

EVENT REPORT

The Increasing Imperative for Resilient Food Systems in Times of Crisis: What Can Donors Do?

20 April 2022

A Global Donor Platform for Rural Development event to address and discuss what donors can do in times of unprecented crises. The GDPRD white paper "Transforming Food Systems: Directions for Enhancing the Catalytic Role of Donors" was presented along with its seven action areas for donors.



ABOUT THE EVENT

Link to event page

On the heels of the pandemic, our collective attention is now focused on the skyrocketing food prices and the conflict in Ukraine.

While emergency measures are necessary to address short-term consequences, these current crises further cement the need for long-term investments in resilient food systems in order to combat and avoid such crises in the future.

During the event:

- 1. Directions of donor assistance to improve resilience in agriculture, rural development and food systems were discussed.
- 2. The deliberations of the 2021 Food Systems Summit were considered, to understand how they contribute to development thinking in times of crises, when food prices are soaring and agricultural value chains are increasingly disrupted.
- 3. Modalities for donor cooperation and coordination for food systems resilience were assessed and discussed.

The Donor Platform WHITE PAPER on "Transforming Food Systems: Directions for Enhancing the Catalytic Role of Donors" was also presented during the event. The paper attempts to provide a menu of options for donor engagement in food systems transformation, with a focus on coordination, structural barriers to change, and the importance of systemic approaches.

Along with the <u>DECLARATION OF INTENT</u> on food systems transformation and the <u>STOCKTAKING REPORT</u> on "Donor Contributions to Food Systems", the white paper concludes the GDPRD's contributions to the UN Food Systems Summit.

SPEAKERS AND SESSIONS

Watch event recording

Moderator



Henry Bonsu International Broadcaster and Media Consultant

Keynote speaker



Jennifer Clapp
Professor, University of Waterloo and
Vice-Chair, High Level Panel of Experts on
Food Security and Nutrition of the UN
Committee on World Food Security

Panellists



Rhoda Peace Tumusiime
Former Commissioner for Rural Economy
and Agriculture, African Union
Commission and Chairperson, HOPE



Satu Santala
Associate Vice-President for External
Relations and Governance, International
Fund for Agricultural Development (IFAD)



Leonard Mizzi
Head of Unit, Sustainable Agri-Food
Systems and Fisheries, DirectorateGeneral International Partnerships (DG
INTPA), European Commission



Jim Woodhill
Director of AgriFoodNexus Consulting
and Honorary Research Associate,
University of Oxford's Environmental
Change Institute

HIGHLIGHTS

KEYNOTE



Jennifer ClappUniversity of Waterloo

The conflict in Ukraine and the ongoing global food crisis are affecting food security well beyond the borders of Ukraine and Russia: 65 per cent of people who are acutely foodinsecure reside in countries where conflict is the major driver of hunger.

According to the Food and Agriculture Organization of the United Nations (FAO), over 30 countries rely on imported foods from Ukraine or Russia for over 30 per cent of their wheat imports. For some countries, including Egypt, Eritrea, Lebanon, and Somalia the ratio is much higher, relying on these two countries alone for well over 70 per cent of their wheat imports.

Today, global food markets are also highly concentrated, especially for staple grains like wheat and maize. According to United States Department of Agriculture (USDA) data, just eight countries account for over 90 per cent of the world's wheat exports, and just four countries account for over 80 per cent of the world's maize exports. This situation is concentrated both geographically and commercially, as only about four companies control the vast majority of that trade.

Export restrictions can lead to increased volatility because they reduce the amount of food available in global markets. According to the International Food Policy Research Institute (IFPRI), around 17 per cent of the global food trade in terms of calories is currently affected by export restrictions, reaching similar levels as during the last food crisis of 2008/2009.

Prices of fertilizers and other inputs are also skyrocketing, making it very difficult for farmers to respond by increasing production. On top of all this, simply putting more land under cultivation can also have environmentally damaging consequences, especially if it is bringing marginal and sensitive land into production.

We need to increase food production capacity in all countries, especially those countries facing crisis. That principle of diversity of production was front and centre at the international level during the 1974 food crisis, and it's about time we came back to some of those key principles."

There is a growing understanding of the need to enhance diversity within our food systems. We know that diversity is a key element of building resilience, because it creates multiple opportunities for production, distribution and consumption that can pick up the slack when crises happen in different parts of food systems."

