

INTRODUCTION

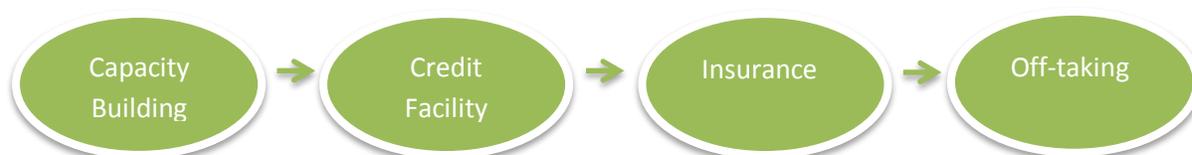
CSA, as defined by FAO, is agriculture that sustainably increases productivity, enhances resilience, reduces/removes greenhouse gases mitigation where possible, and enhances achievement of national food security and development goals. This policy brief outlines the challenges and impacts related to CSA. It also presents three strategies that form the basis for enacting promising policy incentives for implementation of CSA.

There are several factors that affect the implementation of CSA by farmers; chief among which are Cost of initial adoption due to high investments required, delayed benefits which of adoption and uncertainties and risks involved as a result of low technical know-how and limited data for risk analysis and management.

As a result, there a need for incentives for farmers and policymakers to adopt and develop a more coherent policy for climate-smart agriculture. This policy brief is aimed at providing promising policy incentives that can help in the adoption and development of more coherent policies for CSA.

3.0 POLICY INCENTIVES FOR IMPLEMENTING CSA

Policy 1: Credit - Insurance Policies (CIP)



This policy is designed to provide farmers (Crop production, Livestock and Fisheries) with the required training, financial support in form of credit and insurance. The farmers will be trained on **how** and the **need** for adopting the CSA practices after which they will be given credit facilities to implement what they have been thought. Farmers who are part of this scheme will be organized into clusters and their products aggregated for off-takers. This will also help in connecting the farmers to the market seamlessly.

Policy 2: Subsidy Payment for Agroforestry Practices (SPAP)

The aim of this policy incentive is to promote afforestation and improve carbon sink by encouraging farmers to plant trees simultaneously with climate-smart crop production practices and or rearing of animals for effective land use management. This policy is targeted at the rural low-income farmers. This will help to cushion the effect of delay gratification and the initial high capital cost, thus encouraging farmers to adopt CSA. Farmers will be trained to on how to effectively practice agroforestry and allowed to sign an undertaking. After which the inputs needed for the practices will be subsidized.

Implementation Strategies for policy 1 and 2

Sources of Funds

- **Private sector** – Their role will be to finance R&D and provide the required training to the farmers who will purchase their products such as seeds, and other inputs at again. The food multinational organization can also provide funds to be given to the farmers upfront and the raw materials from the farmers will be offtake by them at the end of the farming season.
- **Public Sector & International Development Organization** – Their role is to make funding for the risk management (insurance) available and to ensure the monitoring and implementation of the project. The government can also generate employment by recruiting, training and deploying the extension workers who will be working directly with the farmers to train and provide technical support in the implementation of the CSA.
- **Crowd Sourcing** – This is an innovative source of funds proposed by Team Nigeria. A web-based or mobile application platform will be developed for crowdsourcing; where an ordinary person and philanthropists can make a financial donation towards climate-smart agriculture; or crowd investing: where people can invest in climate-smart agriculture and get a return of investments. The funds generated would be given as incentives to

farmers, used for quality information and dissemination and training of farmers on how and the need for Climate Smart Agriculture farmers on how and the need for Climate Smart Agriculture. Block Chain Technology would be used to encourage transparency.

Other Implementation Strategies

This insurance policy will be made available for farmers who are interested in practising climate-smart agriculture in crop production, animal production and fisheries under two (2) categories

First, a comprehensive training will be organized for farmers who have shown interest in practising CSA. After the training has been completed, trainees have access to CIP if they agree to farm in a climate-smart way through and undertaken.

Category 1: for Medium – Large-scale farmers with an annual turnover of \$50,000 and above. The credit facility will be of a single digit interest rate ranging from 0-9 and in a situation where factors beyond farmer's control cause yield loss or reduced yield, such a farmer will be insured up to 70% for such a loss thus they do not bear all the risk alone

Category 2: For Small-scale farmers or starters whose annual turnover is \$50,000 or less, the credit facility will have a zero interest rate and in a situation where factors beyond the farmers control causes loss of yield or reduced yield, such a farmer will be insured up to 70% for such a loss this they do not bear the risk alone.

Influencers such as religious leaders and community chiefs will be involved in the areas of sensitization and in some sort of project monitoring.

The policy will be implanted in batches, with a trial batch with a small sample of farmers before the full implementation.

Policy 3: Incentives for Inter-sector Policy Coherence (ICPC)

This incentive is targeted at the bureaucracy level, where policy implementation for CSA is hampered by policy incoherencies among different sectors such as agricultural development, forestry, climate, trade and investments etc. The main idea is to provide incentives for the implementation of a joint policy by two or more sector within a state. For example in Nigeria, the ministries of Agriculture, Water Resources, Environment, Trade and Investment, Finance, Budget and Planning could unanimously develop a policy that has a common ground for climatic smart agriculture. It is expected that such policy will be highly coherent as it takes into critical consideration the various objects of the different sectors.

The funding of such policy could be in form of a special fund which will be set aside by the international and regional organizations

The Implementation Strategy for (ICPC)

- Sensitization of the benefit of a coherent policy
- Finding a common win-win ground.
- Formulation of the coherent policy from the standpoint of the win –Win ground
- The funding agency will have to study the policies and rate it against an agreed and a standard “Coherent Index” which must be passed before the funding of the implementation of such policy
- The project implementation will be carried out jointly by the different sector in such a way that conflict of interest is avoided.
- An inter-sector platform can be created where the impact of the policy of one over another can be tracked and measured. This platform can be informed of a web application or a mobile application. This will provide a clearer view to policymaker of the impact of their policy of the climate, agricultural production and food security which will facilitate quick adjustment of the policy is found to be negative.