

PROJECT CHARTER – Compass Funding Platform

Project Name: Compass Funding Platform	Project Manager: Ms. Asja Cortellessa
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1. Project Description

The agriculture sector faces increasing risks as natural disasters become more frequent and disruptive due to climate change which is expected to intensify the following agriculture risks undermining also food systems in many regions making it more difficult to achieve food security, nutrition goals and poverty. Climate Smart Agriculture (CSA) seeks to increase sustainable productivity, enhance resilience and reduce Green House Gas (GHG) emissions, where possible.

Despite the urgent necessity to implement CSA approaches on a global level, adoption of such practices has been slow. One of the main reason is because farmers and farmers' organization often have no access to potential investors and financing opportunities.

Aligned with the new Global Alliance for Climate Smart Agriculture (GACSA) Strategic Plan 2022-2032 and the guiding principle of ensuring the central role of farmers in food systems, GACSA intends to catalyze greater investment opportunities for farmers in order to support global ambition and underpin more rapid and transformative climate action on ground. Investments in CSA initiatives can enhance existing approaches and deliver new innovative technologies/practices to mitigate GHG emissions from agriculture, to adapt agricultural practices to climate change, and to sustainably maintain and/or increase agricultural productivity.

2. Objectives

GACSA Compass Funding Platform platform seeks to create an impact in increasing investment opportunities for farmers concerning CSA practices. The platform will target the objective with the following actions:

- Linking farmers to investors through the development of a platform allowing farmers to propose their business ideas through an online platform and vice-versa;
- Enhancing the knowledge of farmers on project writing and proposal, enabling their access to possible funding opportunities;
- Creating networking events to attract funds and new investors for CSA approaches.

3. Scope

GACSA will create a platform to match farmers' organizations and investors (banking institutions, businesses, private and public sector) so that they will be able to exchange investment proposals. Moreover, the platform

has also the purpose of increasing farmers' financial literacy and their capacity to apply for investment opportunities.

Development of proposal matching platform

GASCA will create a dual approach platform where farmers and farmers' organizations could submit proposals, through an online application form, for which they are seeking funding, and investors can easily propose an investment plan to them. In parallel investors can showcase their investment proposals and opportunities offered by their institution, upload it to the platform and, consequently farmers and farmers' organizations can apply to receive the fund (See Annex 1 and 2).

How it works

Farmers' organizations and investors have to **create an account** in order to have access to the platform. The first step would be to disclose the category to which they identify (farmers' organization or investor).

Farmers' organizations need to provide the followings details (See annex 3):

- Name of the organization
- Where the organization is located
- Type of the organization: commercialization of agricultural products, storage of products, services to the community.
- Number of farmers within the organization
- Number of hectares in total
- Main agricultural products cultivated by the farmers
- Proof of CSA practices
- Proof of existence and registration to local government.

Investors need to provide the followings details (See Annex 3):

- Name of the company/ institution
- Where the company/ institution is located or where it operates
- Type of the company/ institution: bank, business group, private or public
- Main purpose of the company/ institution
- Proof of CSA interests
- Proof of existence.

All the details provided during the registration to the platform are needed in order to divide the applicants in different categories according to different criteria such as: location, interest, products, type of subscriber.

Once the registration is completed, subscribers have the possibility to browse the already existing proposal on the platform or create a new one. In order to create a new one, an **application form** should be completed. The application form is different for farmers' organizations and for investors.

Farmers' application form will contain the following details: summary of the project, amount of the fund sought, type of fund sought, CSA approach targeted, estimated impact on the community. Tools and guidelines are available on the platform to help farmers complete the application form.

Investors' application form will contain the following details: summary of the project, amount of the fund proposed, type of fund proposed, CSA approach targeted, estimated impact on the community.

The application form, will be directly showed on the platform as 'social media post-like' content, where interactions opportunities such as comments and like will be available to subscribers.

