announced a new (NSRP) in 2021, which is the second phase of the National Program for Economic and Social Reforms (2016). NSRP identifies three sectors as priority: manufacturing, agriculture, and ICT.</p>
Lack of Knowledge with smart agriculture technologies and good practices of modern farming	<p>With focus on agriculture,</p> <ul style="list-style-type: none"> ▪ <u>GOE intends to address food security, green recovery and growth, environmental performance, and overpopulation challenges</u> for livelihood improvement and job creation. ▪ <i>The NSRP's targets for agricultural sector, include: (i) increase agricultural output by 30 percent by 2024; (ii) expand quality jobs in rural areas; (iii) increase incomes of small farmers and small workers in rural areas; (iv) increase agri-food exports from 17 percent to 24 percent of total exports by 2024; and (iv) increase the share of sustainably used water resources in agriculture.</i>
	<p>Create Law No. 152 of 2020 regarding the development of MSMEs,</p> <ul style="list-style-type: none"> ▪ to provide technical and financial support, for small and micro projects, in order to raise the efficiency of developing projects eligible for green financing and thus benefit from green bonds.

Way forward to COP27

1. Mainstreaming climate actions into national planning for agriculture sector including establishing a) logistics stations to reduce agriculture waste and B) Center for Modernization of Agriculture as a new entity to implement initiatives in the sector.

□ Adaptation projects in the agriculture sector amounted by \$ 52,400 million, ***46.3% from the cost of adaptation projects.***

2. Strengthening bilateral and multilateral cooperation with other countries, international financial institutions and specialized agencies in areas of agribusiness ***for sharing knowledge and expertise and fill the funding gap.***