It is now estimated that, as a result of the **COVID-19 pandemic**, over 800 million people in the world are chronically undernourished and 2.37 billion people – one in three – are facing food insecurity at either a moderate or severe level.

And on top of the COVID-19 crisis, we also have **broader environment and climate** and food systems crises, which are all in the background, but with important implications for how we respond to these other crises.

In this situation, we need to reconsider how food systems are organized. **Policy responses are now more important than ever**:

- 1. The rigidities of food systems are often the result of structural barriers that prevent the most marginalized and vulnerable people not just from accessing food, but from participating fully in food systems, as consumers, employees and participants in their food systems governance. It is important we break down those barriers by enhancing sustainability, equity and diversity. We also need to ensure transparency, accountability and responsibility in investment in policy responses. We also need coordination of policy responses at the international level.
- In the immediate term, it is important to significantly increase humanitarian assistance in Ukraine, as well as in other countries experiencing conflict-driven famine. It is also important to provide assistance, including debt relief, to the poorest food import-dependent countries.
- 3. It is important for exporting countries to refrain from export restrictions that could lead to higher food prices. Governments should closely watch commodity markets for excessive speculation to ensure there is no profiting from hunger by financial investors that could exacerbate the situation.
- 4. We also have to think about **revitalizing and invigorating local and regional supply chains** to create diversity in terms of available foods.

PANEL CONVERSATION



Rhoda Peace Tumusiime HOPE

acknowledged. It has to be owned. And it has to be

appreciated at the level of heads of state and at the

level of ministers and permanent secretaries.

The concept of "food systems" has to be fully

Donors and partners have to increase their own country systems, especially in capacitybuilding and institutional collaboration. I see alignment as being key and important."

> We need sustainable food systems which stand the test of time. We can't be all the time firefighting. Countries, together with the African Union and partners, should never again lose the momentum that was seen before the 2008 food crisis in Africa.



What we would hope is that the white paper gives a very good basis for what donors can do in really making sure that they're taking forward the outcomes of the UN Food Systems Summit. Really investing in the right places, and getting this balance right in the sorts of things they can invest in to drive the innovation that's going to be needed."

The world needs very deep structural changes in how societies and economies are functioning. One of the points that the white paper makes is that donors can play a critical role in supporting transformation, but to be effective in that role, they really need to focus first on getting coordination right in alignment, in terms of what they're doing abroad, but also within their own countries.

If we're thinking about the deeper structural transformations that are needed, there are four big transitions we need to consider:

- 1. Consumption: how do we really get people eating healthily and sustainably?
- Nature-positive food systems: understanding the marketing and the incentives we also need to be producing food with environmental consciousness.
- Decent living: we need to make sure that people who are working in food systems are earning a decent living.

Resilience: making sure that we have buffers so that the system can cope with shocks, but food prices do not go through the roof when we have the sort of situation that we are currently dealing with.

There are some areas where donors can have a catalytic role.

One really important area is obviously around innovation. Getting the science right, getting the data information systems right. Getting technology being used as effectively as it can.

The second relates to the fact that none of this is going to shift if we do not get the right sorts of alliances and partnerships at national, global and regional levels between businesses and civil society.

Thirdly, another critical area is getting the policy shift, particularly at the national level, but supported by a more enabling environment at global and national or global and regional levels.

What is the most critical leverage point for creating more resilient food systems and people?



Satu Santala IFAD

This crisis did not start a few weeks ago with the war in Ukraine. This is really a disaster that's been in the making for quite some time, and is repeating itself with increasing volume and speed, and is increasingly threatening for those who live in poor countries."

I would turn our attention to smallholders, small agribusinesses, and small and medium-sized enterprises. We should empower these to produce more, to be more central in our food systems.

Some investments are required in infrastructure and production inputs. Market access policies need to change to be more enabling for these actors, who need to be better supported, also because they typically produce more diverse crops.

They are also central to the local and regional food markets that are highlighted as critical. These producers can also play a vital role in improving nutrition through more varied diets.



Jennifer Clapp

The issues of diversity and infrastructure for local markets need to tie closely with the sustainable production investments that are happening. This can help improve diversity of diets, as well as more ecologically sound production, and provide those kinds of livelihoods that create the capacity to have greater access to food and more agency within food systems.

