



Mainstreaming climate change adaptation and resilience for systematic impact across agricultural value chains in Central America

Context

Climate change is irrefutably the greatest challenge of our time and is dramatically impacting society, the environment, and business operations around the world. While there has been a dramatic increase in climate change resources across the board, mitigation strategies receive significantly more funding than adaptation strategies. Mobilizing adaptation funding is vital to respond to this growing threat, especially in developing countries.

As climate change drives business risks and costs up, the private sector is increasingly seeking ways to improve and scale adaptation investments. However, current adaptation programming lacks a unified systematic approach, a coherent strategy and standards, alignment with national strategies, and the ability to track investment in adaptation.

As a result, Environmental, Social, and Governance (ESG) strategies for climate adaptation are relegated to qualitative descriptors and lack simple, quantitative results.



Description

The proposed two-year regional initiative by Heifer International is a win for people and the planet.

Partnering with Conservation International with funding provided by the Global Environment Facility, Heifer International will develop and launch the first-of-its-kind Adaptation Equivalency Index (AEI) in Guatemala and Honduras to ensure decreased loss of habitat, improved ecological resiliency, sustainable living income for smallholder farmers, and an increase in adaptation investment from the private sector using a standardized, quantifiable approach.

The AEI will seek to enable smallholder farmers, processors, and companies in Guatemala and Honduras to capture the full value of their adaptation action along the supply chains for coffee, cocoa, and spices.

The Ministries of Environment and Agriculture in both countries will play an active role working alongside Heifer International to shape the AEI and socialize it with key national actors

We will identify, test, rank, and score adaptation solutions. We will then work with our corporate partners to drive demand for AEI scoring. The AEI will be designed to integrate smoothly with generic ESG/CSR metrics, which will facilitate its integration with companies' ESG strategies and business models. This innovation will enable companies to easily report on investments and outcomes for adaptation in a similar manner to which they already report on carbon emission mitigation strategies.

The implementation of the AEI itself will be developed and piloted in conjunction with multi-national and national level private sector partners to ensure maximum fluidity and ease of uptake by the private sector. In other words, the AEI is envisioned as a quantifiable method for companies to incentivize, measure, and enact their adaptation investments.



Countries

The AEI will initially be developed and tested in two countries that are heavily impacted by climate change: Guatemala and Honduras. In Guatemala, the project will focus on the cardamom, allspice, and cocoa value chains. In Honduras, the project will focus on coffee and cocoa. The AEI will be piloted in three out of the four target value chains.



Value Chain

