

Global Donor Platform for Rural Development

FROM RHETORIC TO REALITY DONOR COORDINATION FOR FOOD SYSTEMS TRANSFORMATION

A review by the Global Donor Platform for Rural Development

Acknowledgements

The insights and time given by those interviewed for this publication, as well as by those who participated in the seminar and high-level dialogue, are highly appreciated.

The review was part of the workstream of the Global Donor Platform for Rural Development (GDPRD) on country-level donor coordination for food systems transformation.

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September 2023

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Abbreviations

CFS	Committee on World Food Security
FAO	Food and Agriculture Organization of the United Nations
GAFS	Global Alliance for Food Security
GAFSP	Global Agriculture and Food Security Program
GAIN	Global Alliance for Improved Nutrition
GDPRD	Global Donor Platform for Rural Development
IFAD	International Fund for Agricultural Development
IFI	international financial institution
SDG	Sustainable Development Goal
SUN	Scaling Up Nutrition
UNFSS	United Nations Food Systems Summit
WFP	World Food Programme

Executive summary

Globally, countries are grappling with rising food, fertilizer and fuel prices, and increasing food insecurity and malnutrition, brought on by the escalating impacts of climate change, conflict and COVID-19. The disruption of ecosystems, agrifood production systems and value chains is causing an unprecedented rise in global hunger, malnutrition, poverty and distress migration. In the future, extreme weather, geopolitical instability, and pest and disease outbreaks are likely to increase, exacerbating the risk of food crises.

In this context, there has never been a greater need for coordinated donor investments and collaboration that align with partner countries' needs and priorities. However, emerging crises, pressure on resources and weakening multilateral cooperation in an increasingly fragmented geopolitical context combine to increase the challenges to effective donor coordination. In the coming years, there is likely to be a critical need for balancing short-term responses to crises with longer-term development, to create food systems that adequately respond to the challenges of the future, that can ensure food and nutrition security, and that are resilient in the face of growing food demands, market disruptions and the impacts of climate change, loss of biodiversity and soil degradation. As overseas development assistance is not sufficient to address the global needs of food systems, donors will need to optimize their catalytic potential through greater policy coherence and better coordination between development partners and partner countries.

Over the past year, the GDPRD has led discussions on improving donor coordination for food systems transformation and rural development. The GDPRD's <u>Stocktaking Report on Donor</u> <u>Contributions to Food Systems</u> and white paper <u>Transforming Food Systems: Directions for</u> <u>Enhancing the Catalytic Role of Donors</u> emphasize the critical and catalytic role of donors in facilitating structural transformations in the functioning of food systems. The GDPRD's <u>Declaration</u> <u>of Intent on Food Systems Transformation</u> signals the intention of the GDPRD and its members to work proactively and in a coordinated way to help build on the outcomes of the United Nations Food Systems Summit (UNFSS). Importantly, the GDPRD's <u>2022 Annual General Assembly</u> focused on national pathways for food systems transformation and highlighted the need for the enhanced effectiveness and coordination of donors at the country level, especially in times of crisis and conflict.

Building on the momentum of this work and recognizing the critical importance of donor engagement and coordination, the GDPRD initiated a review of good practices for donor coordination for food systems transformation and rural development in July 2022. This report summarizes the key messages that have emerged from this workstream and draws on a literature review on donor coordination; key informant interviews and discussions with donors, experts and practitioners working on food systems issues at the country and global levels; a seminar series on donor coordination; and an analysis of best practices for donor coordination. It also draws on discussions held at the high-level dialogue "Donor Coordination for Food Systems Transformation: A Forward Agenda", held in Rome, Italy, on 27 June 2023, co-hosted by the GDPRD, IFAD and the European Commission. The report's conclusions and recommendations seek to better support donors and their partners with practical guidance on how to improve coordination and alignment in the areas of food systems and rural development, particularly at the country level.