We need to bring local traditional crops back in terms of their acceptability in society for consumption, because they can serve all kinds of functions – from dietary diversity to ecological soundness, to also reducing vulnerability to global economic shocks."

We focus on wheat, rice and maize for a huge bulk of our calorie intake. But there are lots of crops that can be grown domestically in countries that are currently food import-dependent. Some of these crops can be grown ecologically, and they are also nutritious.



Leonard MizziEuropean Commission

This crisis is not only a food issue. It is a food, energy and finance issue. First of all, we need a clear multilateral solution.

We will continue supporting the most vulnerable: smallholders and farmers' organizations. These people will always be at the core of our interventions but that will also require a change in narrative in terms of decision-making.

Can all African countries be self-sufficient in rice, in wheat, in maize, in soy? That is a big question, also to ask the African continent, how do you specialize? How do you create regional subhubs? This is what we try to discuss with the African Union."

African countries will need to step up their leadership on the Comprehensive Africa Agriculture Development Programme (CAADP) as there are still huge gaps in terms of CAADP finance, even from domestic sources.

What we are trying to do as the European Union is:

- Using the UN Food Systems Summit (FSS)
 pathways to understand if there is strong buy-in
 of governments on a transition which is more
 climate-smart, which really goes in the direction
 of climate and biodiversity.
- · Enhancing market integration within Africa.
- Using a humanitarian development lens, in terms of what we want to do in the most fragile countries, because this is critical.
- Putting youth and gender at the core. You cannot have an inclusive process without a gendertransformative approach. This would not give a clear signal to youth that this is what we are investing in.

How can relationships with the private sector and agribusinesses be leveraged? How can donors, including IFAD, make their support to agribusinesses more effective in such times of crisis?



Satu Santala

I think there is a lot that donors can do also in terms of supporting demonstrations of various business models that can then be taken to scale by private investors."

We need to look at small and medium-sized enterprises (SMEs) and involve them more deeply in food systems, in particular by making local food systems safer, cheaper, more diverse and more nutritious.

Access to markets is critical for the success of SMEs, and one of the biggest challenges that midstream agrifood businesses face today is the

lack of capacities. That is why I believe donors need to support capacity-building programmes, for instance, for accessing markets, finance or innovative technologies.

Donors only provide a limited amount of finance if you compare it with the total resources available, but they can provide the kind of risk-sharing capital that these businesses need.

How do we strengthen coordination? Where should donors focus their coordination efforts?



Leonard Mizzi

The two areas where coordination has to be realized: the G7, where you currently have a very active, proactive and visionary German presidency, and the UN Secretary-General's Global Crisis Response.



Jennifer Clapp

Aid should target people facing structural barriers that prevent them from engaging with food systems on their own terms. We need to target those actors, to enable them to engage with food systems in ways that can create livelihoods for themselves, improve resilience, and ensure better food security through better access to food.



Jim Woodhill

We need to go back to the fundamentals. One of the things we highlighted in earlier Donor Platform papers was the risk of huge numbers of small, fragmented projects which try to support small-scale farmers and small-scale entrepreneurs, but actually do not have the expected impact.

We could do a lot more work around thinking about what these sorts of national transformation pathways might look like and how they could offer countries a sensible transition pathway – that would be a really good way for donors to invest."

We need to start thinking much more creatively about the transition plan we need over a 5, 10, 15, 20-year period, to reorient all these fundamental structural incentives in the system and to move in the direction we want.

A GDPRD WHITE PAPER ON DONOR COORDINATION

TRANSFORMING FOOD SYSTEMS: DIRECTIONS FOR ENHANCING THE CATALYTIC ROLE OF DONORS

Link to publication page

In April 2022, the GDPRD released a white paper to provide global donors with options to transform our food systems, to make them more resilient and sustainable. This paper attempts to provide clear directions, under a menu of **seven action areas** for donors to focus their attention and efforts:

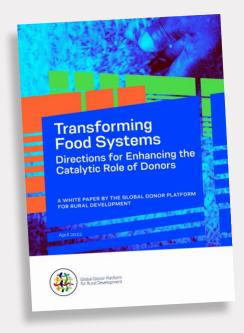
- 1. Strengthen coordination among donors and other actors to support national pathways for food systems transformation;
- 2. Mobilize responsible investment in food systems from the public and private sectors;
- 3. Promote engagement of private sector actors and value chain innovation for sustainable development;
- 4. Support policy innovation;
- 5. Invest in research and data systems;
- 6. Strengthen governance for food systems transformation; and
- 7. Strengthen universal social protection mechanisms, disaster preparedness and emergency relief programmes.

