

FP278: Adaptation of agricultural value chains to climate change in Madagascar – PrAda 2+

Access the document: <https://www.greenclimate.fund/document/gcf-b43-02-add12>

We appreciate the objective of this proposal by GIZ with the objective of enhancing the resilience of agricultural value chains in Madagascar, building upon the achievements of the first phase of the PrAda project. The continued focus on supporting smallholder farmers in climate-vulnerable regions and strengthening agricultural livelihoods is highly relevant given the country's growing exposure to climate risks such as droughts, floods, and cyclones.

At the same time, as a Category B project, we note with concern the potential environmental and social risks associated with largely promoting cash crops under the proposed interventions. Intensifying agricultural production to increase cash crop yields may lead to overexploitation of natural resources and use of negative practices such as slash-and-burn or excessive use of chemical agricultural inputs. We therefore encourage the AE to ensure that environmental safeguards are rigorously applied, and that the promotion of cash crops is balanced with strong measures for sustainable land management and agroecological practices.

We also note the project's assertion that promoting cash crops will indirectly contribute to food security through increased household income. While this may hold in some contexts, we share ITAP's concern that such a shift may in fact heighten food insecurity if arable land, household labor and extension services are increasingly dedicated to cash crops for income generation, rather than core food crops for local consumption. This could increase vulnerability to climate shocks and market volatility, and potentially increase dependence on imported staple foods. Careful attention is needed to ensure that shifting labor, land, and resources toward export-oriented production does not inadvertently undermine household food security or reduce cultivation of Madagascar's staple crops such as maize, rice, and cassava particularly for vulnerable households with limited land. We therefore strongly urge that the food security indicator included after ITAP's assessment be closely tracked throughout implementation, and that diversification and food self-sufficiency remain central to project monitoring frameworks.

In addition, we underscore the importance of carefully assessing and designing any financial instruments or insurance products promoted under the project. These mechanisms should be fully transparent, accessible, and beneficial to local communities—avoiding any risk of indebting vulnerable farmers or introducing insurance models that fail to deliver tangible benefits in the event of climate-related losses.



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Finally, we commend the AE's attention to gender considerations, as reflected in the project's Gender Action Plan. Strengthening women's participation across value chains and ensuring equitable access to resources, training, and financial tools are key to achieving the project's intended adaptation outcomes.