

FOR IMMEDIATE RELEASE

Transition in Action Agri-food Report Unveils Strategies for Sustainable Finance in the Agri-food Sector

London, [16/05/2024] – Today, Climate Bonds Initiative (Climate Bonds) announces the release of its highly anticipated report, '[Transition in Action Agri-Food](#)'. This comprehensive document delves into the intricate landscape of sustainable finance within the Agriculture, Forestry and Other Land Use (AFOLU) sector, offering key insights and strategies to both real economy actors and financial institutions for driving systemic change.

Key Messages from the Report:

1. **The Transition is Underway:** The [report](#) highlights the ongoing transition towards sustainability within the AFOLU sector. It underscores the importance of sustainable finance in supporting this transition and outlines the critical role of various stakeholders, from start-ups to financial institutions, in driving implementation.
2. **Climate Bonds Sector Criteria Define Sustainable Debt Instruments:** Non-financial corporate entities and banks are encouraged to explore the latest Climate Bonds Sector Criteria on Agriculture Production (Crop and Livestock) and Deforestation and Conversion Free (DCF) Sourcing which transpose local financing needs into a harmonised sustainable finance framework aligned with IPCC recommendations.
3. **Farmers Need Access to Sustainable Debt:** The report stresses the importance of sustainable finance at the farm level, advocating for finance solutions that support farmers and lift them out of poverty. It emphasizes the need for direct payments and sustainable supply chain finance to scale sustainable initiatives effectively.
4. **Innovative Financing Solutions are Needed:** Collaboration among stakeholders along the value chain is key to accelerating the transition. The financial sector can play a significant role by offering sustainability-linked financing solutions and fostering cross-value chain collaborations.
5. **Key Performance Indicators Must be Material:** Sustainability-linked instrument KPIs should capture the complexity of the sector and not be restricted to scope 3 GHG emissions. The report provides examples of alternative KPIs tailored to each actor along the value chain.
6. **Climate Transition Finance for AFOLU Sector:** Climate transition finance can be instrumental in supporting the AFOLU sector to become part of the climate solution, improve food security, and raise living standards. However, impactful investment must incorporate climate, green, and social considerations.

Sean Kidney, CEO of Climate Bonds Initiative:

'The release of the 'Transition in Action Agri-food' report marks a significant milestone in our ongoing efforts to drive sustainability within the AFOLU sector. This report provides valuable insights and recommendations for leveraging sustainable finance to support the transition towards a more resilient and sustainable agri-food system.'

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About Climate Bonds Initiative: The Climate Bonds Initiative is a global not-for-profit organisation working to mobilise global capital for climate action. [Climate Bonds Standard and Certification](#) is a science-based, multi-sector certification scheme for investments – and now companies/entities – that address the challenge of climate change. www.climatebonds.net.