There is a clear need for resources to tackle today's crises. However, these crises also underline the need to strengthen the resilience of value chains in our food systems, which will require a long-term transformation. The white paper provided a basis for discussion during this high-level event to examine concrete ways forward for donors on global and local levels.

<u>Download</u> the GDPRD white paper "Transforming Food Systems: Directions for Enhancing the Catalytic Role of Donors".

Watch a short video for an overview of the white paper.





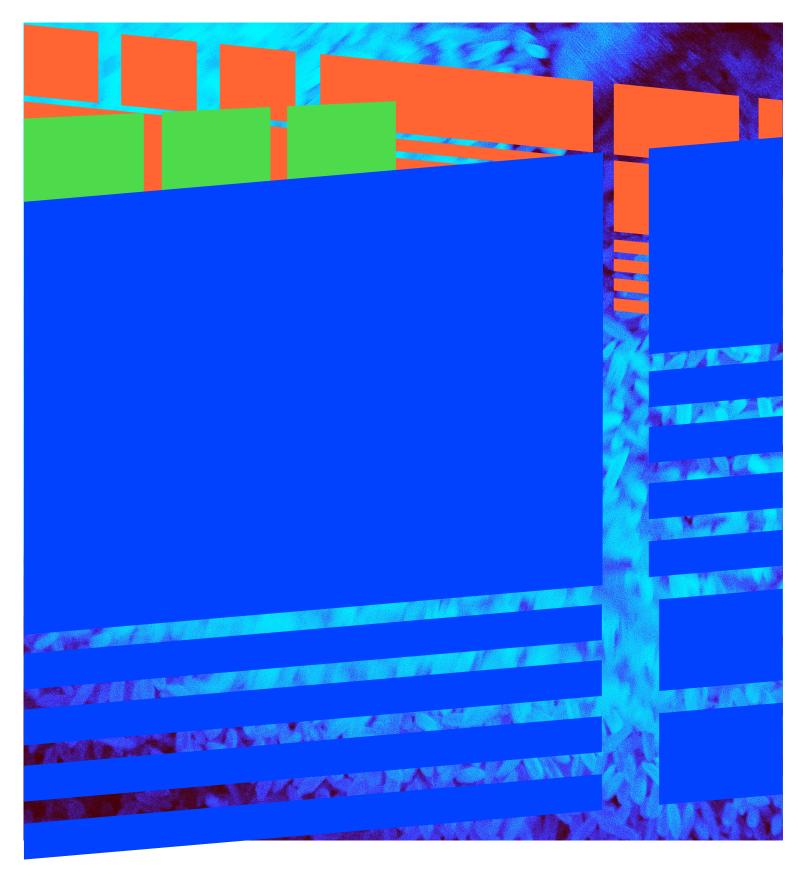
The white paper makes a point that donors can play a very critical role in supporting food systems transformation, but to be effective in that role, they need



Jim Woodhill

to focus first on getting coordination right in alignment, of what they're doing abroad, but also within their own countries."

systems tend to be rigid and vulnerable, which has sparked a lot of discussion on the need to transform our foods systems, but I would argue, and this resonates with the white paper, that it is time to move beyond that talk and into action."





Secretariat of the Global Donor Platform for Rural Development Hosted by the International Fund for Agricultural Development (IFAD)

Phone: +39 06 5459 2512 Email: secretariat@donorplatform.org www.donorplatform.org

Cover photo: @IFAD/Susan Beccio

The Global Donor Platform for Rural Development (GDPRD) is a network/partnership platform of 40 bilateral and multilateral development agencies, international financial institutions, intergovernmental organizations and foundations. It was established in 2003 to lobby for increased public and private investments in food systems, agriculture and rural development.

Among its notable achievements in recent years, the Platform has contributed to the food systems agenda with a Stocktaking Report on Donor Contributions to Food Systems, a Declaration of Intent, signalling the intention of GDPRD and its members to help take forward the outcomes of the UN Food Systems Summit and a white paper on "Transforming Food Systems: Directions for Enhancing the Catalytic Role of Donors." The Platform has also supported important advocacy initiatives aiming to achieve SDG2, such as Ceres2030 and 50x2030.