Co-funded by the European Union

Financial Innovations to Scale Up Climate-Smart and Regenerative Agriculture

CONTENTS

CONTEXT AND PURPOSE

During the World Food Forum week in Rome, EIT Food hosted its flagship event, ***"Next Bite,"*** *October 15-16, bringing together key players in food systems transformation. This event provided a platform for agri-food innovators, thought leaders, and stakeholders to discuss policy developments and explore sustainable solutions for the future of food. Katherine Foster, EIT Food Fellow to the World Economic Forum, authors this report from the pre-event workshop, '****Financial Innovations to Scale Up Climate-Smart and Regenerative Agriculture,'*** *where thought leaders, and stakeholders from across the public and private sectors, civil society, and farmer organisations all convened to address financial pathways that could support the shift toward regenerative agriculture.*

The roundtable workshop focused on addressing the critical question: *How can new financial and risk-sharing models be developed to support regenerative value chains, equitably distribute risks and benefits, and promote landscape approaches?* The event expanded upon the work and commitment of EIT Food and the Food Innovation Hub Europe to **advance understanding of finance and data innovation** as essential elements for transitioning to sustainable food systems. It also built upon the World Economic Forum's **"Food Innovation Hubs Playbook"** and the **"Mainstreaming Food Innovation White Paper"**, which highlight the **importance of financing innovation** for mainstreaming and scaling food system transformation. The event, which was developed and moderated by Foster, sought to identify practical financial solutions to drive the growth of regenerative agriculture and strengthen finance and risk-sharing practices.

The interactive and closed session allowed approximately 70 participants to share perspectives on current financial challenges and to identify enablers and actionable pathways for transformation in Europe's agrifood sector.

SPEAKERS AND KEY CONTRIBUTIONS

The session opened with a welcome by Katherine Foster, who also moderated the discussion which was framed by openingwith remarks from three distinguished leaders:

- **Lucy Wallace** - Director of Global Relationships, EIT Food
- **Marcel Beukeboom** - Permanent Representative of the Kingdom of the Netherlands to the United Nations Organizations in Rome
- **Tania Strauss** - Head of Food and Water, World Economic Forum

Following the opening remarks, six **Discussion Leaders** who were selected based on their expertise and stakeholder representation from key points within the Food Value Chain or Ecosystem each gave a brief "firestarter" intervention, sharing insights on financing challenges and opportunities for regenerative agriculture. The Discussion Leaders were:

1. **Marjolein Brasz** - CEO, Foodvalley (Agri-Food Cluster Perspective)
2. **Darci Vetter** - Head of Global Government Affairs and Public Policy, PepsiCo (Corporate perspective)
3. **Ruth Thomas** - Head of Nature-Positive Agriculture, WWF (NGO Perspective)
4. **Lucy Garret** - Landscape Lead, Landscape Finance Lab (Landscape Finance Perspective)
5. **Ethan Soloviev** - Chief Innovation Officer, HowGood (Startup, Data and MRV Perspective)
6. **Sid Mehta** - Founder & Principal, Greenworks Inc., and Adjunct Faculty, Land and Food Systems, University of British Columbia (Consumer and Retailer Perspective).

BREAKOUT DISCUSSIONS AND KEY THEMES

Participants were then divided into breakout groups, each led by one of the expert Discussion Leaders and further facilited by Federico Ronca (Lead, Data and Digital Solutions, Food & Water World Economic Forum), Levi Alfred Orero (Hoffmann Fellow, World Economic Forum), Marieke Harteveld (Program Manager, Gov of Netherlands), and Monique, Grooten (Program Manager, Gov of Netherlands), to delve into two guiding questions. The discussions focused on identifying the primary challenges to unlocking finance for regenerative agriculture and brainstorming pathways, financial solutions and enablers to support the transition. These group sessions fostered a collaborative

environment, enabling stakeholders from different sectors to share their unique challenges and propose cross-cutting solution pathways.

SUMMARY

The workshop concluded with a report-back session in which each breakout group shared insights on challenges, enablers and solution pathways. Diverse perspectives from the roundtable highlighted a comprehensive set of challenges facing regenerative agriculture. Key issues included inconsistent metrics, data verification obstacles, high upfront costs, limited financing options, and opaque supply chains that hinder traceability and coordination across stakeholders. Farmers face inadequate agronomic support, limited access to long-term investment capital, and few tailored financial products. Compounding these issues are weak consumer demand and limited retail engagement with regenerative products, as well as cultural resistance to shifts like plant-based diets. These challenges are further intensified by a lack of cohesive policy support and alignment across regions, creating gaps in achieving long-term sustainability goals.

