

Country-Budget Tool for Food Systems Transformation

Filling an SDG data Gap



Food Systems Transformation

A New Global Challenge

Without it, climate agreements & Agenda 2030 will remain unattainable.

3

Ensure **environmental** sustainability

Food systems
contribute up to
1/3 of global
GHG emissions

80% of biodiversity loss

Use up to **70%** of
freshwater resources

Data Gap



Decision-makers & Stakeholders
No information on level of financing to Food Systems

1. **How much** financing is going to Food System?
2. To **which parts** of Food System is financing going?
3. What are the financing **gaps & needs**?
4. Does financing **target** the sectors and people most in need?



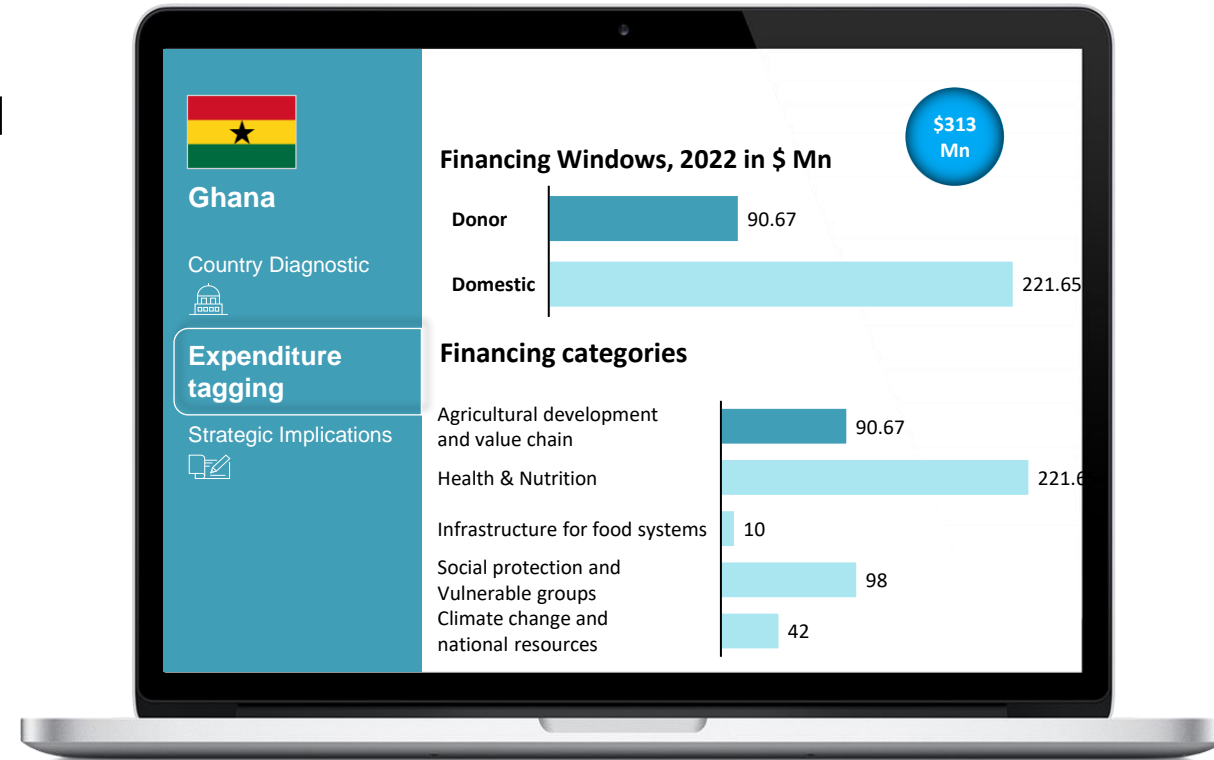
... Calling for analytical support & budgeting tools

“Member states request analytical support and tools to realize targeted allocation of public financing to food systems”

African Union

Country-Budget Tool for Food Systems Transformation

- 1 A methodology & tool to help countries measure public & private financing to Food System transformation
- 2 Evidence to inform targeted investment decisions
- 3 A comprehensive picture of resource allocation vs. country priority food systems transformation areas



Illustrative mock-up

IFAD & WB engaged with leading institutions recognizing complexity, complement work of others & build trust



