Financing Food Systems Transformation
Global Opportunities & Local Needs

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Rethink
Way food systems are financed
Food Systems Summit | Financing “Differently”

$6-12 trillion annually Hidden environmental, health, social & economic costs

Not fulfilling right to adequate food for all
- 811M suffer hunger
- 2B w/o regular access sufficient, safe, & nutritious food
- Greater number overweight/obese

1/3 Greenhouse Gas Emissions
- 80% Biodiversity Loss

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Financing for Food Systems Transition

Short term
- Pressure on farmer incomes
- Not able to compete or make sustainable livelihoods

Medium term
- 84% farms worldwide small farms less 2ha
- Up to 80% domestic food production
- Livelihoods for majority of population

Long term
Food Systems Summit | Financing “Differently”

$6-12 trillion annually Hidden environmental, health, social & economic costs

Not loose sight of Remarkable Progress

1. Tripling of agricultural production since 1960
2. Feeding world population (from 3 billion in 1960 to about 7.5 billion today)
3. More food available per capita than ever before
4. Technical & structural change benefitting farmers & consumers
5. Improved – availability, access, reliability & nutrient adequacy

Accomplishments not universally shared
US$ Trillions hidden environmental, health, social and economic costs
$6-12 trillion annually Hidden environmental, health, social & economic costs

COVID-19 & Ukraine war additional stresses on food systems

Exacerbate Costs

- Increase in food insecurity
- Rising food prices add to global inflationary pressure
- Stretching household spending
- Reducing narrow fiscal space & increasing debt vulnerability
- Issue not confined to poor countries
- High-income countries about 60 million people - 7% population use food banks

2022 Meltdown of Food Systems | Immediate Interventions

GOVERNMENTS & INTERNATIONAL COMMUNITY

- Functioning of supply chains
- Countries means to maintain food availability & access

INTERNATIONAL FINANCIAL INSTITUTIONS ACTION PLAN

**Coming together**

- Financing, policy engagement, technical assistance
- Leverage tools & programs in fast-tracked & scaled up manner
- Repurpose & prioritize relevant programs
- Launch new specific initiatives
## Food Financing Windows

**Existing, Repurposed and Prioritized Programmes and New Initiatives**

<table>
<thead>
<tr>
<th>Windows</th>
<th>Originators</th>
<th>Objective</th>
<th>Expected Funding</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>World Bank</td>
<td>Agriculture and social protection</td>
<td>$30 billion</td>
<td>Africa, Middle East, Eastern Europe, Central Asia, and South Asia</td>
</tr>
<tr>
<td>2</td>
<td>EU/France</td>
<td>Rural transformation</td>
<td>$10 billion</td>
<td>Member States of African Union</td>
</tr>
<tr>
<td>3</td>
<td>AfDB</td>
<td>Agricultural productivity</td>
<td>$1.3 billion</td>
<td>Africa</td>
</tr>
<tr>
<td>4</td>
<td>IFAD</td>
<td>Productive livelihoods</td>
<td>$10.9 billion*</td>
<td>Worldwide</td>
</tr>
<tr>
<td>5</td>
<td>ADB</td>
<td>Fertilizer</td>
<td>$5.5 million</td>
<td>Cambodia, LAO PDR, Myanmar, PRC, Thailand, Viet Nam</td>
</tr>
</tbody>
</table>

* This figure includes the Programme of Loans and Grants (PoLG) value until 31/12/2021 and the IFAD12 (2022-2024) PoLG project pipeline plan.
### 2022 Meltdown of Food Systems | Immediate Interventions

**Immediate response to crisis**

**Not lose sight**
- Need to transition to high-performing Food systems

**Cannot be done without proper Finance**

**Short term**

**Long term**

#### Six priority goals
- Support vulnerable people
- Promote open trade
- Mitigate fertilizer shortages
- Support food production Now
- Invest climate-resilient agriculture
- Coordinate for maximum impact

#### Immediate response to crisis

- Equitable
- Sustainable
- Healthier
- Profitable
- Resilient to shocks & crises
Food Systems Summit

NEW Food Finance Architecture
Five Imperatives

1. Move away from short-term investment practices that fail to price in climate, health, social and environmental risks.

2. Invest into long-term investment solutions that account for trillions dollars of hidden costs relating to climate, biodiversity, human health & livelihoods.

3. Change What gets financed & How it gets financed.
States & Stakeholders 
Acting individually & collectively

Must have Means of Implementation for Food Systems Transformation

Clear goal
Finance Food Systems differently

1. Public capital needs to be optimised & repurposed

2. Private capital needs to be scaled & redirected

Aim
Mobilize Global Community for Global shift towards new Food Finance Architecture

– Member States, Producers, Businesses, Financial institutions, Civil society, Donors –
Means of Implementation - Finance

Six Priorities

1. New Food Finance Architecture
   Co-create vision for success & inclusive deliverables

2. Enabling Principles
   Shared commitments financing food systems differently

3. Back 10-15 countries
   Broker granular packages linking public-private funding meeting new imperatives

4. Influence at least 2 development finance windows
   To optimise public finance & leverage private capital

5. Shared Food Finance Markers
   Inform & Monitor progress
   Uphold Mutual Accountability

6. Sustain Global & National Commitments
   Synergies with High-level Political Forum & Financing for Development Forum
Enabling Principles & Food Finance Markers for profitable, equitable, sustainable & resilient food financing

Set Pathway to Net Zero

Key milestones

• Shared Targets
• Inform National Pathways
• Monitoring & Adjusting
• Reporting
• Uphold Mutual Accountability

Learning from Paris Alignment
Back 10-15 countries | Financing Differently

- **Aim:** Broker granular packages linking public-private funding & shift financing landscape

- **System wide approach**
  Operational framework bringing together critical elements in a package tailored to country conditions

**National Pathways**
For evidence-based decisions

**Institutions**
Fostering comprehensive & systematic approach towards food systems

**Incentives**
For farmers, agribusiness & financial institutions to make right investment decisions

**Innovation**
To feed an additional 2 billion people by 2050

**Mobilization of public & private Investments**
To make food system transformation a reality
Sequence of Engagement
Inclusive Sequence of engagement
Means of Implementation – Finance

**HUB**
Overall responsibility to leverage the MOIs

**IFAD**
Designated agency to move forward new FFA

**WB**
Co-Lead to move forward a new FFA

**Imperative Champions**
Leverage resources & know-how from food finance community

**Food Finance Experts Group**
Provide a space for inclusive dialogue on work of MOI-F, commitments & implementation

**FSS Stakeholder Engagement and Networking**
**Advisory Group** Leverage guidance & feedback from stakeholders
Key Milestones 2022

Means of Implementation Finance
Thank You