



Public Development Banks (PDBs) have a powerful mandate to serve the public good. By aligning with agroecological principles, they can catalyze food system transformation, strengthen resilience, advance human rights, and meaningfully contribute to the SDGs.



This policy brief is based on a report that includes illustrative examples from Brazil, including this photograph from the PDB-supported Ecoforte project, alongside initiatives supported by France's AfD and by the Global Agriculture and Food Security Program (GAFSP), administered by the World Bank, in Haiti, Honduras, and Senegal.

The Background Story

- **Food systems are drivers of today's polycrisis**, contributing to ecological degradation, climate change, public health crises, and persistent food insecurity.
- **PDBs are decisive players in finance for development.** More than 500 PDBs finance agriculture, infrastructure, and rural development worldwide, managing US\$23.3 trillion, or 10% of global finance.
- **PDB food system financing largely reinforces industrial agriculture**, growth-oriented monocultures, intensive livestock systems, and global value chains, often undermining ecological integrity and equity.
- **Agroecology offers a transformative framework aligned with PDB public-good mandates**, sustainability objectives, and human rights obligations. Despite this alignment, PDB support for agroecology remains limited.

Agroecology can help PDBs realize their mandate to create a more just and sustainable future.

Agroecology is a holistic framework for transforming agricultural production and food systems. As defined by the UN High-Level Panel of Experts (2019), agroecology principles prioritize natural processes, diversification, reduced dependence on external inputs, minimized negative externalities through closed-loop systems, center local knowledge and participation, and are grounded in human rights. Growing evidence demonstrates agroecology's productive,

multifunctional benefits and its alignment with PDB mandates for rural development, the SDGs, food security, and poverty reduction.

PDBs already have financial instruments that can be shifted to support agroecological transitions. These include **development policy finance** to advance country-level policy and institutional reforms; **technical assistance** to strengthen national strategies and implementation; and **trust funds** that provide grants and concessional finance; **de-risking instruments** such as credit guarantees for agroecological SMEs and farmers—particularly women, youth, and other marginalized groups; Policy frameworks governing **PDB private-sector arms** to strengthen oversight, transparency, accountability, and grievance and remedy mechanisms to prevent harm.

Policy Recommendations

- 1. Putting Equity, Resilience, and Sustainability at the Center of Food Systems Finance:** Ground PDBs in human rights and agroecology. Move beyond scarcity-based mindsets and reorient decision-making toward long-term public value, resilience, and equity rather than growth and financial returns.
- 2. Phase Out Harmful Investments:** End financing for industrial agriculture, large-scale land acquisitions, and other extractive models. Address the structural drivers that bias PDB portfolios toward industrial agriculture.
- 3. Reform Mandates, Structures, and Financial Instruments to Support Agroecology:** Develop financial instruments aligned with ecological and social outcomes, and reassess risk and ROI assumptions by internalizing environmental and social costs and benefits.
- 4. Strengthen Safeguards and Accountability:** Invest in partnerships that reinforce robust environmental and social due diligence. Improve monitoring, evaluation, and reporting systems to track real impacts, and advance transparent, participatory governance with effective grievance and remedy mechanisms.
- 5. Work with Countries to Align PDB Investments with National Climate, Sustainability, and Equity Goals and Policy:** Align PDB investments with National Agroecology Strategies, Nationally Determined Contributions (NDCs), and National Biodiversity Strategies and Action Plans (NBSAPs), etc.
- 6. Build Internal Expertise and Learning Systems around Agroecology:** Strengthen institutional capacity through staff training, leveraging technical services, supporting research and learning on agroecology-aligned finance and by participating in communities such as the Agroecology Coalition.

Scan the QR Code to view the full report and visit our financing agroecology research page. Please reach out to us with questions, suggestions or to discuss these findings:

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