The solution pathways and enablers identified reflect a multifaceted systems approach. Solutions include establishing scalable data and MRV systems to standardize metrics and improve transparency, alongside blended public-private financing models and new risk-sharing contracts to lower financial barriers for early adopters. Participants emphasized multi-stakeholder platforms and local hubs to address diverse regional needs and encourage cross-sector collaboration. Regulatory alignment that integrates ESG, biodiversity, and water conservation frameworks would strengthen transparency and attract financial backing, while incentives for co-benefits like ecosystem resilience can drive ecosystem-wide commitment. Retail and consumer engagement strategies, including labelling and educational initiatives, are essential to building awareness and demand for regenerative products. Together, these pathways provide a comprehensive strategy to grow regenerative agriculture through data, finance, policy, and ecosystem-wide collaboration.

The event provided a platform for cross-sectoral learning and alignment on next steps, laying the groundwork for ongoing collaboration. It emphasized the importance of innovative financial models, data, and equitable risk distribution to support the transition toward regenerative and climate-smart agricultural practices.

IDENTIFIED CHALLENGES

1. **Data and Metrics**
    a. **Diversity and Standardisation:** Different actors use varied metrics, creating misalignment in data interpretation and application. The lack of global standardisation and baseline understanding impedes cohesive strategies for regenerative practices.
    b. **Data Collection and Verification:** Collecting primary landscape data is challenging due to spatial heterogeneity. Verifying this data across diverse ecosystems is costly, with limited access to timely, actionable data for land management and decision-making.
    c. **Market Signals and Financial Alignment:** Current markets lack clear signals and incentives for sustainable practices, reducing the motivation to collect and share data that could support financial models. Misaligned data practices limit connections to financing, hindering land management and ROI or impact-based investment models.
2. **Financial and Agronomic Barriers**
    a. **Initial and Upfront Costs:** High initial costs and transaction fees without immediate returns make regenerative investments risky, especially for farmers.
    b. **Limited Access to Funding:** Barriers to financing, such as loans and grants (especially for equipment and infrastructure), prevent investment in regenerative practices and necessary machinery.
    c. **Lack of Agronomic Support:** Insufficient technical advisory services prevent farmers from fully adopting regenerative practices.
3. **Supply Chain and Market Structure**
    a. **Opaque and Long Supply Chains:** Complex, non-transparent supply chains create transaction costs, limiting coordinated action and visibility across the value chain.
    b. **Cultural and Consumer Engagement:** Cultural inertia, limited consumer demand, and resistance to dietary changes (e.g., plant-based options) slow the adoption of regenerative practices. Education and demand among young consumers remain low.
    c. **Community and Ecosystem Needs:** Farmers face socio-political and geographic challenges, limiting community and ecosystem alignment with regenerative initiatives.
4. **Stakeholder and Financial Sector Engagement**

a. **Stakeholder Buy-In and Responsibility:** Lack of cross-sector commitment hinders unified approaches to regenerative practices; varying levels of understanding and commitment prevent full collaboration.
b. **Short-Term Policies:** Short investment horizons and lack of supportive policy frameworks challenge long-term investment in regenerative agriculture.
c. **Financial Sector Misalignment:** Financial institutions often lack frameworks to evaluate **non-financial benefits**, reducing their capacity to support regenerative agriculture projects.


IDENTIFIED ENABLERS AND SOLUTION PATHWAYS

1. **Data and Metrics Solutions**
    a. **Investment in MRV Systems:** Develop scalable MRV (Measurement, Reporting, and Verification) systems for accurate accounting of ecosystem services. Standardise data and benefit accounting to align with regulatory needs.
    b. **Terminology and Definitions Guides:** Implement a Terminology Guide and Outcomes-Based Definitions Guide to unify language and ensure consistent metrics across stakeholders.
    c. **Outcome Guide and International Frameworks:** Provide Outcome Guides with case studies on regenerative practices and apply international frameworks (e.g., Sustainable Finance Disclosure Regulation) to improve transparency.
    d. **Data as a New Crop:** Establish data as a valued resource, using cost-sharing models and linking data disclosure requirements to financial mechanisms like crop insurance premiums.

e. **Data Standardisation and Cost-Benefit Sharing:** Standardise data for consistent policy, financing, and labelling purposes. Support data governance and cost-sharing models to make data accessible and valuable for all stakeholders.
f. **Farmer Data Monetisation:** Enable farmers to control and monetise their data, establishing it as an additional revenue stream. Implement affordable MRV systems for scalable impact tracking and data-based policy support.

