

# FOOD SYSTEMS SOLUTIONS DIALOGUES

## *Unlocking investments for food systems transformation*

16 April 2025

Summary Report

### Introduction

The Food Systems Solutions Dialogues (FSSD) are purposeful, organized events that unite 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 launches annually. Morning and afternoon sessions are held for each Dialogue to accommodate different time zones. On 16 April 2025, the Dialogue "Unlocking investments for food systems transformation" was held as part of the 2025 FSSD series. This Summary Report reflects the combined discussions from the two sessions (morning and afternoon).

The Dialogue explored solutions for unlocking investments for transforming food systems, contributing to the broader objectives of the second UN Food Systems Summit Stocktake (UNFSS+4) in Addis Ababa, Ethiopia, 27-29 July 2025. Discussions focused on national efforts to mobilize resources for food systems transformation and creating means for implementation, exemplified through cost action plans, diversified financing strategies, public sector budget allocations, public-private partnerships, and derisking agricultural sector investments. The Dialogue also examined ongoing global efforts to reform the financial architecture to support sustainable food systems better and address key barriers to investment.

### Setting the Scene

Mia Madsen, Policy Officer at the UN Food Systems Coordination Hub, opened the morning and afternoon sessions, welcoming participants to the second 2025 Food Systems Solutions Dialogue. She emphasized the focus on unlocking investments for food systems transformation, aligning discussions with the objectives of the upcoming UNFSS+4. She highlighted that the Dialogue would explore national strategies to mobilize finance, ongoing global efforts to reform financial systems, and linkages with the upcoming Fourth International Conference on Financing for Development (FFD4), held in Seville, Spain, 30 June to 3 July 2025.

The morning and afternoon sessions welcomed a distinguished panel featuring global, regional, and local perspectives on unlocking investment and strengthening accountability for food systems transformation. The panel included:

- David Laborde, Director of Agrifood Economics and Policy Division, FAO
  - Christopher Brett, Lead Agribusiness Specialist, World Bank
  - Jarot Indarto, National Convenor to Indonesia and Director of Food and Agriculture, Ministry of National Development Planning/BAPPENAS
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- Getachew Diriba, PhD, Senior Advisor and Principal Coordinator, Ethiopian Food Systems Transformation, Office of the Minister, Ministry of Agriculture
- Alejandro Enciso, Programme Analyst, IFAD

James Tefft, Senior Economist from the FAO Investment Centre, moderated the sessions.

### Key Insights from Panellists

David Laborde opened the morning session by emphasizing that financing is not just about mobilizing resources but about creating the means of implementation for food systems transformation. He highlighted how financial flows today are fragmented across food security, climate, gender, and other development sectors, and pointed to persistent data gaps, particularly regarding private sector contributions. He stressed the need to de-risk agrifood systems investments, noting that risks stem not only from climate shocks and logistical issues but also from policy incoherence and uncertainty. He called for context-specific instruments, coherent policies, and stronger investment cases grounded in innovation and digitalization to attract both public and private financing.

Chris Brett presented the work of the World Bank and IFAD on the evolving food finance architecture, which includes domestic public financing, international development financing, and private sector investment. He introduced the second phase of the Financial Flows to Food Systems (3FS) tool, developed with partners to assess financial flows across five key food system components. He noted that IFAD, the World Bank and other international financial institutions are working to align and apply the tool across institutions, aiming to present consolidated data and evidence at the UNFSS+4 and the FF4D. The effort supports a shift from fragmented, reactive funding towards a more coordinated and forward-looking investment approach.

Jarot Indarto shared Indonesia's experience in developing a national food systems financing strategy, rooted in localization and aligned with national priorities for healthy diets, inclusivity, resilience, and sustainability. He outlined a diverse financing landscape that includes private sector investment, corporate social responsibility contributions, religious-based finance such as zakat and Sharia funds for local support and emergencies, often used for emergency support and local development. On the public side, financing comes from national budget allocations, including innovative instruments like SDG bonds and green sukuk, as well as fiscal transfers to local governments. Government programs prioritize improved nutrition, value-added agriculture, climate adaptation, and circular economy initiatives. He also noted that Indonesia is advancing reforms in input subsidies, livestock, and landscape restoration, strongly focusing on decentralized and regional decision-making.

In the afternoon session, Mr Getachew Diriba shared Ethiopia's experience in preparing for the UNFSS+4, emphasizing that agricultural investment is crucial for Ethiopia and essential for many agrarian economies. He described Ethiopia's engagement in the FAO Hand-in-Hand Initiative and outlined six key investment priorities, including fertilizer production,

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natural resource and soil management, livestock, mechanization, and cold chain infrastructure. He noted that despite strong internal rates of return, foreign investor interest remains limited, while domestic investors, particularly in poultry, show growing engagement. He highlighted a shift away from reliance on traditional aid toward mobilizing private sector financing, both domestic and international. He stressed the broader need for financial inclusion, improved foreign currency access, technology transfer, and business model innovation, underscoring that Ethiopia must act decisively and do business differently to survive and meet the global Sustainable Development Goals (SDGs) in a rapidly changing global context.

