

# FOOD SYSTEMS SOLUTIONS DIALOGUES

## *Financing Food Systems Transformation to Achieve the SDGs*

24 July 2024

### Summary Report

#### Introduction

The Food Systems Solutions Dialogues (FSSD) are purposeful and organized events that bring together National Convenors and other food systems actors to share their experiences and insights on food systems hosted by the UN Food Systems Coordination Hub (the Hub). A new series is launched each year, and morning and afternoon sessions are held for each Dialogue to accommodate different time zones. On July 24, 2024, the third Dialogue of the year was held on “Financing Food Systems Transformation to Achieve the SDGs” - this Summary Report reflects the combined discussions from the two sessions (morning and afternoon).

This Dialogue explored how private and public financial systems can be optimized to support global food system transformation and achieve the Sustainable Development Goals (SDGs).

#### Setting the Scene

The Dialogue commenced with insights from Dr Stefanos Fotiou, Director of the Hub, who underscored the pressing need to adapt financial systems to better support food systems. He articulated that the existing global financial architecture falls short and must be realigned to facilitate food system transformation effectively. Rather than merely increasing the volume of financial investments, Dr Fotiou advocated for a strategic focus on directing funds toward impactful areas and regulatory frameworks that actively engage private financial institutions. This approach necessitates establishing a regulatory framework that actively engages private financial institutions, ensuring their investments align with the global food systems transformation goals.

Dr Fotiou welcomed a distinguished panel of speakers that included:

- Dr David Laborde, Director of the Agrifood Economics Division at FAO
- Ms Nadine Gbossa, Director of Food Systems Coordination at IFAD
- Ms Priscilla Muiruri, Chairperson of Kenya's National Food Systems Technical Working Group
- Mr Jamie Morrison, Senior Advisor at the Global Alliance for Improved Nutrition (GAIN)

Mr Christopher Brett, the World Bank's lead agribusiness specialist, moderated the event in the morning, and Mr Dennis Olumeh, the World Bank's agricultural economist, moderated it in the afternoon.

#### Key Insights from Panellists

The Dialogue panel of distinguished experts shared their extensive experience and insights on financing food systems transformation.

Dr David Laborde initiated the panel discussion by presenting an in-depth analysis of the [State of Food Security and Nutrition in the World 2024 \(SOFI\)](#) report. He provided critical statistics indicating that 733 million people are experiencing chronic hunger, 2.3 billion face food insecurity, and 2.8 billion people cannot afford healthy diets. Dr Laborde pointed out that the primary challenge lies not in a lack of financial resources but in their misallocation. Financial flows often fail to reach the most vulnerable regions, underfunding essential areas. He stressed the importance of aligning financial resources with food security objectives to effectively combat the underlying causes of food insecurity, which include conflict, climate change, and economic instability.

Ms Gbossa emphasized the significance of a financing agenda structured around three fundamental pillars: evidence, financing windows, and transformative initiatives. She pointed out that the absence of timely and high-quality financial data significantly impedes the ability to accurately assess the true requirements of food systems at national and international levels. This lack of data hinders effective decision-making and undermines efforts to align financial resources with the pressing needs of food security and sustainability initiatives globally. To address this, tools like the 3FS (Financial Flows to Food Systems) methodology are being developed to provide real-time financial evidence. The 3FS tool provides country leadership with a harmonized method for keeping track of trends in domestic resource mobilization for food systems. Ms Gbossa also spoke about the need for creating more accessible financing windows, where international development financing can increase its impact, as seen in the 14% increase in international funding for food systems since 2018. Moreover, International Financial Institutions (IFIs) are exploring priority areas and focusing on improving the coordination of these financial flows to maximize impact.

In the panel discussion, Ms Priscila Muiruri shared Kenya's experience piloting the 3FS tool. She presented key insights on how the tool has helped Kenya track government spending on food systems, with a particular emphasis on agriculture and value chains. Ms Muiruri highlighted that although agriculture received the largest share of government investment, there was a notable 5% decline in overall funding for food systems from 2018 to 2022. She underscored how the 3FS tool enables Kenya to better understand financial flows and identify gaps in nutrition, health, and climate resilience, which are critical for achieving long-term food security goals.