Key messages

- 1. Coordination is more important than ever but remains far from optimal. The emergence of the food systems agenda, combined with current global crises that are increasing the demand for donor resources, is creating an ever-greater need for coordination. There is no doubt that coordination has improved, and there are a range of notable examples of good coordination at the country and global levels. However, coordination remains far from optimal, as donors contend with the pulls and pressures from escalating crises, geopolitical tensions, domestic priorities, diverging views on the best ways forward and increasing demands for constrained development assistance funds. There remain numerous, often small, programmes and projects at the country level with limited coordination, alignment and synergy. The potential benefits of further enhancing donor coordination are increasingly being articulated by partner governments and other development partners.
- 2. The food systems agenda brings new coordination challenges, but also opportunities. The food systems approach offers the opportunity for us to think holistically about food systems, beyond the confines of value chain analysis and specific thematic areas. While there is increasing support and recognition of the need for a food systems approach at the country level, in practical terms a food systems framing brings a whole new level of complexity to the issue of coordination, both within partner governments and between partner governments and donors. More specifically, donors need to recognize how they can best support systems change at the national level. There appears to be a rapidly deepening level of support among both donors and partner countries for a food systems approach, which opens up opportunities for better coordination. However, the degree to which the food systems framing has been adopted across different countries remains quite varied.
- 3. Working to support partner government agendas is fundamental, but not always

straightforward. For coordination to be effective, the agenda must be set and led by partner governments, with donor investments aligning with and in support of national development plans and priorities. However, effective negotiation is required to align the policy priorities and capabilities of partners and donor governments. The national food systems pathways are an important mechanism for supporting and deepening discussions on food systems approaches and providing donors with entry points for their support. Although partner governments and donors alike are keen to implement the pathways and committed to doing so, on the ground a complex set of planning, coordination and financing issues impede their efforts to work in an integrated, cross-sectoral and cross-ministerial way.

- 4. Coordination to align different modalities of development finance and leverage private sector finance is critical. There are increasingly diverse funding approaches and modalities at the country level, and it is increasingly recognized that development finance must effectively leverage private sector investments. The impact of development finance can be enhanced through ensuring that programmes are complementary and aligned in terms of food systems issues (e.g. linking to agriculture, nutrition and health), geography (e.g. at the subnational level) and types of funding (e.g. grant funding, budget support, technical support, concessional and non-concessional loans). However, attention on blended financing models, which can link grant funding with concessional loans and private sector financing (including micro-, small and medium-sized enterprises), remains insufficient to drive change. In implementing these models, coordination to tackle the financial risk of private sector investment is key.
- 5. Collaborative funding for data-gathering, policy innovation, research, and monitoring and evaluation is key for greater efficiency, effectiveness and impact. At the country level, donors and national governments often invest in "hard" initiatives with short-term impacts on the ground, such as infrastructure development, focused value chain development and business development. However, food systems transformation also requires complementary "softer" investments in areas such as data-gathering, policy innovation, research, and monitoring and evaluation. These areas are critical building blocks for achieving longer-term impacts and are where donor coordination is vital to avoid duplication of efforts and achieve sufficient scales of funding.
- 6. Integrating crisis response with development is an increasingly important issue. Balancing and integrating short-term crisis response with long-term development is a key issue, particularly in the face of impacts of climate change and the need for resilient food systems. It is widely recognized that donors need to remain flexible and responsive to existing and emerging food crises and will need to design programmes and funding mechanisms to do this at short notice. Enhanced foresight and scenario analyses will also be required to better prepare for future uncertainties and shocks. Balancing and integrating short-term crisis response with long-term development is and will continue to be an increasingly critical issue for donors.
- 7. Donor and partner government coordination needs to be backed up by effective and ongoing dialogue and engagement with actors across food systems. Food systems represent a vast sector and require the engagement of a diversity of stakeholders beyond governments and donors. To be effective, coordination mechanisms must engage key actors, including those that these programmes seek to have an impact on that is, smallholders, youth, women and local communities. Strengthening community ownership and engagement at the local level is as critical as building political will and intent at higher levels in government. National coordination mechanisms must seek to adopt multisectoral and multi-stakeholder approaches that engage in dialogue with key stakeholders, including government, donors, the private sector, communities and civil society.

