

# IFC Approach and Framework for Regenerative Agriculture

*Investments and  
Advisory Engagements*



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# Summary

This document defines IFC's Approach and Framework for Regenerative Agriculture.

This document defines IFC's Approach and Framework for Regenerative Agriculture. It describes the core impact areas that underpin IFC's support: **Resilience** of farmer livelihoods, **Restoration** of natural resources and cycles, and **Reduction** of farm GHG emissions intensity, and the outcomes that are expected under each area. The result of extensive internal and external consultations, the Framework presents minimum criteria for what IFC considers holistic regenerative agriculture approaches of agribusinesses based on key program principles and farm strategies and practices. It aims to be holistic and broadly applicable to agribusiness clients in a wide range of value chains, locations, and stages of their regenerative agriculture journey. It encourages continuous deepening and/or scaling of regeneration.

This Approach and Framework is a work in progress intended to guide our support to agribusiness clients implementing regenerative agriculture strategies, but is not intended to become a global standard or certification system, nor is it intended to be the sole avenue through which IFC supports agribusiness clients who may also have separate commitments and/or ambitions related to other systems production approaches, such as organic, climate-smart, or agroecological. IFC will support agribusiness clients and farmers who are adopting eligible regenerative practices regardless of whether they participate in a corporate regenerative agriculture program or not. The Framework may be modified in the coming years to reflect advice from peer review, lessons learned from piloting the Approach with clients, and further feedback from both internal and external stakeholders.

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# Background

Conventional agricultural production systems are contributing to loss of soil health, overuse of water and other resources, loss of biodiversity, and a reduction in yields as soils are degraded.

The impacts of this extractive method of production and converging crises are clear: one third of global soils are already degraded (FAO, 2015); agriculture is responsible for nearly one third of all global GHG emissions (FAIRR, 2023) and is the primary driver of biodiversity loss (Chatham House, 2021). Agriculture is the largest user of freshwater globally (FAIRR, 2023) and is the single-largest contributor of non-point-source pollution to surface water and groundwater (FAO, 2015).

The ecosystem crises in turn create crises for farmer livelihoods and communities. A changing climate can accelerate ecosystem degradation and make agriculture riskier. The increase in droughts, floods and other extreme weather events impact small-scale farmers more immediately as they struggle to deal with water stress in crops and livestock, coastal erosion from rising sea levels and unpredictable pest infestations (FAO, 2014). A survey of more than 2,000 farmers conducted by Bayer in 2024 indicated that 61% of respondents experienced “significant revenue loss in the past 2 to 3 years due to adverse weather events.”<sup>1</sup> In addition, these risks are often inequitably distributed: women are more vulnerable to climate-related disasters (IFAD, 2022), and 4 out of 5 people displaced by climate impacts are women and girls (UN, 2022).

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1. Bayer Farmer Voice, 2024



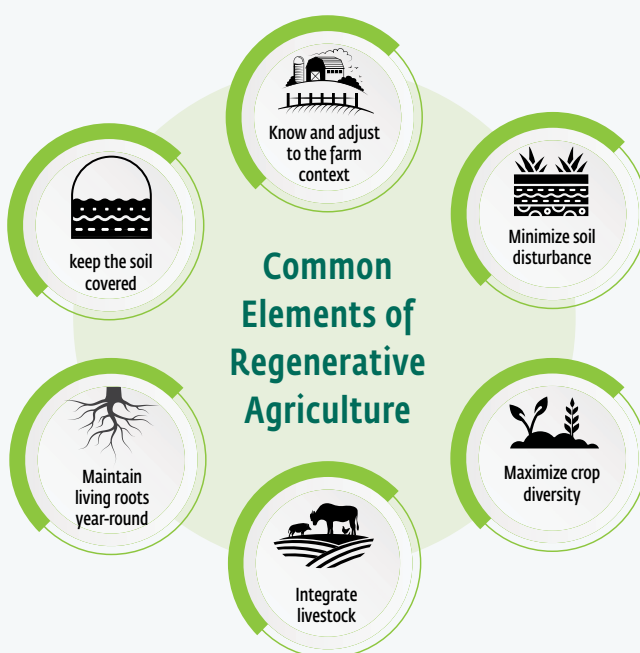
# Regenerative Agriculture Is a Way Forward

In the face of these challenges, climate-smart agriculture (CSA) is an integrated approach to managing landscapes—cropland, livestock, forests and fisheries—that addresses the interlinked challenges of food security and climate change. It aims to achieve “wins”: 1) increased productivity to improve food security and boost farmers’ incomes; 2) enhanced resilience to drought, pests, diseases and other shocks, and 3) reduced GHG emissions.

Regenerative agriculture goes a step further. It has the potential to achieve the three “wins” of climate-smart agriculture while also reversing the negative impacts of extractive agricultural production systems when adopted widely and sustainably. Regenerative agriculture is an umbrella term for a broad range of practices and desired outcomes. Common elements of regenerative systems are widely accepted (see image); however, there is no governing body determining what practices are permitted or prohibited as in organic production systems. Flexibility is intentional, allowing regenerative agriculture to be applied contextually, recognizing that farming systems are working with natural cycles, requiring an adaptive approach. However, this means that regenerative agriculture is also highly susceptible to greenwashing risks.

