PROGRESS
Promoting Green Deal Readiness in the Eastern Partnership Countries

Ministry of Agrarian Policy and Food of Ukraine

On behalf of: Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety of the Federal Republic of Germany

IKI INTERNATIONAL CLIMATE INITIATIVE

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UNFCCC COP31 SIDE EVENT

From Climate Readiness to Financial Benefit: How Climate-Adaptive Technologies Unlock Access to Affordable Financing and Insurance in Agriculture

Event	Side event to the 31st Conference of the Parties (COP31) to the United Nations Framework Convention on Climate Change (UNFCCC)
Venue	Antalya, Türkiye
Dates of COP31	09 November, 2026, 11:30 – 13:30 Antalya time
Duration	120 minutes
Format	Hybrid, short presentations from the EaP partners, followed by a moderated discussion
Organiser	IEF, OECD with support from consortium partners: GIZ, RECC, EBA Moldova
Programme	PROGRESS – Promoting Green Deal Readiness in the Eastern Partnership Countries
Geographic focus	EU's Eastern Partnership, with demonstration evidence from Ukraine
Working language	English

1. Background and rationale

Agriculture is among the sectors most sensitive to climate change: the increasing frequency of droughts, spring frosts, excessive moisture, and sharp temperature fluctuations has an increasingly tangible impact on crop yields and the financial resilience of producers.

In Ukraine, Russia's full-scale war has layered physical damage to agricultural land and infrastructure on top of the climate risks. The spillovers across the Eastern Partnership region include disrupted trade and logistics routes, higher energy and input costs, and heightened uncertainty in agriculture and financial markets. For agricultural producers across the region, climate risks thus increasingly coincide with elevated market and financial risks, which tends to raise the cost of credit and insurance at a time when investment in adaptation is most needed.

From an economic perspective, the climate adaptation value of verified practices and technologies (such as drip irrigation, on-farm frost and drought alert systems combined with frost protection measures, drought-resistant crop varieties, crop damage prevention techniques, soil moisture conservation technologies) can lower two types of financial risk simultaneously: credit

risk (via enhanced debtor solvency resilience) and insurance risk (via lowering probability and severity of losses). If the verified climate adaptability of an agricultural enterprise becomes a standard criterion–for accessing concessional financing and reduced insurance premiums – rather than an isolated requirement, both support channels will reinforce each other: cheaper capital expands a farm's capacity to invest to increase productivity, while verified adaptation, in turn, can reduce the cost of both credit and insurance coverage. This will also allow commercial banks to gain the capacity to adjust credit margins and collateral requirements for borrowers whose climate resilience is backed by implemented technologies and active insurance coverage. In this way, compliance with climate resilience transforms into an economically viable imperative, de facto binding, yet free from administrative coercion.

Operationalizing this approach requires addressing key methodological and institutional challenges: harmonized verification; climate adaptability of technologies and practices; coordination between lenders and insurers; tool development; the engagement of international financial institutions as sources of guarantee and blended finance for qualifying projects; and regulatory coordination among line ministries, central banks and market participants.

2. Objectives

The side-event is proposed as a platform to discuss these issues with institutions responsible for each pillar of the system. It aims to review the viability and prerequisites for establishing an aligned approach where climate compliance and the adoption of adaptive technologies serve as catalysts for accessing support programs, optimizing bank loan costs, and lowering agricultural insurance expenses.

A guiding question will be: “Can verified climate-adaptive practices become an effective de-risking mechanism that lowers the cost of finance and insurance in the agricultural sector?”

Specific objectives include:

- Exploring practical aspects of integrating borrower climate resilience and insurance coverage into banking risk assessment procedures and collateral frameworks;
- Discussing the economic rationale behind the mutual reinforcement of concessional lending and climate-smart insurance through a unified criterion of verified adaptability;
- Examining the role of guarantee mechanisms and blended finance instruments from domestic and international financial institutions in lowering the cost of capital for compliant projects;
- Exchanging international experience in combining climate-smart insurance with concessional financing in the agricultural sector;
- Outlining regulatory and institutional steps required for coordinated action among line ministries, central banks, commercial banks, and insurers in this domain.

3. Format and indicative programme

The event follows the PROGRESS regional exchange format: introductory speeches and practical panel with presentations from the authorities and experts, followed by a moderated discussion.

