

Working group on the climate financing of the agri-food sector

Working Group – alinnea 2026

Introduction and objectives

The climate transition of Spain's agri-food system requires a coordinated response that combines public policy, finance, and innovation. The sector is simultaneously facing the need to reduce emissions, adapt to increasingly severe climate impacts, and maintain its competitiveness in a context of high volatility in costs, water, energy, and raw materials.

Spain has significant strengths – a diverse agri-food sector, a leading food processing industry, and extensive experience with public support instruments for the sector – but important barriers still remain. These include the fragmentation of financing sources, difficulties in access for certain types of projects, growing pressure on the agricultural insurance system, and the absence of sufficiently simple and scalable frameworks to mobilize investment across the entire value chain.

This is compounded by an evolving regulatory context, shaped by the European debate on the future Common Agricultural Policy, the next Multiannual Financial Framework, new sectoral strategies, and the need to align adaptation, innovation, and resilience policies with investment decisions. In this scenario, it is especially important to identify which instruments are already working, where the main bottlenecks lie, and what adjustments would help accelerate a just and economically viable transition.

In 2026 the Working Group on the Agri-Food System will focus on the availability and effectiveness of climate finance in the agrifood sector in Spain. Alinnea will host a multi-stakeholder dialogue on this topic, grounded in evidence and oriented toward action. Through three working sessions, the group will address the climate finance context in Spain and the role of EU funding and developing priorities, the future sustainability of agricultural insurance in the face of rising climate risk and the conditions needed to mobilize capital across the entire agri-food value chain.

The discussions will take into account both the European framework and Spain's institutional and business reality, incorporating practical lessons and comparable experiences that help translate strategic debate into operational recommendations for the different actors involved.

- Improve understanding of the climate finance landscape available to the agri-food system in Spain.
- Identify financial reforms and instruments that strengthen the sector's resilience in the face of rising climate risk.
- Connect CAP priorities, the MFF, and other European agendas with the sector's real investment needs.
- Support the mobilization of public and private capital across the entire agri-food value chain.
- Inform public and private action through evidence, practical experience, and collective reflection.

Objective

The objective is to contribute to the development of a shared understanding that can lead to individual and common actions to accelerate the climate transition of Spain's agri-food system by improving access to finance, strengthening resilience mechanisms, and directing capital mobilization toward investments with real impact on mitigation, adaptation and competitiveness.

Format of the working group

The working group will be made up of actors linked to the public administration, the primary sector, the food industry, financial institutions, insurers, cooperatives, knowledge centers, social organizations, and other relevant stakeholders in the agri-food value chain.

The sessions will take place in person in Madrid. Exceptionally, virtual participation will be made possible if necessary. The planned dates will be communicated in due course. For indicative purposes, the work schedule is structured around three morning sessions:

- First meeting: 28 May (9:30–13:30).
- Second meeting: 30 June (9:30–13:30).
- Third meeting: 29 September (9:30–13:30).

The sessions are designed as a multi-stakeholder dialogue under Chatham House rules. This means that participants may share the content and conclusions of the discussions, but may not attribute comments or positions to specific individuals.

Participation in the Working Group does not necessarily imply endorsement of, or commitment to, any specific proposals that may be included in the recommendations report produced as a result of the process.

Session content

Below are the topics of interest identified by alinea as the basis for the work. However, the specific content of each session may be adjusted depending on the priorities identified by group participants, as appropriate.

1. First dialogue: The climate finance context in Spain for the agrifood system: CAP, MFF and others

How can the climate finance framework be strengthened to support the transition of Spain's agri-food system?

This first dialogue will focus on understanding the climate finance context for the agri-food system in Spain, with particular attention to the role of the CAP, the Multiannual Financial Framework, and other European and national priorities and instruments. The aim is to build a shared understanding of the sector's financial needs, the instruments available, and the main challenges to ensuring that resources effectively reach the different actors in the value chain.

- Overview of the sector's financial needs. The main investment needs in agriculture and agri-food will be reviewed, as well as their relationship to decarbonization, climate change adaptation, and productive modernization.
- Map of financing sources. The main European and national instruments relevant to the sector – including the CAP, EIB funds, ERDF, LIFE, Horizon Europe, the Innovation Fund, sovereign green bonds, agricultural insurance, and various investment support instruments – will be considered in order to identify complementarities, gaps, and opportunities.
- CAP and future MFF. The discussion will examine how the debate on the future CAP and the next European budget framework may influence the sector's sustainable transition and its ability to access finance efficiently.