Proposals are labelled with different tags and it is possible to browse them by selecting the tag of interest. Tags are the following:

- Fund seeker
- Fund giver
- Agriculture CSA practices
- Livestock CSA practices

- Fisheries CSA practices
- More tags can be created by subscribers.

By implementing the dual approach method described above head with the possibility to categorize proposals, subscribers to the platform will easily navigate through the proposals. On one hand, investors can browse the website and all the farmers' proposals, and contact directly the farmers' organizations that is proposing the interesting idea. On the other and, farmers can browse the website and all the investment opportunities, and contact directly the investors.

Enhancement of farmers' knowledge on CSA funding opportunities

Linking farmers' organizations to investors, it is important in order to enhance CSA practices, to attract more investments to CSA, to increase funding opportunities for famers and to create interconnection between these actors. The creation of this platform aims also at increasing the awareness of funding opportunities present in the market for farmers, because the latter are not always aware of the existing opportunities. However, farmers lack also of the financial literacy to access such investment opportunities. The idea beside this initiative lays in the promotion of a philosophy opposed to the traditional assumption that all small farmers need to improve their lives is credit. Taking a loan without understanding cash flow, evaluating risks and being able to monitor your progress is a recipe for failure in terms of money management.

On the same platform described above, online **tools and guidelines** will be made available and accessible "on how to apply to funds and how to design financial proposals". These materials will be designed by the Investment Action Group and GACSA Strategic Committee members from the 6 constituencies (Financial Task Team to be set up for this activity). Topics to be considered:

- Project cycle - How to write project proposals to attract investments
- Project management – How to implement a project to best adopt CSA practices and to benefit the community. How to manage funds once received
- Financial literacy - Planning, prioritization and budgeting form the core of financial discipline; save and invest for future growth, prepare for unexpected risks.
- Different types of funds – What fund suits best my farm? Ability to evaluate and select the financial services available
- International green/CSA standards – How can a farmers' organization enter a specific environmentally labelled market? How to import and export goods with new environmental regulations?

The tolls and guidelines described here above will require a collection of information on financial and investments skills, project management and financial markets. This action will allow the creation of such learning materials that will be carried out mainly by the Facilitation Unit (FU) in collaboration with the Knowledge Group, Investment Group, FAO Investment Centre and Rural Finance and Investment Learning Centre (RFILC).

Outreach and communication events

In order for this platform to attain the objectives mentioned above, the outreach should be functional and it should target investors, to increase investment in this sector but also local governments and NGOs that work in the field in order to reach rural farmers' organizations.

The **launch** of the platform will be done by the FU in collaboration with GACSA members, Actions Groups, Regional Alliances and AIM4Climate through an online event. Moreover, GACSA in cooperation with the Action Group leaders, Regional Alliance focal points, the FAO and other RBA's (IFAD, WFP) host a **High-Level side event** along

the GACSA Annual Forum that will be held once a year at the FAO Rome Headquarters. The side event aim is to attract potential investors and increasing funding for small-scale farmers and farmers' organizations on CSA.

Implementation of the project

As a pilot the project will launch specifically to 3 countries in which there is already a widespread use of CSA practices or in which the adoption of CSA projects are promoted by the central government, supposedly because in such countries farmers' organizations should be aware of CSA practices. These countries will be decided in accordance with the Office of Climate Change, Biodiversity and Environment (OCB) of FAO and following the examination of Country Programming Framework (CPF).

The goal of this pilot is to partner with local governments and NGOs that already acknowledge the importance of CSA practices to reach farmers' organizations and to widespread the platform in order to avoid the failure and the disuse of such platform on the farmers' side.

4. Target Audience

- Farmers' organizations

Targeting individual small-scale farmers it is important to develop their capacities and knowledge about financial matters, however, investors may prefer to rely on farmers' organizations because of their internal and external accountability and their already developed funds management skills. Moreover, the project does not want to target intermediaries such as Non-Governmental Organizations (NGOs), governments or other entities that implement and carry on activities in the field, because the market it is already saturated with investment opportunities for these categories. However, the project will liaise with the latter entities for reaching rural farmers' organizations. For the abovementioned reasons the target audience solely rely on farmers' organizations.

