

Evaluating expansion of bidirectional agricultural investments in Asia

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Food systems comprise one-third of global anthropogenic emissions, and close to 20 per cent of the global food supply chain is in Asia, making it a critical region for climate-smart agricultural investments. Food security is extremely susceptible to the changing climate, and any effort to address the climate crisis must address the destructive impacts of global food systems.

A region like Asia that is vulnerable to climate change should pay close attention to the agriculture focus. Across Asia, climate change is posing a high risk to food security. Despite encompassing two-thirds of the global population, only 450 million smallholder farmers with limited land and resources are responsible for producing 80% of the region's food, adding more pressure on the food-insecure region. Half of the world's undernourished population – 371 million people – reside in the Asia Pacific. The warming climate, decreasing crop yields, and rising food prices in the region are expected to push the number of undernourished people in Asia to 330 million by 2030.

Insufficient action and overly ambitious targets could make for potentially dire circumstances. The FAO's ambitious roadmap of rapidly transforming the global food system has been criticized by some as being predicated on the availability and affordability of agri-technology, which is lacking in many smallholder farms.

The roadmap has also been criticized for being out of step with the 2022 Global Biodiversity Framework on nature and biodiversity. Despite the multitude of commitments and financing packages, recent COP28 came under fire for the role that meat and dairy lobbyists played in hindering negotiations. This subset of the agricultural sector is responsible for about 37% of methane emissions, a potent greenhouse gas. And while the outcome of the First Global Stocktake – an inventory of states' efforts to meet their Paris Agreement obligations play role in sustainable agriculture in addressing climate change,

but it failed to include specific actions on reducing agriculture-related emissions.

Advancing climate-smart agriculture within Asia

Grow Asia, a sustainable food systems investment forum, was officially launched in 2015 as a partnership between the World Economic Forum and the Association of Southeast Asian Nations (ASEAN), with funding from the Australian and Canadian governments. The platform seeks to foster greater engagement within the agricultural sector in scaling up the adoption of more inclusive, resilient and sustainable food systems.

In 2022, Grow Asia launched a C\$2.1-million multi-donor impact fund to support women in the Asian agri-food industry. Together with the Canadian government, working through the International Development Research Centre and U.S.-based agri-tech company Corteva Agriscience, the fund has since evolved into the ASEAN Green Recovery through Equity and Empowerment Project and has helped revitalize gender-inclusive investments and support for women-led farming initiatives in Cambodia, the Philippines, and Vietnam.

From 2003 to 2022, Canada invested more than C\$7.7 billion in the Asia Pacific agricultural sector. During the same period, Asian economies invested about C\$2.5 billion in Canada, with the greatest inward investments coming from Japan, China, and Thailand. As part of its 2030 Emissions Reduction Plan, Canada is allocating C\$470 million to the Agricultural Climate Solutions: On-Farm Climate Action Fund. This fund aims to assist farmers in adopting sustainable practices. The private sector is also actively engaged in climate-smart agriculture. Power Sustainable, a Toronto-based equity investor, introduced the C\$300-million Lios Fund I in June 2021 to support companies within the food value chain that embrace sustainability trends impacting the sector.