Figure 1

## Common Elements of Regenerative Agriculture



Source: Original figure for this publication

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# IFC's Role in Supporting Regenerative Agriculture

Agriculture is central to the long-term goals of the World Bank Group (WBG) as it is vital for poverty reduction, job creation, food security, and climate resilience in developing countries. The World Bank Group aims to scale support to the agribusiness sector by doubling annual commitments to \$9 billion by 2030, focusing on building ecosystems that connect smallholder farmers and producer organizations to markets, finance, and climate-smart technologies. IFC supports these goals by investing in sustainable agribusiness, facilitating access to finance, building capacity and promoting innovations that boost productivity and resilience, thereby helping to address food insecurity, end extreme poverty and promote shared prosperity. The recent launch of AgriConnect by the WBG is designed to mobilize private sector investment to further scale up successful models for agricultural transformation.

Regenerative agriculture strategies align closely with IFC's wide-ranging agribusiness client base in emerging and developing markets by boosting soil health, water efficiency, and resilience in places where overuse of resources has led to degraded lands and soils, but also in places where the Green Revolution's high-input model, which has been dependent on synthetic fertilizers, pesticides, and irrigation, bypassed smallholders or proved unsustainable. This makes regenerative agriculture a practical pathway for IFC clients to restore soils, improve yields, reduce climate-induced risks, and build long-term value.

For many IFC agribusiness clients, the impacts of the converging crises of nature degradation, land conversion and deforestation, decline in productivity growth, food insecurity, and climate change pose clear and significant risk to the supply chain. For example, in West Africa, which supplies about 70% of global trade volumes of cocoa and is the basis of livelihoods for approximately two million farmers, reduced rainfall, higher temperatures, disease, and deforestation have led to the deterioration of the optimal conditions necessary for cocoa production, posing a significant risk to supply security in the coming years. At the same time, evolving market dynamics reflected in impending legislation such as the EU Regulation on Deforestation-Free Supply Chains (EUDR) and Corporate Sustainability Reporting Directive (CSRD) will push many of these same agribusiness clients who are exporting high-demand crops to/from the EU to invest in more sustainable, resilient production practices and integrate key climate, nature, and social metrics into core business and disclosure.

In cocoa and other supply chains, an increasing number of leading global, regional and national agribusinesses have made public commitments on regenerative agriculture as a strategy to meet various challenges faced in the supply chain, such as volume and quality of product security, commitments on decarbonization (Scope 3 in particular). Other agribusiness and food companies of varying sizes and scope may be integrating some regen-related practices into their business models without using the label, and others may not be aware of the benefits of implementing regenerative agriculture strategies.

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At the same time as it offers mitigation strategies against supply chain challenges, investing in regenerative agriculture and nature-based solutions also offers opportunities for long-term farm profitability<sup>2</sup>. According to the World Bank Group report *Reboot Development: The Economics of a Livable Planet*, a meta-analysis found that farmers' profits increased by an average of 19 percent as a result of implementing nature-based solutions (World Bank, 2025), and a separate meta-analysis (Gill and Srivastava, 2024) conducted for the report showed that some common regenerative strategies "increase gross revenues more than costs, resulting in stronger profit margins at the farm level." In addition to the real potential for impact at the farm level, regenerative strategies have the potential to create jobs, diversify livelihoods, and support food security. In Africa alone increased uptake of regenerative agriculture could support nearly 5 million jobs by 2040 (IUCN, 2021). Market demand for regeneratively-produced goods is already material in several food and fiber supply chains and is expected to grow significantly through 2025–2030, driven in part by corporate sourcing targets, retailer programs, and new compliance requirements. However, this growth is still uneven across commodities and geographies, driven in part by limited standardized definitions and supply constraints.

While gaining ground, regenerative agriculture remains underfunded and there exist some barriers to widespread adoption. Farmers (and particularly smallholders) may hesitate to adopt regenerative agriculture practices primarily due to higher upfront costs and the real or perceived financial risks involved. Transitioning to regenerative methods typically requires new investments in equipment, seeds, and training, the latter being particularly important as it often requires farmers to do things differently than before. For smallholders operating on thin margins and with limited access to credit, the higher costs can be prohibitive because the benefits of regenerative agriculture, such as improved soil health and

higher yields, may take several years to materialize, while in the short term, farmers may experience reduced productivity or income, further increasing their vulnerability.

Additionally, smallholders face significant risks from uncertain returns, climate variability, and market fluctuations. Without mechanisms to smooth income or insure against bad seasons, farmers are understandably risk-averse and may prefer to stick with conventional practices that they know, and that offer more predictable, if lower, returns. Limited technical knowledge, insecure land tenure, and lack of access to markets or value chains that reward regenerative practices or pay for regeneratively-produced goods may further disincentivize the transition.

Given these challenges, there is a clear need for providers of finance to play a more active role in supporting the transition to regenerative agriculture by providing flexible financing, insurance products, and risk-sharing mechanisms, that can help lower the barriers to entry. The Rockefeller Foundation estimates that the funding gap to shift conventional global food systems to regenerative is about \$250–430 billion annually, for 10 years. While this is a hefty bill, it is estimated that transitioning to regenerative agriculture could save \$5.7 trillion in damages to people and the planet.

