

FROM THE DESK OF THE

SENIOR PROGRAM DIRECTOR



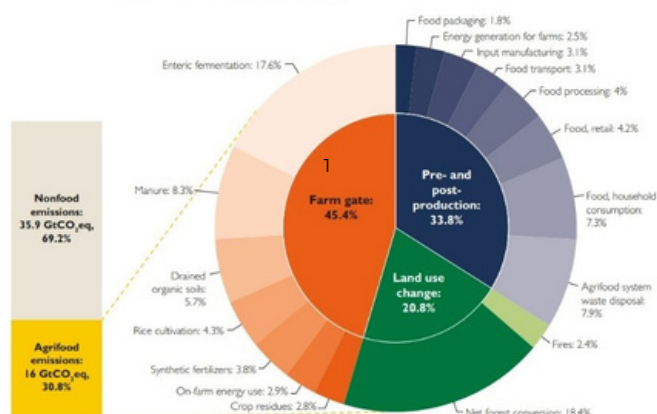
Dear GAP Stakeholders,

We are delighted to present the second edition of the newsletter *“Filling the GAP”*.

This newsletter brings to you insightful updates, accomplishments, challenges, and the transformative impact of the **GAP (Grant for Agroecological Program)** Fund initiative currently being implemented by **ACCESS Development Services** in India.

The importance of agroecology has recently been reinforced through a World Bank publication.

FIGURE 0.2 Greenhouse Gas Emissions from the Agrifood System Are Significantly Higher Than Previously Thought



Source: World Bank analysis based on data from FAOSTAT 2023.
 Note: Left: Mean annual global greenhouse gas (GHG) emissions from the agrifood system as a share of total GHG emissions, 2018–20. Right: Emissions broken down by the three main subcategories and their individual components. GtCO₂eq = gigatons of carbon dioxide equivalent.

According to a World Bank report “Recipe for a Living Planet”, the agrifood system generates almost a third of global greenhouse gas emissions, averaging around 16 gigatons annually. This is about one-sixth more than all of the world’s heat and electricity emissions and presents a huge untapped source for low-cost climate change action. However, annual investments will need to increase 18 times to \$260 billion a year to halve current agrifood emissions by 2030 and put the world on track for net-zero emissions. The recent Climate Action Report from the IPCC also underscores the significant impact of climate change on agriculture and livelihoods worldwide. A snapshot of the main findings of the report are presented as a box item.

Our efforts to disseminate the GAP fund among stakeholders continued with a series of outreach events.

The sanction of fresh projects for investment grants continued to gather steam with 04 more projects sanctioned out of which 03 were under the GAP - Regular while 01 was under the GAP - Challenge. The monitoring of projects sanctioned in the first cohort is also in full swing and we are getting ready to release the next instalment of grants on completion of the agreed milestones.

We were happy to welcome an Agroecology Mission Team from IFAD on a monitoring and learning exercise. The team visited both potential projects and projects already under implementation to learn about the challenges and experiences in implementation so far.

We are enthused with the progress under the GAP fund so far and will continue to share our thoughts on the subject through regular issues of *“Filling the GAP”*.

PROJECT UPDATE

The Investment Committee Meeting was held for both Regular and Challenge fund channels of the GAP Fund - in this quarter. The committee gave the final nod to four applicants (three in FPO and one in the MSE category). The sanctioned amount is 35.24 million INR (16.79 million INR in the FPO category and 18.45 million INR in the MSE category). The details are given below:

Name of Grantee	Theme	Channel
Vandhan Shakti Mahila FPC, Rajasthan	Custard Apple Pulp	GAP-Regular
Mahila Umang FPC, Uttarakhand	Fruit Processing	GAP-Regular
Ram Rahim Pragati Producer Company Limited, Madhya Pradesh	NPM Tur and Chili	GAP-Regular
VRD Foods Pvt. Ltd., Tamil Nadu	Gherkin Production	GAP-Challenge

With this, the GAP Fund now has a total of 11 active Grantees (8 under the regular fund and 3 under the challenge fund)

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May 30, 2024

HIGHLIGHTS FROM THE REPORT



CLIMATE ACTION REPORT - IMPACT ON AGRICULTURE AND LIVELIHOODS - RECENT FINDINGS AND RECOMMENDATIONS FROM IPCC

The report highlights the urgent need for proactive measures to adopt and mitigate climate change effects. Some of the findings include increased vulnerability due to the impact of climate change on agriculture and livelihoods, increased heat stress on crops due to extreme weather events, changes in crop yields and productivity due to shifts in growing seasons, exacerbated water stress on account of changes in rainfall patterns and melting glaciers, erosion of coastal lands due to rise in sea levels and increase in food insecurity for smallholder farmers who rely on rainfed agriculture.