2. **Finance Models and Risk Sharing**
    a. **Proof of Concept with Public Funding:** Pair proof-of-concept projects with catalytic public funding to establish a business case for regenerative agriculture and attract additional investment.
    b. **Blended Finance and Public-Private Models:** Utilise blended finance models, starting with public sector support and transitioning to private investment. Implement public-private capital combinations and incentives for SMEs and innovators.
    c. **Risk-Sharing Contracts:** Develop contracts that balance qualitative and quantitative risk-sharing components across the value chain, reducing the burden on individual actors, especially farmers.
3. **Finance and Regulatory Frameworks**
    a. **True Cost Accounting:** Shift financial evaluations from traditional ROI to impact-based models, incorporating environmental assets like biodiversity, soil health, and water quality.
    b. **Sustainable Finance Disclosure:** Apply transparency regulations (e.g., ESG standards) to promote sustainable finance, fostering a clearer alignment with regenerative values.
    c. **Partnerships and Alliances:** Strengthen food, health, and nutrition alliances, and expand frameworks such as the European Alliances for Regenerative Agriculture to advocate best practices and policy support.
    d. **International Reporting Standards:** Expand reporting frameworks to cover biodiversity, soil, water, and ecosystem services, using standards like Capitals Coalition and SDG guidelines to promote a holistic approach.
4. **Financial Institutions and Bank Support**
    a. **Streamlined Loan Access:** Improve access to loans, especially for SMEs and next-generation farmers, by developing guides that help financial institutions understand regenerative investments.
    b. **Public-Private Capital Mix:** Promote public-private funding combinations, including tools to guide banks in balancing profit and impact, alongside incentives for ecosystem payments.
5. **Digital and Physical Tools**

a. **Risk-Sharing Contracts:** Use contract models with qualitative and quantitative risk-sharing provisions tailored to regenerative practices, distributing risks across the chain.
b. **Web-Based Tracking Tools:** Introduce tools that track products from farm to table, improving transparency and supporting ecosystem service payments. Include digital transparency tools for data sharing and impact tracking.
c. **Regional Hubs:** Establish hubs to provide guides, infrastructure, and frameworks for local farmers, supporting ecosystem and community alignment.

6. **Stakeholder Engagement and Ecosystem Collaboration**
    a. **Multi-Stakeholder Platforms (MSPs):** Establish frameworks that engage stakeholders across sectors, prioritising needs and influence levels for effective decision-making.
    b. **Local Community and Ecosystem Integration:** Create regional hubs that provide infrastructure, training, and community support tailored to local needs. These hubs would support tourism and local markets, enhancing ecosystem collaboration.
    c. **Pioneer Incentivisation:** Compensate early adopters for the risks they take, incentivising innovation within the regenerative ecosystem.
7. **Co-Benefits for Ecosystem and Financial Stability**
    a. **Collaborative Risk Distribution:** Create models for equitable risk-sharing across the value chain, ensuring balanced participation from all actors.
    b. **Investment in Co-Benefits:** Support co-benefits in biodiversity, water conservation, and soil health, as well as guidelines for financial incentivisation (including paid cases and tools for equitable adoption).
    c. **Corporate and Procurement Alignment:** Recognise increased property values from regenerative practices and support corporate procurement aligned with regenerative goals, fostering long-term stability.
8. **Consumer Engagement and Storytelling**
    a. **Visibility and Storytelling Guides:** Develop storytelling and visibility guides to enhance consumer engagement and cross-sector connections. Include training on storytelling to communicate the benefits of regenerative practices.
    b. **Education Partnerships:** Collaborate with academic institutions to create educational resources and awareness campaigns to educate consumers and build demand, focusing on environmental and social impacts of regenerative practices.
    c. **Balanced Labelling for Market Alignment:** Create labelling strategies that balance the need for standardisation with marketing goals, clarifying distinctions between regenerative and traditional farming practices.

CONCLUSION

A particularly resonant statement was shared by Marcel Beukeboom, who reminded us to revisit 'old solutions, which may not have been relevant in the past, but could hold new relevance today.' This compelling prompt echoed throughout the discussion, underscoring the importance of a contextualized approach—one that integrates past solutions and the knowledge and expertise of farmers and stakeholders with emerging technologies and data capacities, all enabled by innovation in finance and risk models."

As a result of the workshop's activity, it is clear that a sustainable and regenerative agricultural system requires a paradigm shift, one that reimagines finance, data, policy, and collaboration as tools for transformation. A key pillar of work requires the development of financial models that reduce barriers for early adopters while distributing risks equitably across the ecosystem of actors. Blended finance, public-provided partnerships, and innovative contracts offer promising pathways for farmers and stakeholders to create an ecosystem that supports long-term investment in regenerative practices. Success depends on a system-level approach integrating local knowledge, regional needs, and global commitments. Together with an unwavering commitment to equity and inclusivity, these tools and a shared vision can help chart a course towards a resilient climate-smart food system that benefits both people and the planet.

'*This session reinforced the critical need to innovate financial and risk models as a foundation for advancing the adoption of regenerative agriculture. By bringing together diverse perspectives, we've laid the groundwork for collaborative approaches that address systemic barriers, and unlock sustainable, equitable solutions across the agricultural ecosystem.*" **Katherine Foster**