IFC can play a strategic role in scaling global implementation of regenerative agriculture strategies through an array of investment instruments, including blended concessional finance. Through Advisory Services, IFC can help clients identify cost-effective regenerative agriculture practices and train farmers in different supply chains. IFC works with a wide variety of actors, including producers, cooperatives, processors, traders, brands, retailers, and input and equipment manufacturers, allowing flexibility to respond to demand for regenerative agriculture wherever it occurs within the supply chain.

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2. Note: Profitability claims, opportunities and impacts related to the implementation of regenerative agriculture vary widely across crops and geographies.



# IFC's Approach and Framework for Regenerative Agriculture

IFC is presenting an Approach and Framework for Regenerative Agriculture Investments and Advisory to address a gap in the market for specific criteria or guardrails to be utilized by financial institutions in determining which investment or advisory engagements “count” as regenerative agriculture. IFC supports clients with investment and advisory for regenerative agriculture implementation and is additionally preparing knowledge products to provide strategic and operational guidance for defining, piloting, and scaling regenerative agriculture.

The Approach and Framework for Regenerative Agriculture are intended to achieve two main objectives:

1. Ensure that any IFC investments or advisory engagements in regenerative agriculture adhere to a set of objective, broadly applicable minimum criteria that can be used to support a wide variety of client commitments on regenerative agriculture and ensure a positive impact for the farm and farmer's livelihood, and
2. Capitalize on opportunities to support IFC's current and future client base at various stages in their regenerative agriculture journeys with specific improvement pathways where IFC investment and advisory can be leveraged to implement and scale regenerative agriculture commitments.

## Development Process

IFC's Framework for Regenerative Agriculture, a first of its kind in the space of regenerative agriculture for both commercial and developmental financiers, is the result of more than two years of consultations with internal World Bank Group technical experts as well as external experts working at the forefront of regenerative agriculture implementation. The Framework is intended to determine the key characteristics that IFC expects to see in the approaches agribusiness clients take towards regenerative agriculture that will enable a sustained transition of the production system.

The Framework is designed with the following guiding values in mind:

- **Alignment with World Bank Group Mission, Standards, and Strategies**, primarily to end extreme poverty and boost shared prosperity on a livable planet. The approach is further aligned with IFC’s agribusiness strategy, the recently launched AgriConnect initiative by the WBG, and a deliberate, institution-wide priority to create more and better jobs.

- **Applicability to a wide range of agribusinesses globally**, including in emerging markets: IFC provides financing and advisory to a diversity of clients, from input and service providers to primary producers and processors to financial institutions. Clients are working with smallholder farmers and medium- and large-scale farmers alike, in crop and livestock production systems. The Framework is intended to be applicable to this broad range of agribusinesses.

- **Progression and continuous improvement.** IFC supports agribusinesses to meet their objectives in their regenerative journeys. The Framework and its implementation are designed to provide value add to clients through clear progressive opportunities for deepening and/or broadening their regenerative program objectives and impact, which can be facilitated through IFC advisory and investment support, and incentivize continuous improvement.

- **Practicality and market readiness:** The Framework is intended to add clarity for investments and advisory

support, providing ambitious but realistic guidance for implementation of regenerative strategies. It is designed to be consistent with existing approaches, and credible in its transparency.

A market scan of regenerative agriculture approaches from corporates, certifiers, convenors, and technical implementers informed IFC’s Framework to ensure that IFC’s minimum criteria requirements are ambitious, rigorous,

and fit-for-purpose. In addition, and based on public information, IFC reviewed the current progress of various market players in relation to their regenerative agriculture commitments. In 2023, Farm Animal Investment Risk and Return Initiative (FAIRR), a research and investment network, published The Four Labours of Regenerative Agriculture, an informative assessment of the commitments of the biggest agri-food companies towards regenerative agriculture. It was clear from FAIRR’s analysis that the commitments of the companies assessed at that time varied widely with regards to how many had: quantified targets (36%); targets to financially support farmers

to deploy regenerative practices (8%); disclosed details on measurements and tracked impact on regenerative practices (16%); and aligned regenerative agriculture with Scope 3 targets (24%). The report included a “summary of guidelines to support investors in ensuring meaningful regenerative agriculture disclosures.” This set of recommendations was the inspiration for IFC to design a Framework of minimum criteria that IFC believes are needed for a client’s approach to regenerative agriculture to be “meaningful” and contribute to long-term positive impact.



# The Approach

IFC views regenerative agriculture as a holistic ecosystem approach to agricultural production to protect farmers livelihood and address biodiversity loss and climate change

by building **Resilience** of farmer livelihoods, **Restoring** natural resources and cycles, and **Reducing** farm GHG emissions intensity.