Mr Alejandro Enciso, speaking on behalf of the Agri-PDB Platform, one of the UNFSS emerged Coalitions of Action, highlighted the transformative role of Public Development Banks (PDBs) in food systems financing. He emphasized their unique position to promote financial inclusion, support rural communities, and de-risk agricultural investments through blended finance and insurance. He described the Agri-PDB Platform as a global initiative supporting capacity building, peer learning, and climate-smart finance. He also stressed that PDBs serve as catalysts for structural transformation by working closely with governments, cooperatives, fintechs, and regulators, directly contributing to the Sustainable Development Goals by fostering resilience, reducing rural poverty, and enhancing food security. He underscored the need for stronger partnerships between PDBs and multilateral banks, noting that the UNFSS+4 and the upcoming Financing for Development Summit offer key opportunities to elevate the role of PDBs in global financing discussions.

## Dialogue with National Convenors

Following the expert panel, National Convenors engaged in an interactive discussion on unlocking investments for food systems transformation. The Convenors were provided with three guiding questions:

1. What strategies are most effective in mobilizing private sector financing for food systems transformation?
2. What approaches can help overcome the challenges associated with attracting private sector investment in agri-food systems?
3. In your experience, what are the key operational steps and feasible entry points to de-risk investments and strengthen resilience within agri-food systems?

National Convenors emphasized that mobilizing private sector financing for food systems transformation requires building trust, creating multi-stakeholder platforms, and providing clear roadmaps for action. Establishing inclusive platforms that bring together government, private sector actors, and other stakeholders was highlighted as a key mechanism for discussing sector-specific priorities such as reducing food loss, advancing circular economy initiatives, and enhancing climate adaptation strategies. These platforms help align public and private interests and guide investment opportunities. Strong leadership at

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the highest political levels was identified as critical for driving cross-ministerial and local governments to support private sector engagement.

The role of corporate social responsibility was noted as a valuable entry point for engaging the private sector, with examples of private companies contributing to community development initiatives such as school feeding programmes, school gardens, and local health services. This type of engagement was seen as a stepping stone towards broader investment in food systems transformation. National Convenors underlined that transparent communication of investment priorities and participatory planning processes helps create a more attractive and predictable environment for private sector involvement.

To overcome the challenges of mobilizing private sector financing, National Convenors stressed the importance of creating enabling environments that reduce risk and offer tangible incentives for investment. The need for "patient capital" models was emphasised, especially in primary agriculture, where returns are longer-term. Revitalizing risk-sharing facilities to mitigate lending risks and encourage private financing was highlighted as a promising approach. Convenors also called for a shift beyond reliance on traditional development aid, focusing on attracting foreign and domestic investors in areas with strong potential for returns. Coherent, long-term policy frameworks supported by consistent government action are viewed as essential to providing private investors with the confidence needed to commit capital. Improving agri-logistics, supporting value chain integration, and strengthening contracting arrangements with smallholders were identified as additional pathways to reduce risks and attract sustained private investment.

In terms of operationalizing solutions and identifying feasible entry points, National Convenors outlined several strategies to de-risk and catalyze investment in food systems. Innovations in upgrading infrastructure along value chains were highlighted as practical ways to reduce investment risks. Policy consistency and long-term regulatory frameworks are critical to providing private investors with certainty and confidence. Convenors also stressed the importance of cross-sectoral coordination to prioritize investments in irrigation, rural infrastructure, and smart energy solutions for agro-processing. Strengthening rural infrastructure, particularly to address logistical challenges affecting smallholder farmers, was identified as a key priority. Across different contexts, Convenors agreed that improving infrastructure, strengthening value chains, and using data-driven planning are critical operational steps to enhance resilience and de-risk food systems investment.

## **The Way Forward**

The Dialogue reaffirmed that mobilizing sustainable financing is central to achieving resilient, inclusive, and sustainable food systems. Participants emphasized that future efforts must prioritize strategic investment approaches that bridge emergency response with long-term transformation needs, especially in low- and middle-income countries where resource gaps are most pronounced.

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Looking ahead to UNFSS+4 and the FF4D, participants called for greater political prioritization of food systems within national, regional, and global financing agendas. A clear message emerged that food systems transformation should not be treated separately but integrated into broader economic and development planning frameworks. Participants highlighted the need to continue developing innovative financial instruments, such as blended finance models, guarantee schemes, and impact investment mechanisms, to mobilise greater private sector investment. Strengthening multi-stakeholder platforms, enhancing data availability for evidence-based decision-making, and promoting policy coherence were identified as key enablers for attracting and sustaining investment.

The Hub, in collaboration with the UN system and partners, remains dedicated to supporting collective efforts to unlock greater financing for food systems transformation by fostering multi-stakeholder engagement, encouraging enabling environment for investment, and helping translate Dialogue outcomes into actionable strategies that advance sustainable, inclusive, and resilient food systems through 2025 and beyond.