African Agricultural Transformation Initiative with expertise from McKinsey & Company



Inter-American Institute for Cooperation on Agriculture



Akademia2063



Good Food Finance Network



World Business Council for Sustainable Development



AGRA



Global Donor Platform on Rural Development



Global Alliance for Improved Nutrition



Organization for Economic Cooperation and Development



Food and Agriculture Organization Investment Centre



World Benchmarking Alliance



Climate Policy Initiative



African Union



Smallholder and Agri-SME Finance and Investment Network (SAFIN)

Methodology

Analysing expenditures: 4 key decision areas for tool development

1

Flows

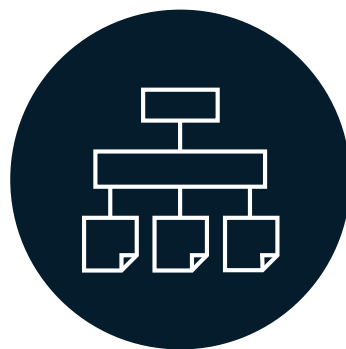
What type of financing (public budget, international development aid, private) do we consider?



2

Framework

What is the definition of Food Systems?



3

Tagging approach

How do we tag and allocate specific expenditure to Food Systems' categories?



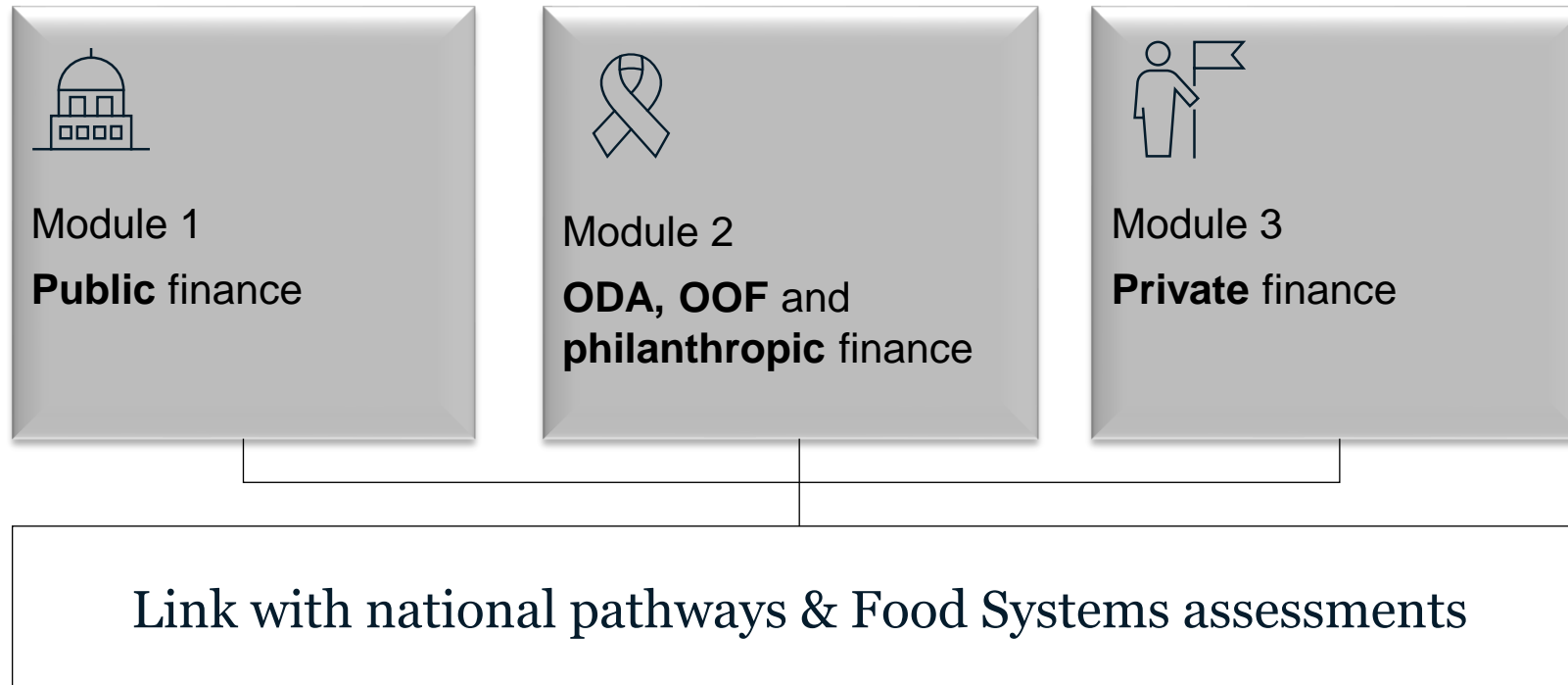
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Data Sources