Time (Antalya)	Session
11:30 – 13:30 (120 min)	• **Welcome by Moderator** ○ **Yevhen Bublyk,** *Institute of Economic Forecasting of Ukraine* **(3 min)** • **Opening remarks (10 min):** ○ **Vitalii Golovnia**, *Deputy Minister of Agrarian Policy and Food of Ukraine* ○ *Federal Ministry of Environment, Climate Action, Nature Conservation and Nuclear Safety, Germany (tbc)* • **Introductory "scene setting" presentation** ○ **Oleksandr Diachuk,** *Institute of Economic Forecasting of Ukraine (7 min)* • **Panel discussion: «Verified Adaptation as a Policy-Driven Climate Finance Tool: Policy and Practical Dimensions» (80 min)** What policy approaches and practical lessons are emerging across Eastern European and Caucasus countries regarding the promotion of climate adaptation through state financial support programmes, and what good practices have been supported by public budgets? How can verified climate adaptation be reflected in the lending and insurance terms offered to agricultural producers. What role can guarantees and blended finance of international financial institutions play in lowering the cost of capital? **Panellists:** ○ **Vitalii Golovnia**, *Deputy Minister of Agrarian Policy and Food of Ukraine* ○ **Natalia Bulgar,** *Head of European Integration Division, Ministry of Agriculture of Moldova (online)* ○ **Pervin Dadashova,** *Director of Financial Stability Department of the National bank of Ukraine (online)* (*tbc*) ○ **Valeriy Maiboroda**, *First Deputy Chairperson of National Development Institution of Ukraine* ○ **Andriy Hrys**, *Head of the ESG Committee at the National Association of Banks of Ukraine, representative of JSB "UKRGASBANK"* ○ **Oleksandr Diachuk**, *IEF PROGRESS Team Leader, Leading Research Officer, Institute for Economics and Forecasting (IEF) of the NAS Ukraine* ○ **Laura Piovesan**, *Director General, Projects Directorate, European Investment Bank (online)* ○ **Deger SAYGIN**, *Team Lead and Senior Policy Analyst, Finance, Investment and Global Relations Division, Environment Directorate, OECD;* **Krzysztof MICHALAK**, *Senior Programme Manager, Environment Directorate, OECD (online)*

	○ **Irina Schuman**, *Lead Agriculture Economist, Agriculture and Food Global Practice, Europe and Central Asia, World Bank Group Vienna Office (online)* ○ *Ministry of Economy of the Republic of Armenia* (tbc) • **Open Discussion (15 minutes)** • **Summary and closing** ○ **Yevhen Bublyk**, *Moderator* ○ **Martina Kolb**, *PROGRESS Project Director, GIZ (online)* (5 min)

4. Expected outcomes

Developing a shared understanding among line ministries, regulators, international financial institutions, commercial banks, insurers, and the scientific community on the feasibility and institutional prerequisites for aligning concessional finance with climate-smart insurance as a core financial component of an integrated climate adaptation governance framework.

5. Target audience

- Representatives of line ministries from Eastern European and Caucasus countries – national policy frameworks, design, and deployment of climate-conditioned business support programs and financial service subsidies;
- Representatives of the central banks (National Bank of Ukraine) and regulators – regulatory frameworks for banking and insurance sectors in the context of climate adaptation;
- Representative of the OECD – international methodological frameworks, empirical assessments, and agricultural insurance market development;
- Representative of an International Financial Institution (World Bank / EBRD / EIB) – international climate facilities, investment mobilization instruments, and CAPEX-reduction mechanisms;
- Representatives of national (commercial) banks and/or development finance institutions – practical application of environmental and climate criteria in agricultural lending;
- Representative of the Institute for Economics and Forecasting, NAS of Ukraine – verification criteria for climate-adaptive technologies;
- Representative of agribusiness / industry associations – practical experience in implementing climate-adaptive technologies and navigating access to financial instruments.

6. Policy alignment

- Paris Agreement: Article 2.1. on aligning financial flows with a pathway towards climate-resilient development; Article 7 on enhancing adaptive capacity, strengthening resilience, and reducing vulnerability to climate change in key economic sectors.
- Nationally Determined Contributions & National Adaptation Plans: sectoral targets for climate change adaptation and resilience in agriculture, promoting technological modernization without compromising national food security and economic recovery.

- OECD Policy Frameworks & Regional Initiatives: recommendations on climate risk governance, market-based agricultural risk management, and insurance frameworks, fostering regional dialogue across Eastern Europe and Caucasus countries.
- European Green Deal & EU Sustainable Finance Framework: alignment with EU climate taxonomy principles, Environmental, Social, and Governance (ESG) risk integration, and the Farm to Fork strategy's resilience and resource-efficiency objectives.
- National Economic and Financial Policies: public business support mechanisms (concessional lending, interest rate compensation, and financial service subsidies) aligned with regulatory standards on managing climate and environmental risks.