The important recommendations focus on adaptation strategies to build resilience such as drought-resistant/flood-resistant/saline-resistant crop varieties, water-efficient irrigation systems, agroforestry, and soil conservation techniques; Resilience Building through access to climate-resilient crop varieties, improved weather forecasting, early warning systems, emergency response plans, insurance schemes for crop and livestock losses, and diversified livelihood options; Sustainable Land Management to conserve soil fertility, prevent erosion, and enhance carbon sequestration; Equitable Action taking into account the needs and vulnerabilities of marginalized communities, indigenous peoples, and future generations; Mitigation Measures suggested focus on the role of sustainable land management practices, reforestation, and reducing deforestation in mitigating climate change impacts on agriculture.

International Cooperation: The report calls for enhanced collaboration among countries to share knowledge, resources, and best practices for climate adaptation and mitigation in the agricultural sector.

FINANCE, RISKS AND CHALLENGES INVOLVED IN AGROECOLOGY

Risk in Financing Agroecology Value Chain Projects

Financing agroecological projects poses unique challenges due to the departure from conventional farming methods.

Market and economic risks stem from fluctuating consumer demand for sustainably produced goods, leading to unpredictability and price volatility. Transitioning to agroecology requires an initial investment in infrastructure and training, particularly challenging for small and marginal producers. Environmental risks arise from factors like weather patterns, pests, diseases, and soil health, compounded by climate change impacts affecting crop yields.

Policy and regulatory risks include changes in government policies and regulations concerning agriculture, land use, and environmental protection. These shifts may affect subsidies, land access, certification standards, and market opportunities, creating uncertainties for project continuity and profitability.

Technical and knowledge risks involve the transition from conventional to agroecological practices, requiring deep understanding and access to innovative farming techniques.

Financial risks include limited access to loans, high interest rates, and inadequate financial instruments tailored to agroecological initiatives.

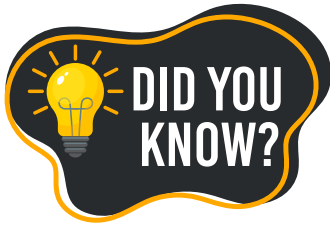
To mitigate these risks, immediate action such as recognition and policy regulation by governments, allocation of funds, establishing a robust, low-cost system to certify sustainably produced commodities is essential. Meeting the initial cost of transition is critical, covering learning, investment in equipment and machinery, and stakeholder education. By addressing these challenges, agroecological initiatives can become more viable and contribute to sustainable agriculture practices.

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Diversity focuses on the development of diversified cropping systems with a range of crops with varying growth patterns, dietary needs, and pest and disease resistance; Promotes crop rotation,

polyculture, and intercropping to improve soil health, minimize insect pressure, and optimize resource use efficiency; preserve genetic diversity and cultural legacy, support the conservation and use of traditional and heirloom crop varieties that are suited to the agroclimatic conditions of the area., Integration with Livestock, Agro-forestry, Aquaculture, and other forms of Diversity.

By embracing diversity as a guiding principle, agroecology offers a holistic approach to agriculture that enhances productivity and resilience and fosters social equity, cultural vitality, and ecological harmony.

Additionally, a special session on the IFAD GAP Fund was held with Assam Start - The NEST, where 60 startup incubates participated. Sh. Chinmoy Prakash Phookan Managing Director, AIIDC, also graced the occasion.



A few glimpses from the agroecology mission

We invite readers to join hands in our mission to transform the agroecology landscape in India. Whether you are a farmer, facilitator, entrepreneur, investor, policymaker, or enthusiast, there are various ways to contribute to the sustainable growth of the agriculture sector.

Thank you for being a part of the GAP journey. Together, we are sowing the seeds of a greener, more prosperous future for Indian agriculture.

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