Figure 2

## IFC's Core Impact Areas of Regenerative Agriculture



Source: Original figure for this publication



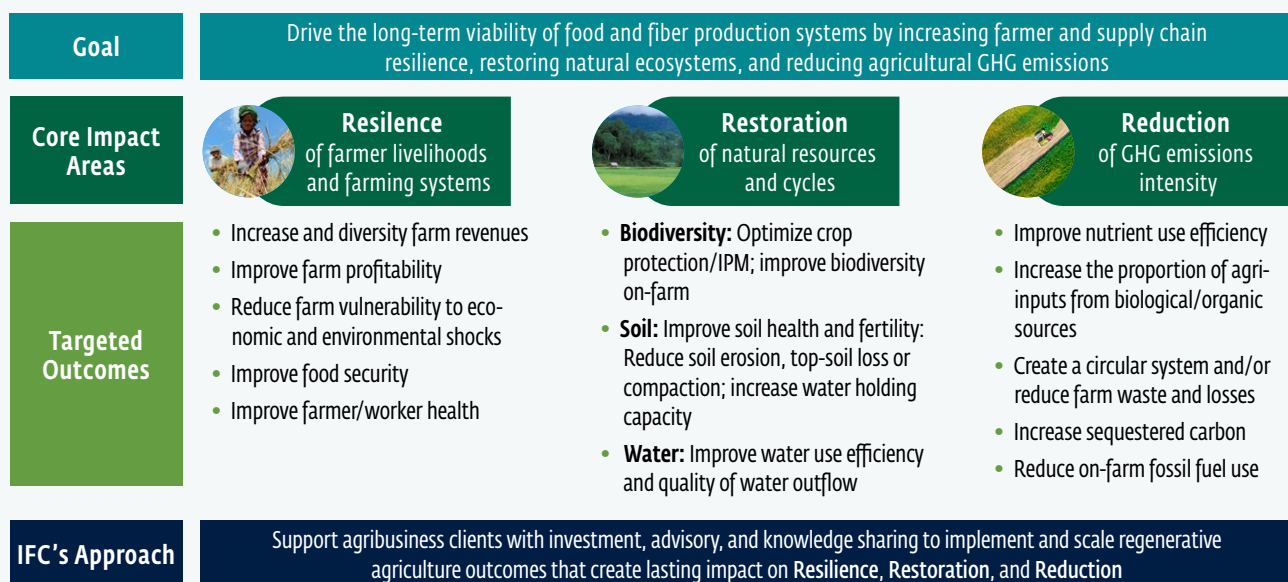
## The Framework

Regenerative agriculture is intended to drive the long-term viability of food and fiber production systems by increasing farmer and supply chain resilience, restoring natural ecosystems, and decreasing the resource use and GHG emissions of agricultural production. IFC's role in achieving such a goal is to support our agribusiness clients to implement and scale regenerative agriculture outcomes with investment, advisory, and knowledge sharing capabilities.

IFC agribusiness clients have different motivations and entry points for engaging with regenerative agriculture, the most common of which are listed as Targeted Outcomes. IFC sees these Targeted Outcomes naturally clustered under three co-dependent and co-beneficial core impact areas of Resilience, Restoration, and Reduction, through which IFC can support our clients to maximize impact. The full articulation of our Framework is represented below:

Figure 3

### IFC's Framework for Regenerative Agriculture



Source: Original figure for this publication

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While there are Targeted Outcomes that more directly fall under one of the three distinct Core Impact Areas, the interdependent nature of regenerative agriculture approaches results in all Targeted Outcomes having clear co-benefits across all three Core Impact Areas. For example, while increasing the proportion of agri-inputs from biological / organic sources is likely to result in a reduction of GHG emissions, it is also likely to reduce synthetic fertilizer use and associated farm costs (improving farmer resilience) and may also improve restoration impacts through reduced chemical pollution from synthetic fertilizers and pesticides. The flagship World Bank report *Recipe for a Livable Planet: Achieving Net Zero Emissions in the Agrifood System* (World Bank, 2024) highlights the co-beneficial nature of a food systems transition utilizing these strategies, such as the opportunity for increased food system resilience to also reduce GHG emissions.

While some interpretations of regenerative agriculture focus on soil health as the primary driver for change and position farmer livelihood resilience as an intended result of the transition to regenerative production systems, IFC's approach to regenerative agriculture considers farm and farmer resilience as a central tenet for regenerative program implementation. The success (or failure) of any regenerative agriculture program and the achievement of desired outcomes will fall on farmers as the implementers of these strategies in their fields. Without ensuring that regenerative agriculture reduces their risks (real or perceived), boosts their financial security, and provides support for both short-term needs and long-term profitability, regenerative agriculture as a strategy may risk being a fleeting approach or one that continually requires external resources to sustain it. A farmer is unlikely to prioritize reducing farm emissions and restoring natural resources and cycles or building up natural capital unless it makes financial sense in the near-term, even though those impacts are likely to also positively improve her or his farm resilience directly or indirectly in the medium and long-term. Therefore, IFC considers farmer

livelihood resilience the driving priority for successful, long-term, sustained regenerative agriculture strategies.

## Minimum Criteria for a Holistic Approach to Regenerative Agriculture

IFC works with private sector agribusiness players across a varied spectrum of business size, crops/commodities, and geographical location. As mentioned previously, many of these businesses already utilize their own regenerative agriculture frameworks or ascribe to the principles of a convenor's framework (such as those from WBCSD / OP2B, Regen10, and the SAI Platform). For IFC to adequately support private sector agribusiness clients with investment and advisory in their regenerative commitments, while also protecting IFC and clients from greenwashing risk, the Framework establishes guardrails that facilitate the comparison of various frameworks along the same guiding principles core to a sustainable regenerative transition (holistic, long-term, etc.).