- New European agendas affecting investment. The impact of initiatives related to the bioeconomy, proteins, livestock, or generational renewal will be assessed in terms of regulatory frameworks, investment priorities, and financial support needs.
- Barriers and recommendations. The dialogue will seek to identify what is working, where the main bottlenecks lie, and what changes would be needed to improve the use of funds, facilitate viable projects, and broaden the reach of climate finance.

2. Second dialogue: Risk, resilience, and the future of agricultural insurance

How can a strong and effective agricultural insurance system be maintained for the whole agri-food system in a context of growing climate risk?

This second dialogue will address the evolution of climate risk and its implications for the sustainability of agricultural insurance in Spain, taking into account both primary production and the rest of the agri-food value chain. Drawing on Spanish experience and recent trends, the discussion will explore how to strengthen system resilience, avoid protection gaps, and examine the role of insurance as a lever for prevention and adaptation.

- Medium- and long-term perspective on climate risk. The dialogue will consider which threats – such as droughts, heat stress, hail, floods, or pests – may most significantly alter losses by crop and region, as well as which early warning signals should be monitored to anticipate tensions in insurability.
- Economic sustainability of the system. The discussion will examine the balance between premiums, public support, co-payments, product redesign, and the participation of different actors in order to maintain broad coverage without undermining fiscal sustainability.
- Insurance as an adaptation tool. It will explore whether insurance design can incentivize risk reduction measures, for example through price signals, improved coverage conditions, links to concessional finance, or coordination with other public policies.
- Innovation in products and data. The potential role of parametric solutions and new sources of climate and agronomic information will be discussed as ways to complement traditional schemes and increase their practical usefulness.
- Insurance-related risks across the rest of the value chain. The dialogue will also examine climate impacts on food processing, storage, logistics, and distribution, including physical damage, business interruption, supply fragility, and possible constraints on investment and competitiveness.
- Role of public actors. The discussion will assess what kind of public intervention may be required if protection gaps widen for strategic infrastructure or activities within the food system.

3. Third dialogue: Mobilizing capital across the agri-food value chain

What conditions need to be in place for climate finance to become more accessible, coherent, and scalable for the agri-food system in Spain?

The third dialogue will have a strongly practical focus and will concentrate on how to mobilize capital toward climate-related investments across the entire agri-food value chain. Drawing on concrete examples and comparative lessons, it will seek to identify the elements that facilitate access to

finance and the design decisions that could help build a simpler and more effective offer for the sector.

- Where access to finance breaks down today. The discussion will review barriers such as credit constraints, administrative burden, fragmentation of instruments, the lack of bankable projects, or the difficulty of reaching certain types of businesses and farms.
- Practical cases and transferable experiences. Participants will share examples of initiatives that have worked in Spain or in other European contexts, analyzing which factors enabled scale, which limitations remained, and which lessons can be adapted to the Spanish context.
- Designing a more accessible offer. The dialogue will explore solutions such as standardized investment packages, aggregation through cooperatives or lead companies, technical assistance, one-stop shops, guarantees, pre-approved technology lists, or simplified verification schemes.
- Investment priorities. The discussion will help identify which categories should be considered priorities in the short and medium term – for example, water efficiency, energy efficiency, renewables, resilient infrastructure, industrial transformation, or circularity – and which specific conditions would unlock their financing.
- Coordination among actors. The dialogue will examine who should play a practical coordinating role among public administrations, financial institutions, cooperatives, industry, intermediaries, and support actors, as well as what a minimum viable architecture would look like to reduce current fragmentation.

Results

The final output will capture the main conclusions and lessons drawn from the dialogue sessions, consolidating a set of strategic recommendations aimed at:

- Improving access to and coherence of climate finance for the agri-food system.
- Strengthening the sector's resilience in the face of rising climate risk.
- Guiding the evolution of public and private instruments toward greater impact and scalability.
- Supporting the mobilization of capital across the entire agri-food value chain.

This report will be presented publicly and will be accompanied by a specific advocacy plan to communicate its main findings to the entities, organizations, and stakeholder groups most relevant to the transition of Spain's agri-food system.