- 8. Collaborative planning and mapping of donors' activities at the country level are key to improving coordination and effectiveness at the country level. There is a clear need for more collaborative approaches to development partner coordination at the national level. While there are an increasing number of coordination mechanisms at the national level, these are often "show and tell" forums in which donors and development partners share their plans, rather than mechanisms for proactive collaborative planning to align investments, initiatives and projects. Furthermore, food systems coordination falls in a gap between overall development coordination at the national level, it is vital that development partners engage closely with the partner governments and other stakeholders, including donor-to-donor coordination.
- 9. Effective country-level coordination requires strong donor coordination at the global level. Ultimately, effective coordination at the national level requires donors and other development partners to be aligned on their policies and priorities at the global level. Despite an increasing number of high-level global forums (including the Organisation for Economic Co-operation and Development's Development Assistance Committee) and events, and the work of the GDPRD, donors appear to lack a regular process for discussing existing and emerging coordination issues on a sustained basis.
- 10. Food systems transformation requires donors and development partners to think and work in fundamentally different ways and align their investments more effectively with the national and local contexts. Food systems are complex, specific to local areas, and constantly changing and adapting. Conventional donor-funded programmes and initiatives focused on niche areas with set theories of change and frameworks cannot be easily mapped against this complexity. Food systems thinking requires donors to place themselves much more concretely in the local context, and to commit to co-designing, co-developing and co-implementing initiatives with partner governments and other national stakeholders.

Recommendations

Drawing together information from interviews, literature, the seminar and the high-level event, recommendations for donors are provided in the following eight areas.

- 1. Develop national food systems transformation pathways as a key framework for aligning donor investments with national priorities for food systems transformation.
- 2. Proactively support enhanced collaborative planning at the national level.
- 3. Develop donor-specific coordination policies and principles to achieve food systems transformation.
- 4. Create more effective information systems to support coordination at the national and global levels.
- 5. Review the merits and complementarity of different funding modalities, including global programmes, bilateral projects, sector support, international financial institutions.
- 6. Increase coordinated funding for initiatives that support the underlying processes needed for structural change in food systems, in particular stakeholder dialogue and policy reform.
- 7. Review options for enhanced and regular donor coordination mechanisms at the global level to provide donors with a more structured approach to coordinating responses to emerging issues or upcoming global forums, including the G7 and G20 summits, and achieve better harmonization at the country and subnational levels.

Establish mechanisms to assess the effectiveness of donor coordination and food systems transformation, particularly at the country level.

1. Introduction

This report explores the emerging challenges to and opportunities for enhancing coordination between donors and between donors and other development partners to support food systems transformation and rural development. It was commissioned and produced by the Global Donor Platform for Rural Development (GDPRD) at the request of its membership.

This focus on donor coordination has emerged from the GDPRD's wider work on the role donors can play in supporting food systems transformation and in helping to build on the outcomes of the United Nations Food System Summit (UNFSS). This has included the GDPRD <u>Stocktaking Report on</u> <u>Donor Contributions to Food Systems</u> released in December 2021; the GDPRD <u>Declaration of Intent</u> on Food Systems Transformation, released in September 2021; and the GDPRD white paper <u>Transforming Food Systems: Directions for Enhancing the Catalytic Role of Donors</u>, released in April 2022. The GDPRD's <u>2022 Annual General Assembly</u> emphasized the importance of focusing on national pathways for food systems transformation. All this work has highlighted the critical and catalytic role that donors can play in supporting the structural change that will be needed to transform food systems for future health, wellbeing, environmental sustainability, and resilience. However, a strong recurring message has been the need for improved donor coordination both nationally and at the global level.

The recognition of the importance of aid effectiveness and development partner coordination is not new. What is new is taking a systems approach to issues related to nutrition, health, the environment, livelihoods and poverty, while at the same time needing to deal with the compounding effects of the COVID-19 pandemic, climate change, escalating humanitarian crises, growing geopolitical tensions, and rapidly expanding demands for limited development assistance funds. In this context, donor coordination has arguably never been more important but also never more challenging.