The Minimum Criteria include Program Principles, and Farm Strategies, in addition to a list of indicative eligible practices<sup>3</sup>. These minimum criteria are meant to assess the "meaningfulness" of an agribusiness' approach to regenerative agriculture at both the programmatic level and the farm level. The strategies implemented at these levels should lead to the overall Goal to "drive the long-term viability of food and fiber production systems." It should be noted that the Framework (and particularly the Minimum Criteria) are intended as a place-based assessment of an IFC client's particular regenerative agriculture engagement that will receive IFC investment or advisory support, and will not assess the client's corporate or global commitments to regenerative agriculture.

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3. The forthcoming technical guidance document will also include definitions, thresholds, and targets for these practices to further guide ambitious and practical implementation.

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- 1. Program Principles:** criteria that reflect a review of the strategic choices employed by a client when engaging in regenerative agriculture, assessing whether the client has incorporated a selection of core elements (refer to the image on page 2) that indicate to IFC a holistic and long-term approach to regenerative transformation in food or fiber production.
  - 2. Farm Strategies:** criteria that reflect the notion that a “package” of farm-level strategies should be in place for the selection of practices or interventions to a) support the common regenerative agriculture elements (refer to the image on page 2), and b) have the maximum potential impact on long-term viability. A farm strategy is context-specific and non-prescriptive and can include more than one practice akin to a “menu” of options in line with that strategy.

An indicative list of eligible practices will allow IFC to better support a client’s farm strategies and together determine what is ambitious and realistic given the specific farming context in the IFC engagement.

### Minimum Criteria

These criteria are designed to simultaneously motivate our clients to consider and include in their regenerative approaches specific foundational elements that align with the overarching goals of regenerative agriculture and

provide flexibility for farm-level strategies that fit farmers’ unique contexts and needs. We recognize that not only corporate agribusiness clients but also farmers are at various stages in their regenerative journeys, and for many the implementation of regenerative strategies needs to be a slow and deliberate process to minimize risk. The design of this Framework is intended to support agribusinesses and farmers to implement the regenerative strategies that maximize long-term sustained success.

Within the two types of Minimum Criteria (Program Principles and Farm Strategies) there is a further distinction between those that are required for IFC to publicly claim a client engagement as regenerative agriculture, and those that are recommended. In the market scan and subsequent design of the IFC Framework it became clear that some engagement- and farm-level interventions are imperative to align with the principles of a true regenerative agriculture production transition, and these form the basis of the Required Program Principles and Required Farm Strategies. In addition, we identified interventions that represent best-in-class approaches as showcased by those agribusinesses that are leading in their regenerative commitments. As such, the Recommended Program Principles and Recommended Farm Strategies can be viewed as a plus for those agribusinesses that wish to deepen their commitments to the regenerative transition. Detailed rationale for the chosen Program Principles and Farm Strategies can be found in the Annex.

# Minimum Criteria

## Program Principles

### Required

**Compliance.** Regen approach complies with IFC Performance Standards, local and international laws.

**All Impact Areas.** Regen approach contributes to all three core impact areas (Resilience, Restoration, Reduction).

**Farm Financial Success.** Regenerative approach explicitly includes strategies for improving farm financial success.

**Multi-Year Timeframe.** Regen approach includes multi-year initiatives with farmers (unless the IFC investment will be used for a pilot program).

**Capacity Building.** Regen approach includes tailored advisory / extension with efforts to ensure capacity building is inclusive.

**Monitoring.** Regen approach includes a monitoring and reporting system with regular public disclosure.

### Recommended

**Landscape Approach.** Regen approach includes other off-takers in a landscape model.

**Quantified targets.** Regen approach includes outcome-based KPIs.

**Access to Finance.** Regen approach includes helping farmers to access finance (directly or indirectly) for regenerative agriculture, where applicable.

**Participatory Approach.** Regen approach is participatory and inclusive in nature as appropriate for the local context.

**Verified Impact.** Regen approach includes a monitoring and reporting system that is independently verified.

## Farm Strategies

### Required

**Animal Management.** [Where animals are present in the farming system]: Animal management and integration strategy that includes rotational grazing where possible.

**Crop Diversification.** [Where crops are present in the farming system]: Diversified cropping strategy integrated in production:

- Annuals: 2 or more crops in rotation (can include a cover crop) in the same field.
- Perennials: Depending on the crop, diversification of species or varieties grown in the production areas.

**Soil Protection.** Soil protection and erosion management strategy: at least 1 practice in place to protect the soil.

**Input Strategy.** Input management strategy: increase in the proportion of nutrients and crop protection productions utilized from biological and natural sources and corresponding reduction of synthetic inputs over time. Planting varieties (seed, root stock, sapling, seedling) are adapted to the local context.

### Recommended

**Circularity.** Valorization of agri-waste on farm (e.g., composting, mulching, organic fertilizer production, etc.).

**Value-Chain and Market Considerations.** Prioritization of agricultural strategies consider market opportunities and access for successful implementation and sustained adoption.

**Contextual Practice Prioritization.** Practice selection reflects the local climatic, environmental, and cultural context.

**Soil Management Strategy.** Client incorporates a soil management strategy (which may include soil testing).

## Practices

Given the context-driven nature of regenerative agriculture, IFC does not expect clients to apply a prescribed list of practices. Rather, by working with clients to meet the required Farm Strategies, we support the flexible and place-based approach of regenerative agriculture to adjust

practices as needed to reach the same aim. Below is an indicative list of eligible practices that we expect to see (in some combination) as part of a client's approach to regenerative agriculture, based on what is likely to have the desired outcomes and impacts.