To close the panel, Mr Jamie Morrison underscored the critical role of GAIN in assisting countries with monitoring and tracking their financial flows towards transforming food systems, particularly through implementing the 3FS tool. He explained how GAIN works closely with governments to provide technical assistance, ensuring they can accurately capture the data needed to inform decision-making. Mr Morrison emphasized the significance of aligning investments with national priorities and developing costed action plans to address food systems challenges effectively. He also stressed that GAIN's support extends beyond mere technical assistance, as it actively helps countries navigate the complexities of securing development financing and prioritizing investments that have the greatest impact on transforming their food systems.

## Dialogue with National Convenors

Following the panel, National Convenors were invited to share insights on financing for food systems transformation. The Convenors were provided with two guiding questions:

1. Please share your experience of developing a costed action plan for the national pathway for food systems transformation, and evidence on the level of financing to inform the national financing strategy and dialogue with development partners on financial flows to food systems.
2. How would you rank the priorities of the financing agenda for food system transformation for 2024-25? What are the main challenges and what kind of support is needed at the country level?

The National Convenors contributed extensively to the discussion, sharing their countries' challenges and progress in financing food systems transformation. Some Convenors shared their efforts to develop national food security and nutrition policies. Many pointed out that, despite receiving governmental support for these policies, there is often a significant shortfall in financial backing from international partners necessary for implementing transformative projects. They emphasized the need for innovative financing tools that would allow them to leverage both public and private funds, with specific support from IFIs and multilateral development partners.

A recurring theme was the necessity of better coordination between government ministries and the private sector. Convenors highlighted how agricultural development, climate change mitigation, and nutrition programs must align under a unified national strategy.

The Convenors collectively pointed to the importance of knowledge exchange between countries. Representatives from the countries where the 3FS tool is being piloted were identified as leaders in applying innovative financing models, and their experiences provided valuable lessons for other nations. Convenors expressed a desire to create regional knowledge-sharing platforms where countries facing similar challenges could exchange strategies and financing solutions.

In fragile contexts, the Convenors underscored the critical challenge of mobilizing resources amid ongoing conflicts. While there is a recognition of the need to transform food systems, their immediate priority is humanitarian assistance. Nevertheless, they stressed the importance of developing long-term strategies to ensure that food systems are resilient in post-conflict situations. Dialogue with donors was seen as essential, with Convenors calling for financial support explicitly tailored to conflict and post-conflict recovery.

## The Way Forward

The Dialogue highlighted several key takeaways for moving forward. First, there is a clear need for better alignment of financial flows with food system transformation goals at the national and global levels. Governments, IFIs, and private investors must collaborate effectively to ensure that financial resources are strategically allocated to areas with the potential for the most transformative impact. Key focus areas should include nutrition, sustainability, and resilience. Tools like the 3FS methodology and other evidence-based approaches will be critical in guiding these investments.

Second, the role of the private sector must be expanded, with clear guidance from regulatory bodies to help businesses align their investments with national food security strategies. At the same time, international financial institutions must increase their support for countries facing conflict or financial fragility, ensuring that no country is left behind in the global effort to transform food systems.

Finally, collaboration between countries is essential. By sharing knowledge and lessons from pilot projects, countries can develop more effective and sustainable financing models that are tailored to their unique contexts. The Dialogue reaffirmed the importance of collective action in terms of financial resources and knowledge, partnerships, and shared goals to achieve the SDGs and build resilient food systems by 2030.

The Director of the Hub provided closing remarks at the morning and afternoon sessions. In his conclusion, he re-emphasized the critical need for better data and coordination among IFIs to ensure financing efforts effectively support the transformation of food systems. He recognized the enthusiasm and involvement of various countries in implementing the 3FS tool, emphasizing that while resources are available, they are frequently misallocated. He also reiterated the importance of aligning financial investments with national priorities and Sustainable Development Goals (SDGs) to achieve meaningful progress.