At the country level, governments and donors face challenges in finding the proper balance between short-term crisis response and longer-term development, making resources catalytic, and ensuring coherence between donors and countries. The national food systems pathways emerging from the UNFSS have been an important mechanism in driving discussions on the food systems agenda at the country level, but in many countries, greater support is needed to sustain these processes, as are efforts to better align donor priorities and investments with national food systems pathways and national development plans. The <u>2023 United Nations Food Systems Summit +2 Stocktaking</u> <u>Moment</u> has also reflected the clear need for a deeper understanding of the practicalities of improving the coordination of donor investments.

In July 2022, the GDPRD initiated this review of good practices on donor cooperation for food systems and rural development. This report provides the key messages that emerged from a literature review on donor coordination, and 30 interviews with donors, experts and practitioners working on food systems issues across a range of countries, including Cambodia, Ethiopia, the Lao People's Democratic Republic, Liberia, Uganda and the United Republic of Tanzania, as well as at the

regional and global levels. It draws on the discussions of the virtual seminar "<u>From Rhetoric to</u> <u>Reality: How can donors better coordinate their responses for profound change in how food</u> <u>systems function</u>", held on 22 November 2022 and attended by 40 people. The report also incorporates the discussions and outcomes of a hybrid high-level dialogue "Donor Coordination for Food Systems Transformation: A forward agenda", held in Rome, Italy, on 27 June 2023, co-hosted by the GDPRD, IFAD and the European Commission and attended by 70 participants.

Section 2 of the report outlines the context of the current food systems crisis and the need for increased donor coordination and investment in food systems. Section 3 provides background to the donor coordination and aid effectiveness agenda, and Section 4 describes some of the specific challenges to and opportunities for donor coordination on food systems transformation. Section 5 outlines the key dimensions of donor coordination. Section 6 highlights the main messages from key informant interviews on the emerging opportunities and challenges for donor coordination. Section 7 provides an overview of the emerging food systems and rural development architecture. Finally, Section 8 draws key conclusions and provides recommendations and the way forward for donors and development partners to improve coordination on food systems at the country level.

2. Context

Across the world, countries are facing escalating crises brought about by climate change, regional conflicts and the COVID-19 pandemic that are collectively disrupting ecosystems, agrifood production and value chains. The ongoing conflict between Russia and Ukraine has also stretched the limits of multilateralism, disrupting food and fuel supply chains and contributing to rising inflation globally. Together, these factors have contributed to an unprecedented rise in global hunger, malnutrition, poverty and distress migration.

The numbers speak for themselves. The <u>Global Report on Food Crises 2023</u> estimates that in 2022 a quarter of a million people across 58 countries faced acute food insecurity and needed urgent food assistance.¹ Similarly, the World Food Programme (WFP) estimates that 345 million people across 79 countries where it operates² will experience acute food insecurity in 2023. WFP warns that the "world is facing a food crisis of unprecedented proportions, the largest in modern history".³ With only seven years to achieve the Sustainable Development Goals (SDGs) for 2030, there is an urgent need to shift attitudes and approaches to addressing the world's food security and hunger crisis. At the heart of this is addressing how we think about food and food systems.

In recent years, the international debate on food and nutrition, including the deliberations of the <u>2021 UNFSS</u> and <u>COP27</u>, has highlighted the vital importance of a food systems approach to addressing the global food, nutrition, and hunger crisis. These conversations have made it abundantly clear that food systems transformation will not be achieved without the coordination of different actors – governments, donors, private sector, civil society, and others – alignment of investments and initiatives, integration across sectors, and a commitment to policy coherence. Further, to achieve this, effective coordination will be needed at, and across, the country, regional and global levels.

Donor coordination has been an opportunity and challenge for effective development for nearly two decades. While several declarations and high-level forums on aid effectiveness have emphasized the need for donor coordination and harmonization, in practice coordination continues to be a challenge, particularly at the country level. In the current scenario, donor resources are increasingly under strain from competing domestic pressures as governments deal with rising inflation, unemployment and the prospect of a global recession. The decline/reduction in overseas development assistance funding and the closer alignment of development/aid assistance with foreign policy have been accompanied by a shift towards bilateral modalities of engaging with country governments and partners (see Figure 1).