### Indicative Eligible Practices

Farm Strategies	Sample Eligible Practices
<b>Diversified cropping</b>	<ul style="list-style-type: none"> <li>• Cover crops</li> <li>• Crop rotation</li> <li>• Intercropping</li> </ul>
<b>Livestock species diversity and rotation</b>	<ul style="list-style-type: none"> <li>• Manure management and use</li> <li>• Herd management</li> <li>• Integrated pasture management &amp; grazing strategies</li> </ul>
<b>Minimum soil disturbance</b>	<ul style="list-style-type: none"> <li>• Minimum tillage / reduced tillage / no tillage</li> </ul>
<b>Soil [rotection and erosion management</b>	<ul style="list-style-type: none"> <li>• Mulching and crop residues cover</li> <li>• Bunding and gully treatments to manage erosion</li> <li>• Contour ploughing / contour cropping</li> <li>• Windbreaks</li> </ul>
<b>Improved crop protection</b>	<ul style="list-style-type: none"> <li>• Integrated pest management &amp; biological controls</li> <li>• Precision farming</li> </ul>
<b>Nutrient application optimization</b>	<ul style="list-style-type: none"> <li>• Organic / biological fertilizers</li> <li>• Integrated nutrient management</li> <li>• Liming to reduce soil acidity</li> <li>• Production / use of compost</li> <li>• Production use of biochar</li> </ul>
<b>Agroforestry</b>	<ul style="list-style-type: none"> <li>• Alley cropping</li> <li>• Use of shade trees</li> </ul>
<b>Efficient irrigation and water management</b>	<ul style="list-style-type: none"> <li>• Efficient irrigation technology</li> </ul>
<b>Promotion and/or protection of biodiversity and natural habitats</b>	<ul style="list-style-type: none"> <li>• Riparian buffers</li> <li>• Hedgerows</li> <li>• Green buffers</li> </ul>

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# Use of the Framework in Client Engagements

The Framework provides minimum criteria for what we expect agribusiness clients to have in place for IFC to publicly classify an investment or advisory engagement as regenerative agriculture at the time of commitment; the criteria may also be utilized to create a financing incentive linked to the client's regenerative ambitions or planned outcomes. It also develops a baseline and provides a roadmap to support clients on their unique journeys towards regeneration. IFC will put the Framework to use with clients as follows:

- a) Establish the baseline.** IFC will assess a client's current regenerative agriculture initiatives to better understand the activities, ambitions, commitments and constraints of a client in their specific engagement(s) in regenerative agriculture.
- b) Assess alignment.** IFC will ensure alignment with IFC minimum criteria for regenerative agriculture Principles, Strategies, and Practices. Mapping a client's baseline against the Minimum Criteria helps IFC to determine what potential gaps exist and how IFC is best positioned to help bridge these gaps.
- c) Prioritize the roadmap.** IFC will identify additional regenerative activities that are aligned with a client's strategic objectives. IFC can support clients to identify the most effective and impactful ways to bridge these gaps and potentially go beyond the minimum criteria with

deeper or additional commitments that enable continuous improvement (for example deepening implementation of specific strategies and practices or employing additional strategies or practices as part of the engagement).

- d) Design investment and advisory instruments.** In countries where donor resources are available, IFC is well positioned to design support mechanisms to enhance an agribusiness client's commitment to regeneration and assist farmers with on-farm implementation of regenerative agriculture strategies. Under these conditions, IFC can utilize donor resources to reduce farmers' upfront costs and de-risk the transition to regenerative agriculture by bundling finance with hands-on advisory, delivered through our agribusiness clients and partner financial institutions, so farmers get capital, and technical support at the same time. In countries where donor resources are available, IFC can: 1) provide blended finance to lower the cost of capital for early-stage or higher-risk regen investments (e.g., soil health, cover crops, precision inputs), using concessional funds to extend tenor, reduce rates, or offer grace period; 2) structure incentive linked loans and supply chain finance where interest rates or payment terms improve as farmers adopt verified practices (no till, cover crops, agroforestry) and meet outcome key performance indicators (KPIs) relevant to regenerative agriculture; 3) expand risk sharing facilities with local banks so they can lend to smallholders and agri SMEs for regen transitions, reducing collateral requirements and pricing through portfolio guarantees.

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4. Determined in agreement with IFC.



# What's Next

- IFC will be preparing technical guidance to support the implementation of the Framework and will pilot this implementation in investment and advisory engagements with clients.
- The Framework may be modified in the coming years to reflect the lessons learned from piloting the Approach with clients, and further feedback from both internal and external stakeholders.
- IFC will develop case studies and ROI analyses (where possible) from piloting the Framework with clients, to further support the knowledge development and distribution of learnings on strategies that support the scaling of global regeneration efforts.