5. Timetable & Costs

ACTIVITIES		Costs	RESPONSIBLE TEAMS
1	Building the platform	Estimated USD 8000	IT Support
2	Collect Information on CSA practices	No cost as it will be carried out mainly by GACSA FU	FU; Knowledge Group
3	Collect Information on Finance trainings	No cost as it will be carried out mainly by GACSA FU	FU; Investment Group
4	Developing of tools and guidelines	Cost will be only for translating the documents in FAO official languages	FU; Knowledge Group; Investment Group; FAO Investment Centre
5	Outreach	No cost as it will be carried out mainly by GACSA FU	FU; Regional Alliances; Members; Investment Group
6	Communication online events	No cost as it will be carried out mainly by GACSA FU	FU; Regional Alliances
7	High Level side events	A detailed cost estimation will be elaborated in the future but each event should cost approximately USD 15000	FU; FAO; RBAs; Regional Alliances; Partners

6. Risks

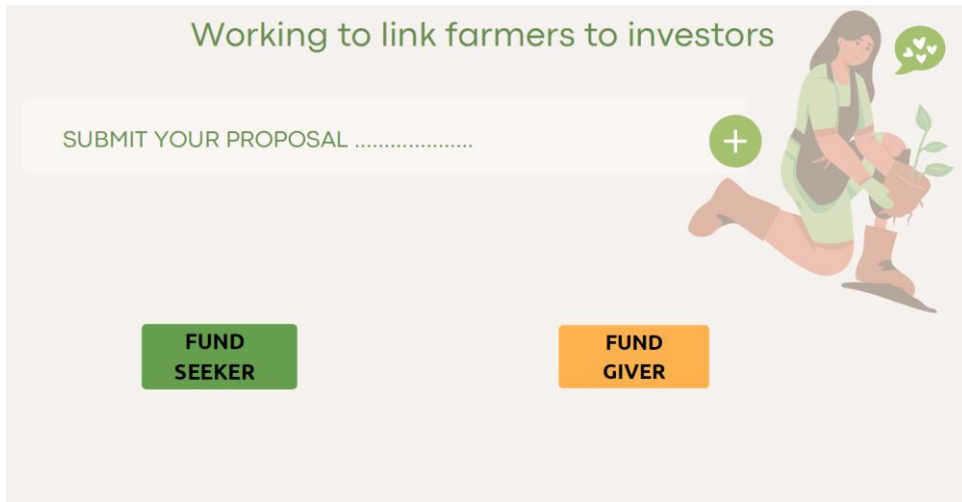
	LOW	MEDIUM	HIGH	Mitigating Actions
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Lack of engagement of farmers organization		X		The development of outreach actions, communication events and a pilot of the project will reach farmers' organizations through local governments and NGOs present in the territories to incentivize the utilization of the platform by farmers' organizations.
Lack of engagement of investors	X			The development of outreach actions, communication events and a pilot of the project will attract investors to the platform.
Language barrier	X			The platform will be available in English, French and Spanish. The financial tools and guidelines will be available in all FAO languages.
Possible repercussion on GACSA and FAO integrity	X			GACSA will serve just as a platform developer and facilitator but will not engage in direct fund exchanges among investors and farmers' organizations.

7. Partners

- Farmers' Organisations
- NGO's
- Policy makers
- Action Groups
- Regional Alliances
- Sponsors & Donors
- Other potential partners

Annex 1



Annex 2



Annex 3

FUND SEEKER	FUND GIVER
Name of the Farmers Organization	Name
Location	Location
Type of the Organization	Type of institution
Number of farmers in the organization	Main purpose of the company
Number of hectares in total	Proof of CSA interest
Main agricultural products	Proof of existence
Proof of CSA practices	Email address
Proof of existence and registration in local government	
Email address	