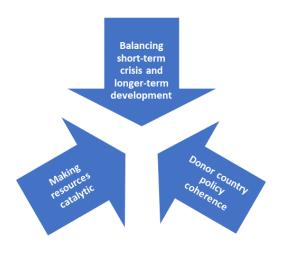
¹ Food Security Information Network (2023), *Global Report on Food Crises 2023* (Rome: Food Security Information Network).

² World Food Programme (2023), "A Global Food Crisis", <u>https://www.wfp.org/global-hunger-crisis</u>.

³ Ibid.

Figure 1. Current context of donor coordination

- · Food systems agenda
- Increasing demands
- Decreasing resources
- Increasing geopolitical tensions
- Increasing links between development and diplomacy



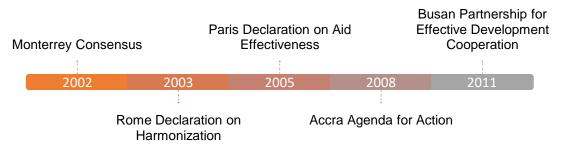
On the ground, this has made donor coordination more complex, with multiple donors engaging with the same government ministry or department, often through parallel governance arrangements and financial modalities - raising questions about capacity, efficiency, effectiveness, transparency and accountability. Governments are also not the only development partners working in-country. The decline in bilateral aid budgets and the merging by many donors of their development agencies with their foreign and trade offices (e.g. the mergers of the United Kingdom's Department of International Development with the Foreign, Commonwealth & Development Office and of the Australian Agency for International Development with the Department of Foreign Affairs and Trade) have been accompanied by a rise in new donors and actors, including corporations, private sector foundations and companies. This has raised new questions and challenges for incountry coordination and has highlighted issues around the interface between traditional and new forms of donor support. Donors face the dilemma of having to meet increasing demands with decreasing resources, as geopolitical tensions increasingly make donor coordination and alignment more complex. Donors and other development partners also need to recognize that working from a systems perspective is inherently more complex, often requiring more time and enhanced processes for stakeholder engagement and context analysis.

In the context of food systems and the national pathways at the country level, to support systemic change there is a critical need for donors to collaborate on aligned initiatives to support the gathering of necessary data, research, policy innovation and collective efforts by alliances of stakeholders. Investments in individual "field-level projects", which often have a relatively short-term poverty reduction focus, need to be balanced with more strategic investments that can underpin longer-term structural change. These challenges bring a renewed demand for donor coordination in the agrifood, rural development and food systems spaces.

3. Background to the donor coordination and aid effectiveness agenda

Donor coordination has been an essential component of the development effectiveness agenda for several decades. The logic is clear: better alignment of donor policies, programmes and investments supports greater policy coherence and the alignment of initiatives, programmes and investments at the country level. This in turn enables more efficient and effective channelling and use of resources in line with partner countries' priorities; it also avoids duplication and fragmentation of investments and donor support, while reducing the burden on partner country systems and processes, and ultimately leading to better and more impactful development outcomes.

Figure 2. High-level forums highlighting the importance of donor coordination and harmonization



In the past two decades, a series of high-level forums have emphasized the need for improved donor coordination and harmonization to enhance the outcomes and impacts of development processes, particularly at the country level (see Figure 2). In 2002, the Monterrey Consensus emphasized the need for donors, partner countries and international institutions to intensify their efforts to harmonize procedures at the country level, while considering national development needs and objectives.⁴ Building on this, at the first High Level Forum on Aid Effectiveness, held in Rome in 2003, donors committed to harmonizing their "operational policies, procedures, and practices … with those of partner country systems to improve the effectiveness of development assistance".⁵

In 2005, the Paris Declaration on Aid Effectiveness went further in emphasizing the importance of partnership between donors and development partners, outlining a set of core principles for donors and partner countries to adhere to with respect to the ownership, alignment, harmonization and results of their work and accountability for improving the effectiveness of aid.⁶

⁴ United Nations (2002), *Monterrey Consensus on Financing for Development* (New York: United Nations Department of Public Information), para. 43.

⁵ Organisation for Economic Co-operation and Development (OECD) (2003), "Rome Declaration on Harmonisation", in *Harmonising Donor Practices for Effective Aid Delivery* (Paris: Organisation for Economic Co-operation and Development), 10–12.