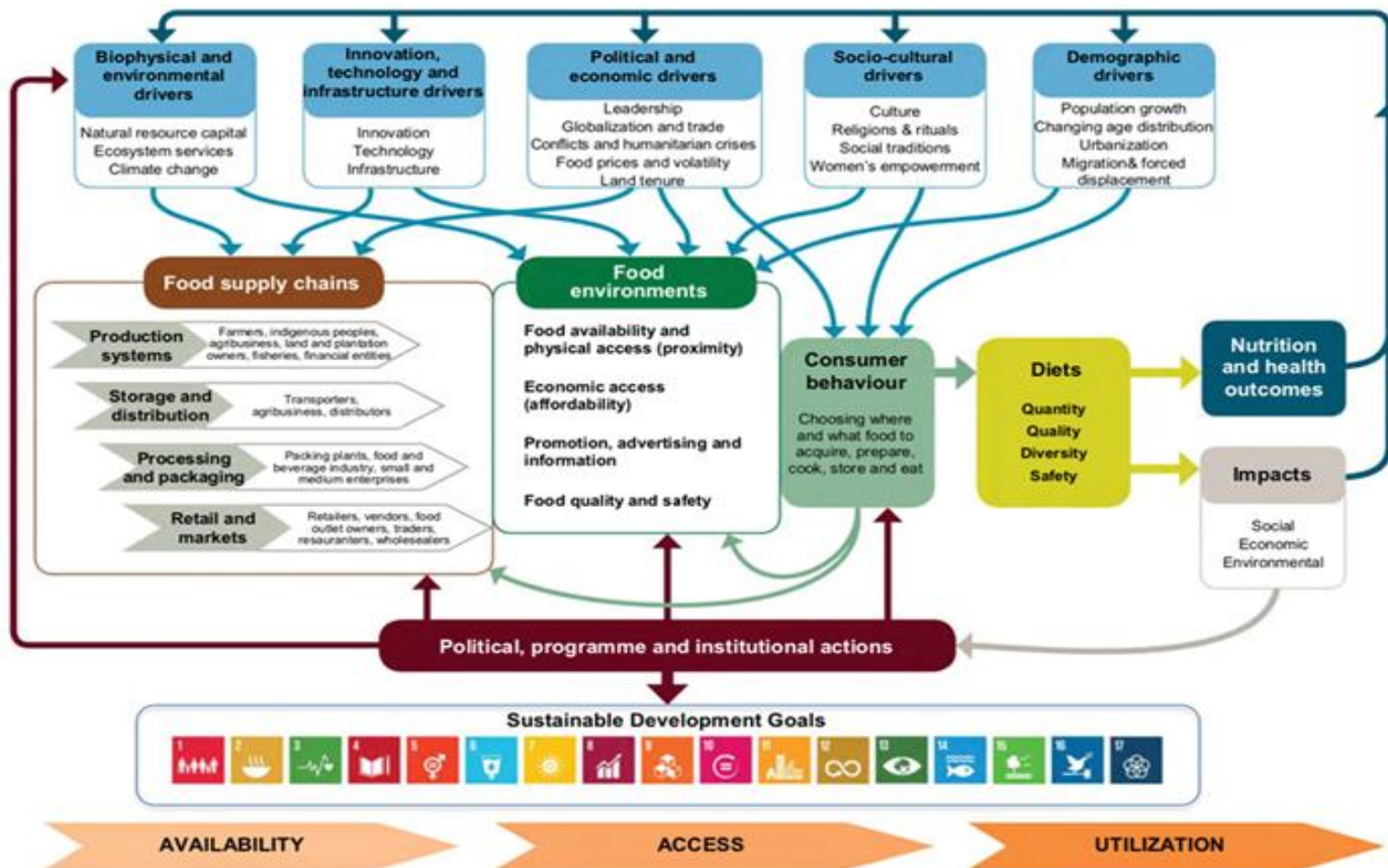
Which expenditure data sources do we use?