# ANNEX

## Detailed Explanation of Program Principles and Farm Strategies



## Required Program Principles

Principle	Rationale
<p><b>Regen approach complies with IFC Performance Standards, local and international laws.</b></p>	<p>IFC Performance Standards set the global benchmark for managing environmental and social risks, driving better business and development outcomes, fostering stakeholder trust, and catalyzing the transformation toward sustainable private sector growth in emerging markets. Their adoption and implementation are essential for any organization seeking to operate responsibly, attract investment, and contribute to long-term development.</p>
<p><b>Regen approach contributes to all three core impact areas.</b></p>	<p>Regenerative agriculture is a holistic strategy, often with interdependencies and co-benefits shared between practices, outcomes, and impacts. Targeting multiple core impact areas (Resilience, Restoration, Reduction) reflects a whole-farm approach to regeneration<sup>5</sup>.</p>
<p><b>Regen approach explicitly includes strategies for improving farm financial success.</b></p>	<p>Farmers assume real and perceived risks when adopting new farm strategies. Ensuring that farmers who are engaged in a regen ag program are supported with strategies that improve farm financial success is central to achieving and sustaining regenerative agriculture outcomes. Regen program design should include strategies that help to boost farmers' incomes and/or reduce costs.</p>
<p><b>Regen approach includes multi-year initiatives with farmers (unless the IFC investment will be used for a pilot program).</b></p>	<p>Regenerative agriculture is dynamic, and outcomes/impacts can take several years to materialize. Multi-year farmer engagement ensures that farmers have the time and support needed to adopt, adapt, and sustain regenerative practices. Agricultural transformation is a long-term process, often requiring changes in mindset, skills, and farm management. By engaging farmers over multiple years, programs can build trust, foster learning communities, and support continuous improvement, leading to lasting impact on soil health, biodiversity, and farm resilience. A client's approach should include an articulated plan to maintain practices and manage the achievement of positive outcomes in the long-term.</p>
<p><b>Regen approach includes tailored advisory / extension with efforts to ensure capacity building is inclusive.</b></p>	<p>Tailored advisory or extension services recognize that every farm is unique, with different soils, climates, crops, and socio-economic contexts. Generic advice may not address specific challenges or opportunities faced by individual farmers. By providing customized guidance, particularly accounting for inclusivity, programs can help farmers make informed decisions, overcome barriers, and maximize the benefits of regenerative practices. This approach increases adoption rates and ensures that interventions are relevant and effective.</p>
<p><b>Regen approach includes a monitoring and reporting system with regular public disclosure.</b></p>	<p>A monitoring and reporting system is critical for tracking progress, evaluating outcomes, and ensuring accountability. Regenerative agriculture aims to deliver environmental, social, and economic benefits, but these must be measured to demonstrate success and inform future improvements. A robust system enables data-driven decision-making, helps identify best practices, and provides transparency for stakeholders, including farmers, funders, and policymakers.</p>

<sup>5</sup> For reference, some of the leading firms we work with are targeting 5 of the 6 major outcomes identified by FAIRR.

## Recommended Program Principles

Principle	Rationale
<p><b>Regen approach includes other off-takers in a landscape model.</b></p>	<p>Collaboration across the value chain and among multiple stakeholders is essential to achieving the scale, resilience, and sustainability that regenerative agriculture demands. It also has the potential to minimize risks and costs, while maximizing farm-level impacts.</p>
<p><b>Regen approach includes outcome-based KPIs.</b></p>	<p>Outcome-based KPIs provide a clear, measurable strategy for tracking progress, ensuring accountability, and driving impact. Accountability, relevance, effectiveness, and alignment have the potential to be improved when these KPIs tailored along the dimensions identified. KPIs are most credible when they are: (1) publicly disclosed (2) customized to local conditions / needs (e.g., ha, farmers), (3) linked to broader company targets &amp; commitments, (4) support continuous improvement, and (5) linked to company standard operating procedures.</p>
<p><b>Regen approach includes helping farmers to access finance (directly or indirectly) for regen ag, where applicable.</b></p>	<p>Financial barriers for farmers are one of the most significant obstacles to the adoption and scaling of regenerative practices. Farmers face upfront investment costs for new equipment, inputs, and training, and may also face real or perceived short-term risks to profitability (yield impacts).</p>
<p><b>Regen approach is participatory and inclusive in nature as appropriate for the local context.</b></p>	<p>Effectiveness of these practices depends on local agro-ecological conditions, cultural norms, and resource availability. Ensures that interventions are relevant, equitable, and sustainable, builds resilience and innovation, and lays the foundation for lasting transformation in rural communities.</p>
<p><b>Regen approach includes a monitoring and reporting system that is independently verified.</b></p>	<p>Independent verification of a client's monitoring and reporting system lends vital credibility, transparency, accountability, learning, and the ability to access markets and finance.</p>