⁶ OECD (2005), Paris Declaration on Aid Effectiveness (Paris: OECD Publishing).

Building on the momentum from Paris, the Accra Agenda for Action (2008) and the Busan Partnership for Effective Development Cooperation (2011) emphasized the critical importance of country ownership and the need for donor alignment and harmonization to support country-level plans and national pathways.⁷ The Busan partnership highlighted a set of common principles related to (i) developing countries' ownership of their development priorities; (ii) a focus on the results of development efforts; (iii) partnerships for development; and (iv) transparency and shared responsibility. Beyond financial cooperation, the Busan partnership recognizes the fundamental contribution to sustainable development of South-South and Triangular Cooperation, and new forms of public-private partnerships.

While in theory the principles of donor coordination are well articulated, in practice donor coordination has repeatedly proven to be more an art than a science. On the ground, donors and country partners must navigate a range of issues, including, differing objectives, drivers and incentives, as well as more practical considerations around institutional, technical, and financing and operating modalities. The food systems transformation agenda brings an added layer of complexity to donor coordination.

⁷ OECD (2008), Accra Agenda for Action (Paris: OECD Publishing). See also OECD (2011), Busan Partnership for Effective Development Co-operation: Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November–1 December 2011 (Paris: OECD Publishing).

4. Food systems agenda and donor coordination

When it comes to food systems transformation, the challenge of donor coordination is even more complex. A food systems approach necessitates normative, structural and mindset shifts in how we think and operate to a more integrated and holistic approach that requires key actors within the food systems landscape to think and work more collaboratively.

The GDPRD's <u>2022 white paper on transforming food systems</u> notes: "Transforming food systems will require deep structural changes in societal understanding, in how markets function, in public policy and expenditure, and in processes of innovation, all of which are influenced by power relations and vested interests." These structural transformations will need to happen in the context of increasing global complexity, uncertainty and crisis. To be effective, donors will have to focus on interventions that create the enabling conditions for systemic change, are responsive and able to adapt to rapidly changing circumstances and tackle the political and economic barriers to equitable and sustainable development.

The white paper also emphasizes that donors can catalyse food systems transformation by supporting national pathways, policy innovation, and research and data production, and by promoting private sector engagement, while also ensuring social protection and disaster preparedness. Specifically, donors can (i) coordinate and align their work to ensure the integration and coherence of their investments and initiatives, thereby avoiding overlap and strengthening the contributions of each individual stakeholder; (ii) pay greater attention to the structural barriers that need to be overcome; and (iii) adopt a systemic approach to addressing food-related issues and development challenges. The paper outlines seven action areas for donors to consider (see Box 1).

The GDPRD's <u>2022 Annual General Assembly</u> also highlighted the critical importance of more effective coordination to support national pathways for food systems transformation. Donors and experts emphasized the need to strengthen donor coordination at the country level, and for donors to assist governments in developing national pathways for food systems transformation and in their subsequent implementation.

Box 1. List of areas of action for donors to support food systems transformation

- 1. Strengthen coordination among donors and other actors to support national pathways for food systems transformation.
- 2. Mobilize responsible investments in food systems from the public and private sectors.
- 3. Promote the 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.
- 7. Strengthen universal social protection mechanisms, disaster preparedness and emergency relief programmes.

Source: GDPRD (2022), <u>Transforming Food Systems: Directions for enhancing the catalytic role of donors</u> (Secretariat of the GDPRD) On the issue of donor coordination, key messages that emerged from the Annual General Assembly⁸ are as follows.

- Coordination is critical. With limited resources, diverse impacts in different geographical contexts and multiple response structures, coordinating political efforts and responses is essential to define priorities and avoid duplicating efforts. Working together – and diplomacy – are also essential to keep international food trade open and flowing.
- 2. **Short-, medium- and long-term responses are needed.** Short-term responses are needed to tackle the immediate humanitarian crisis, medium-term to maintain food production and availability over the coming year, and longer-term to make food systems truly resilient.
- 3. National pathways can unlock the necessary and urgent fundamental overhaul of food systems. Everybody is now following these pathways together, but they will need to be continually updated. Donors really need to get behind these national pathways.
- 4. **Governments and donors alike need a structural view.** Donors must ask themselves how they can support short-term deliverables, and work together to bring about the big policy changes that are needed. Thousands of little projects do not add up to the big changes we need.

