

News Release**21 August 2024****Adaptation finance is crucial for building climate resilience of India's agrarian communities, reveals a study by Bridgespan in partnership with HSBC India**

- Survey with 800 farmers and 150 labourers across four Indian states of Andhra Pradesh, Bihar, Maharashtra, and Uttar Pradesh
- The report surfaces six “bold bets” which can guide philanthropic funding and impact investing in making strategic investments.

Mumbai/ Delhi: Philanthropies and impact-first investors can play a crucial role in supporting India's farmers as they adapt their livelihoods to climate change and boost their income, according to research undertaken by The Bridgespan Group and supported by HSBC India. The report titled [“Building Climate Resilience and Prosperity: Six Bold Bets for Smallholder Farmers and Farm Workers”](#) was released by Mr. Faiz Ahmed Kidwai, Additional Secretary, Dept. of Agriculture and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India.

Six prime opportunities, referred as “bold bets” in the report—have the potential to build resilience for agrarian communities, according to the study. If fully leveraged, these investments could unlock ~Rs 3.49 lakh crore (nearly \$45 billion) in adaptation finance. These are:

- 1. Support transition to natural farming practices**
 - a. Reducing chemical inputs can lower production costs per hectare, depending on crop type and usage.
 - b. This approach also has climate benefits, since it conserves water and increases soil carbon storage, enhances soil fertility, water retention, and biodiversity.
- 2. Provide low-collateral loans to farmer producer organisations (FPOs) for investment in water conservation and livestock-based livelihoods**
 - a. Water conservation measures ensure dependable irrigation and crop yield, leading to significant income growth.
 - b. Livestock farming can enrich household nutrition and ameliorate health outcomes.
 - c. Overall, this would help FPOs develop water infrastructure (e.g., farm ponds, common wells, bunds) or invest in community animal-rearing infrastructure (e.g., shelters, feed storage).
- 3. Support FPO-run seed banks for climate-resilient crops**
 - a. Allow farmers to adapt to climate hazards such as droughts and floods, thereby safeguarding their incomes and bolstering agricultural sustainability and food security.
 - b. Leads to lower water consumption for irrigation which in the long run will help improve ground water levels.
- 4. Support FPOs to enable farmers to bring high-margin crops to the market**
 - a. Helps farmers diversify and undertake value-added activities such as processing, packaging, and marketing that can boost farmer incomes.

5. **Offer weather-indexed wage loss micro-insurance**
 - a. Provide immediate payouts to marginal farmers and agricultural labourers when specific weather conditions (e.g., temperature, rainfall) cause crop loss.
 - b. Enhances financial resilience.

6. **Lend to agricultural micro- and nano-enterprises**
 - a. Provide farmers access to agricultural products (e.g., inputs, equipment, capital), generate employment opportunities for additional rural workers, and boost local economies.

Speaking at the programme, **Shri. Faiz Ahmed Kidwai, Additional Secretary, Department of Agriculture and Farmers Welfare, Government of India**, said, “Our farmers are the biggest risk takers who are working tirelessly to ensure food and nutritional security for the nation. The government is working towards transforming the agricultural ecosystem that not only encourages the adoption of sustainable practices, but also enhances productivity and income for the farming households.”

Reiterating HSBC India’s commitment to climate innovation and nature-based solutions, **Aloka Majumdar, MD, Global Head of Philanthropy & Head of Sustainability, HSBC India**, said, “The objective of the Climate Equity Initiative is to influence innovations and investments for climate action. For this to be effective, it is important to incorporate the voice of the vulnerable communities, who are likely to be excluded from decisions that affect their lives. We hope that this report will drive collaborative work in ensuring sustainable development and preservation of our natural ecosystem.”

Anant Bhagwati, Bridgespan partner and co-author of the report, said, “Marginal farmers’ and farmworkers’ households are aware of the changing climate’s impact on their farming habits. Yet they have fragile finances, and social supports do not always reach them. Centering their voices, and the voices of other vulnerable communities that need tailored support, such as women, Dalit, and Adivasi farmers, is the surest form of adaptation there is.”

The research focuses on the needs of marginal farmers—smallholders and sharecroppers cultivating less than one hectare (2.47 acres)—and farm labourers. The bold bets were identified with the needs and preferences of these communities as a starting point and are supported with case studies and expected impact.

The survey has been conducted with nearly 800 farmers and 150 labourers in four Indian states (Andhra Pradesh, Bihar, Maharashtra, and Uttar Pradesh) through in-depth interviews, and field visits. Women made up 40 percent of survey respondents, and members of Adivasi and Dalit communities made up over half of the farmers and 70 percent of the farm labourers surveyed. The study also draws on conversations with more than 80 experts, leaders, and practitioners working on climate and agriculture issues, including investors, think tanks, government entities, and NGOs.

Read the full report at: <https://www.bridgespan.org/insights/climate-resilience-and-prosperity-bold-bets-for-smallholder-farmers-and-farm-workers>

HSBC India and Sustainability

HSBC India’s strategy to support sustainable economic growth, focuses on Community Investment (CSR interventions), Sustainable Operations, Sustainable Finance and Sustainability Risk.

The strategy is delivered through a combination of programmes, collaboration, and partnerships. We believe it requires a concerted effort between business, governments and other stakeholders on policies and programmes to support transition to a more sustainable future.

HSBC Bank India

The Hongkong and Shanghai Banking Corporation Limited in India offers a full range of banking and financial services through 26 branches across 14 cities.

HSBC is one of India's leading financial services groups, with around 42,000 employees in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading custodian in India. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country.

HSBC Holdings plc

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About Bridgespan

The Bridgespan Group (www.bridgespan.org) is a global nonprofit that collaborates with social change organizations, philanthropists, and impact investors to make the world more equitable and just. Bridgespan's services include strategy consulting and advising, sourcing and diligence, and leadership team support. We take what we learn from this work and build on it with original research, identifying best practices and innovative ideas to share with the social sector. We work from locations in Boston, Delhi, Johannesburg, Mumbai, New York, San Francisco, Singapore, and Washington, DC.

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