## Required Farm Strategies

Principle	Rationale
<p><b>[Where animals are present in the farming system]: Animal management and integration strategy that includes rotational grazing where possible.</b></p>	<p>Integrating livestock—through practices like rotational grazing, managed pasture, and crop-livestock systems—boosts soil organic carbon, improves nutrient cycling, and increases plant diversity, all of which are foundational to regenerative approaches. Animals contribute manure and urine that enrich soil fertility, while their movement helps aerate the soil and distribute nutrients. Thoughtful animal management also helps prevent overgrazing and land degradation, supports ecosystem services such as water retention and carbon sequestration, and can reduce reliance on external inputs.</p>
<p><b>[Where crops are present in the farming system]: Diversified cropping strategy integrated in production:</b></p> <p><b>Annuals: 2 or more crops in rotation (can include a cover crop) in the same field.</b></p> <p><b>Perennials: Depending on the crop, diversification of species or varieties grown in the production area.</b></p>	<p>Monoculture production systems can strip the soil of essential plant nutrients and increase pest pressure and pesticide resistance risks, but crop rotation offers a sustainable solution. With live roots in the soil for 70% or more each year, crop rotation can manage pests, reduce overreliance on the same herbicide groups, and support beneficial soil microbial communities. Diversification has also been shown to positively impact yields and biodiversity (Beillouin et al. 2021).</p> <p>Incorporating practices that retain and restore soil organic matter, improve soil structure, and unlock beneficial nutrients already held in soils can contribute to regenerative ag ROI by allowing a farmer to reduce nitrogen (N), phosphorus (P), and potassium (K) application requirements. These practices can include incorporating systems that limit nutrient leaching, utilizing nitrogen-fixing cover crops, and supplementing a conventional fertility program with alternative products that focus on boosting the soil microbiome and making existing soil nutrients more bio-available.</p>
<p><b>Soil protection and erosion management strategy: at least 1 practice in place to protect the soil.</b></p>	<p>By preventing soil loss and degradation through practices such as reduced or no-tillage, maintaining permanent vegetation cover, mulching, and crop rotation, regenerative agriculture preserves soil structure, organic matter, and microbial diversity. These actions enhance water retention, nutrient cycling, and resilience to drought and extreme weather, directly supporting the core principles of regenerative agriculture: restoring soil health, increasing biodiversity, and building ecosystem resilience. Effective soil protection not only maintains long-term fertility and productivity but may also mitigate climate change by sequestering carbon and reducing greenhouse gas emissions.</p>
<p><b>Input management strategy: increase in the proportion of nutrients and crop protection productions utilized from biological and natural sources and corresponding optimization and/or reduction of synthetic inputs over time. Planting varieties (seed, root stock, sapling, seedling) are adapted to the local context.</b></p>	<p>By using compost, organic fertilizers, bio-inputs, and integrated pest management, farmers foster natural nutrient cycling and pest control, which enhances soil fertility and resilience against pests and diseases. These practices align with core regenerative agriculture principles: restoring and building soil health, increasing agroecosystem diversity, and minimizing external inputs to create closed nutrient loops. Natural inputs also help mitigate climate change by lowering greenhouse gas emissions and pollution, while supporting long-term productivity and ecosystem services.</p>

## Recommended Farm Strategies

Principle	Rationale
<p><b>Elements of circularity: valorization of agri-waste on farm (e.g., composting, mulching, organic fertilizer production, etc.).</b></p>	<p>Circular practices close nutrient loops, reduce reliance on external inputs, and minimize waste and pollution, thereby regenerating natural systems and improving soil health. By transforming agricultural by-products and residues into valuable resources, farms can enhance productivity, reduce greenhouse gas emissions, and lower costs associated with synthetic fertilizers and waste disposal. These strategies also help buffer farms against resource scarcity and climate shocks, create new income streams, and support local job creation.</p>
<p><b>Prioritization of agricultural strategies considers market opportunities and access for successful implementation and sustained adoption.</b></p>	<p>Regenerative practices often require upfront investments and may alter production volumes, crop types, or quality. Aligning these changes with market demand and reliable offtake channels can help farmers capture added value, reduce risks, and avoid income losses during the transition. Strong value-chain linkages facilitate access to inputs, technical support, aggregation, processing, and marketing, which are critical for moving from subsistence to commercial farming and for achieving higher profitability, resilience, and competitiveness. Integrating value-chain considerations also supports the adoption of regenerative practices that meet buyer standards, enable certification, and open new market opportunities. As an example, when supporting farmers to diversify or add a rotational crop, the client should ensure offtake for that crop or facilitate market access).</p>
<p><b>Practice selection reflects the local climatic, environmental, and cultural context.</b></p>	<p>The effectiveness and sustainability of regen ag practices depend heavily on site-specific conditions. Local climate and soil characteristics influence how regenerative techniques impact productivity, resilience, and ecosystem health. Certain practices may boost yields and soil health in one region but lead to reduced productivity or unintended environmental consequences in another if not adapted to local rainfall patterns, temperature extremes, or soil types. Integrating cultural knowledge and engaging local communities ensures that practices are relevant, accepted, and build on indigenous and traditional methods that have evolved to suit local environments. This context-sensitive approach helps avoid one-size-fits-all solutions, mitigates risks such as resource mismanagement or social exclusion, and maximizes long-term benefits.</p>
<p><b>Client incorporates a soil management strategy (which may include soil testing).</b></p>	<p>Soil management practices improve soil structure, fertility, water retention, and biodiversity, which in turn enhance crop yields, reduce vulnerability to climate shocks, and support ecosystem services like carbon sequestration and nutrient cycling. A key element of effective soil management is soil testing, which provides critical information on soil pH, nutrient levels, organic matter, and other properties. By regularly testing soils, farmers can tailor nutrient management and amendments to actual needs, avoiding overuse or underuse of fertilizers, minimizing environmental impacts, and optimizing crop productivity and profitability. Soil testing also helps identify deficiencies or toxicities early, enabling targeted interventions that support long-term soil health and sustainable agricultural outcomes.</p>



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