⁸ GDPRD (2022), *Working Together to Transform Food Systems: 2022 Annual General Assembly meeting highlights* (Secretariat of the Global Donor Platform for Rural Development).

5. Understanding the dimensions of donor coordination

Donor coordination is a complex process and requires the close alignment and coordination of donors and governments to determine where donor involvement, support and resources would be most effective and impactful and would best support in-country priorities, plans and programmes. In this report, we outline three key dimensions of coordination: (i) scale; (ii) coordination modalities; and (iii) areas of coordination (see Figure 3).

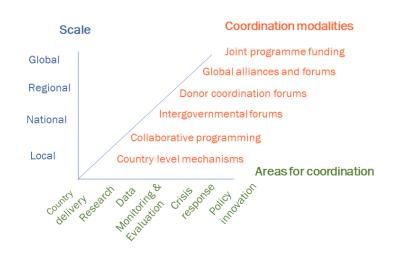


Figure 3. Dimensions of coordination

Note: M&E, monitoring and evaluation.

5.1. Scale

Determining the dimensions, scale and modalities of donor coordination at the country level is critical to understanding where donor coordination, in terms of resources, technical assistance, support, etc., would best align with national priorities and pathways. In the context of donor aid, for example, it has been noted that coordination can typically be grouped into the following dimensions:

"geographic (international coordination on general issues versus recipient country-specific [issues]); content (policies, principles and priorities versus procedures versus practices); degrees of intensity/commitment (general consultation versus cooperation at the strategic level versus collaboration at implementation level); national issues versus sector and subsector issues; at geographic/regional level within a given country; and along functional lines (technical assistance versus general balance of payments support, for example)."⁹

⁹ Disch, A. (2000), Aid Coordination and Aid Effectiveness.

These are useful guiding principles and provide a framework for donors to determine how and where their resources can be most useful. Sufficient dialogue and cooperation between donors and countries' governments and actors is fundamental to determining the appropriate scale for coordination and ensuring donor support is provided where it is most needed.

Donor resources are increasingly being pulled in different directions due to competing crises and national priorities. At the same time, at the country level, governments must contend with multiple donors trying to make investments in similar areas but through different modalities and mechanisms, which are often not in step with country priorities. In a context where resources are increasingly limited, more effective country-level coordination among donors becomes critical. When it comes to donor coordination mechanisms, there are several ways in which donors can pool their resources – financial, technical, or other. Outlined below are a few examples of joint programming, financing and coordination mechanisms used to leverage investments by donors in food systems and rural development for better impact.

5.2. Coordination Modalities

 Joint programme funding: This involves investing in large global or regional programmes, including multi-donor trust fund programmes, and joint programmes at the country level. This modality enables donors to leverage largescale integrated programmes by pooling resources for greater impact through integrated project investments at the national level. Examples of joint programmes include the <u>Global Agriculture and Food Security Program</u> (GAFSP) and the Alliance for a Green Revolution in Africa (AGRA). These programmes were originally developed with an agricultural focus; however, since the UNFSS they have been geared towards a wider food systems approach. This modality is also used in other sectors, for example the <u>Global</u> <u>Partnership for Education</u> and <u>The Global Fund to Fight AIDS</u>, <u>Tuberculosis and Malaria</u> have called for more effective collaboration between the health and education sectors.

Example of donor coordination: <u>Global Agriculture and Food Security Program</u> (GAFSP)

An initiative of the G20 launched in response to the 2007-2008 food crisis, GAFSP is a multilateral financing platform working towards improving food and nutrition security globally. It is a financial intermediary fund hosted by the World Bank, which serves as a trustee and hosts a coordination unit within the Agriculture and Food Global Practice supporting the GAFSP Steering Committee. GAFSP works with a range of partners including donors (the Bill & Melinda Gates Foundation, Australia, Canada, Germany, Norway, the Republic of Korea, Spain, the United Kingdom and the United States), development partners (such as the African Development Bank, the Asian Development Bank, the Food and Agriculture Organization of the United Nations, the Inter-American Development Bank, the International Finance Corporation, WFP and the World Bank), civil society organizations and producer organizations. GAFSP also partners with the Global Alliance for Food Security, co-convened in 2022 by the World Bank and the German G7 Presidency.