1. Based on Financing flows: the tool will have 3 modules



2. Framework: the tool uses definition of Food Systems from CFS-HLPE



Tagging approach

Process

Description

1

Identify expenditure

- Obtain **primary data** (e.g., IMF, OECD)
- Fill gaps with **secondary data** (e.g., FAO-MAFAP)

2

Tag expenditure

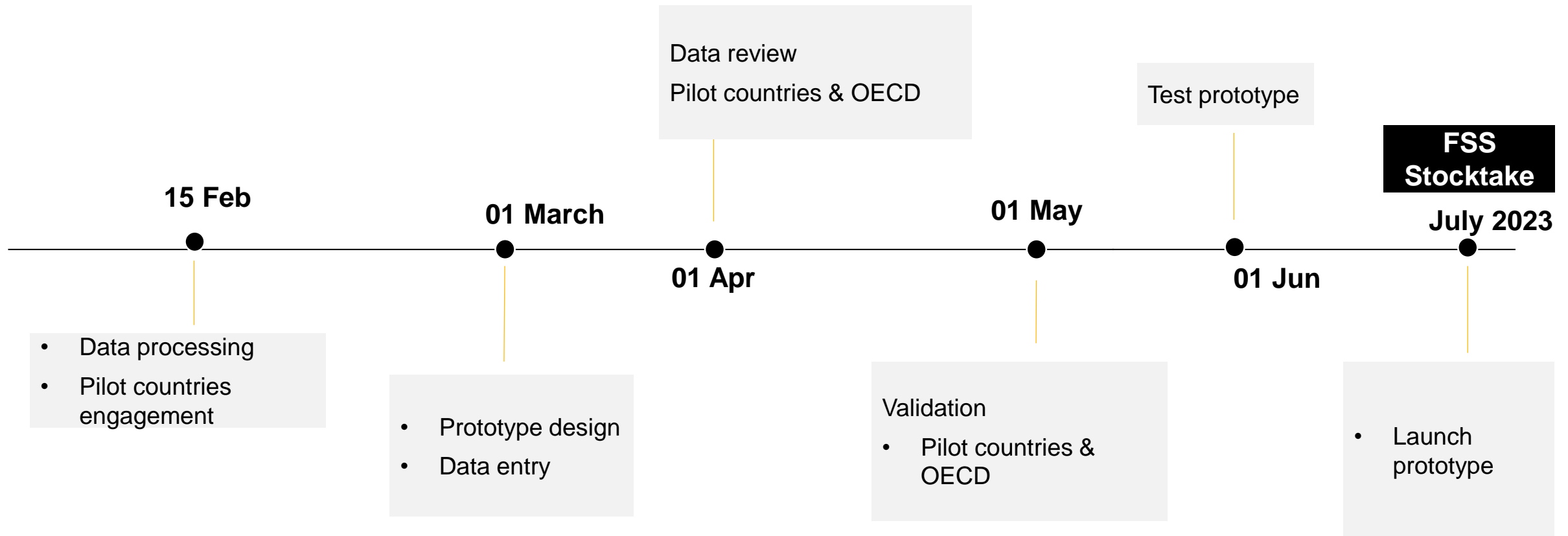
- Link expenditure purpose code to Food System categories
- Based on government functions/COFOG)

Challenges & implications

- **Time-intensive process** of sourcing data due to lack of global sources
- **Data gaps** due to limits in secondary data
- Potential **reduced accuracy** with allocation factors, requires further validation with experts

Timeline & Pilots

A 6-month sprint to co-develop country budget tool prototype





Pilot countries

1

Kenya

2

Ghana

3

Honduras

4

Peru

Regional Implementation Partners



Stakeholders Engagement



National Convenors

Ministries of Agriculture & Finance

UN Country Teams

Development Partners

Other Stakeholders

- Indigenous People
- Producers
- Youth

Finance Community

Targeted Engagement Fora

- IFAD Governing Council
- World Bank Spring Meeting
- Finance for Development Summit
- OECD Development Forum
- AGRF