**New study identifies climate adaptation measures to improve smallholder farmers' productivity and resilience in Latin America**

*An assessment in four Latin American countries identifies the main vulnerabilities and threats of climate change to the region's agricultural systems.*

Smallholder farmers are on the frontlines of the climate crisis in the agricultural sector, and at the same time, smallholder farmers feed the world, producing nearly 70% of the total food the world consumes. Providing mechanisms for these farmers to become more resilient, sustainable, and productive remains one of the cornerstones of the response to climate change.

[Add-Value](https://www.addvaluesa.com/) joined forces with the CGIAR Research Program on Climate Change, Agriculture and Food Security ([CCAFS](https://ccafs.cgiar.org/)) and the Alliance of Bioversity International and the International Center for Tropical Agriculture ([the Alliance)](http://ciat.cgiar.org/alliance/), to conduct a climate change technical assessment of a group of smallholder farmers in four Latin American countries. The study was sponsored by the International Climate Finance Accelerator Luxembourg (ICFA), as part of its support to Add-Value and the Small Farmers Climate Adaptation Fund (SMAF).

Through the analysis of a sample of smallholder clients from four rural microfinance institutions (MFIs) in Guatemala, El Salvador, Honduras, and Ecuador, Add-Value, CCAFS and the Alliance conducted a detailed assessment aimed at understanding the main climate vulnerabilities and threats facing agricultural systems and rural smallholder farmers’ households. The most promising adaptation measures have been identified through the assessment to enhance smallholder farmers’ productivity and resilience, and have been coupled with a series of metrics to measure the targets and impacts of the SMAF.

This assessment is a major step forward in the development of SMAF, a US$30 million climate adaptation fund aimed at introducing climate adaptation practices to an estimated 20,000 smallholder farmers in seven Latin American countries, including five in Central America, through a group of close to 20 rural MFIs, with medium-term funding and technical assistance.

The assessment concluded that the investment strategy proposed by Add-Value in the design of SMAF is feasible in terms of both its technical implementation approach and socio-economic benefits for the target population. The adaptation practices analyzed in the study are well positioned to tackle the most common effects of climate change facing smallholder farmers in the region.

For CCAFS and the Alliance, this joint work with Add-Value expands the range of research in climate-smart agriculture focusing on rural sustainable finance. The incorporation of cost-benefit analysis complements the extensive technical knowledge on climate-resilient practices and technologies that both CCAFS and the Alliance have built over more than a decade. These approaches aim to increase productivity and adaptive capacity while reducing the impact on the environment. In addition, this collaboration with Add-Value as an impact fund manager is a critical pathway for achieving impact at scale in Latin America's agricultural sector to enhance resilience to climate change and variability.

The implementation and financing of these practices will provide economic benefits to financial institutions and investment funds, and will help improve farmers' livelihoods and increase their productivity in the context of climate change, as shown in this study.

In addition, through the application of SMAF's proposed theory of change, it is possible to achieve its long-term objectives of more resilient farms and improved livelihoods for smallholder households, as well as contribute to seven of the United Nations Sustainable Development Goals.

**About CCAFS**

The CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS) brings together some of the world's best researchers in agricultural science, development research, climate science and Earth system science, to identify and address the most important interactions, synergies and trade-offs between climate change, agriculture and food security.

[https://ccafs.cgiar.org](https://ccafs.cgiar.org/)

**About the Alliance**

The Alliance of Bioversity International and the International Center for Tropical Agriculture (CIAT) delivers research-based solutions that harness agricultural biodiversity and sustainably transform food systems to improve people's lives. Alliance solutions address the global crises of malnutrition, climate change, biodiversity loss, and environmental degradation. The Alliance is part of CGIAR, a global research partnership for a food-secure future.

[http://www.bioversityinternational.org](http://www.bioversityinternational.org/) [http://www.ciat.cgiar.org](http://www.ciat.cgiar.org/)

**About Add-Value**

Add-Value Management is a financial consulting and impact fund management firm based in San José, Costa Rica. Add-Value is made up of a group of professionals with an extensive track record working on sustainable finance, impact fund management, climate finance, and microfinance. Since 2017, Add-Value has been working on the design and structure of the Small Farmers Climate Adaptation Fund (SMAF). Add-Value has been awarded by the International Climate Finance Accelerator Luxembourg as part of its 2019 Spring Cohort of climate fund managers.

[www.addvaluesa.com](http://www.addvaluesa.com)

**About ICFA**

ICFA Luxembourg is a public-private partnership under the Luxembourg Climate Finance Strategy, composed of 10 private entities from the Luxembourg financial sector (Arendt & Medernach, Deloitte, Elvinger Hoss Prussen, EY, [Innpact](https://www.innpact.com/), Investing for Development, KPMG, LuxFLAG, PWC and 4Climate), and the Luxembourg Ministry of Finance and the Ministry of Environment, Climate and Sustainable Development. Its mission is to enhance the climate finance ecosystem by creating an attractive and supportive environment for climate finance fund managers in Luxembourg.

[www.icfa.lu](http://www.icfa.lu)