2. **Global alliances and forums:** Donors jointly support a range of initiatives aimed at bringing a range of different stakeholders together in relation to specific issues. While not administering large-scale programme funding, these approaches serve to build collaboration and coordination between multiple actors to leverage resources and promote action to achieve impact at scale. To date, such initiatives have been particularly focused on nutrition, for example the Scaling Up Nutrition (SUN) Movement, the Global Alliance for Improved Nutrition (GAIN) and the Global Panel on Agriculture and Food Systems for Nutrition. Other examples include commodity roundtables such as Palm Oil roundtable and Sugar roundtable.

Example of donor coordination: the Scaling Up Nutrition Movement

The SUN Movement is a country-driven initiative led by 65 countries and four Indian states, collectively known as the SUN countries. It includes thousands of stakeholders from across society.

Launched in 2010 by the United Nations Secretary-General, the movement has four networks: the SUN Civil Society Network, the SUN Business Network, UN Nutrition and the SUN Donor Network. The SUN Movement Secretariat facilitates the SUN Movement, which is led by the SUN Coordinator. The countrydriven SUN Movement Lead Group and SUN Executive Committee provide governance and stewardship. The SUN countries are supported by the SUN Global Support System, formed from the staff of the four SUN networks and the SUN Secretariat

The SUN Movement works to support coordinated responses to issues related to nutrition at the country level.

Example of donor coordination: the Global Alliance for Improved Nutrition

GAIN is a Swiss foundation launched by the United Nations in 2002 to tackle the human suffering caused by malnutrition. Working with governments, businesses and civil society, it aims to transform food systems so that they deliver more nutritious food for all, especially the most vulnerable.

Headquartered in Geneva, Switzerland, GAIN has offices in countries with high levels of malnutrition: Bangladesh, Benin, Ethiopia, India, Indonesia, Kenya, Mozambique, Nigeria, Pakistan, Uganda and the United Republic of Tanzania. To support work in those countries, GAIN has representative offices in Denmark, the Netherlands, the United Kingdom and the United States. GAIN is supported by a number of donors and plays an active role in supporting coordinated responses at the global and country levels.

3. **Donor forums:** These forums provide specific mechanisms for donors themselves to share information and experiences to help improve coordination. The main example of this in the area of food systems and rural development is the GDPRD, which brings together a range of bilateral and multilateral donors, development agencies, international financial institutions (IFIs), foundations and international donors together to exchange information, advocate, dialogue and engage on food security and rural development issues. The platform's thematic working groups focused on rural youth and employment, land governance and the SDG 2 roadmap provide

members with opportunities to engage with each other and collaborate in specific thematic areas. The platform works to broker donor collaboration, with the objective of enhancing the impact of donor policies, investments and programmes on food systems and rural development. Similarly, the European Commission's Heads of Agriculture and Rural Development Group provides an informal coordination platform for EU Member States.

- 4. Intergovernmental forums: A range of mechanisms exist at the global level to support global responses to agriculture, food and nutrition issues. Food security and food systems issues are generally important in the G20 and G7 processes, with key initiatives, including, for example, GAFSP, arising from these meetings. Established in 1974, the Committee on World Food Security (CFS) serves as a platform within the United Nations system bringing together representatives of governments, civil society organizations, international organizations, businesses, etc. to discuss and engage with each other on issues related to food policy globally. The CFS produces consensus-based voluntary guidelines and policy recommendations for all these actors. The CFS's High Level Panel of Experts on Food Security and Nutrition, established in 2009, provides the CFS with independent, scientific and knowledge-based advice and analysis. More recently, the Global Alliance for Food Security (GAFS) was launched in 2022. Convened by the G7, under the German Presidency, and the World Bank, it seeks to catalyse an immediate and coordinated response to the global hunger crisis. GAFS seeks to "bring countries and institutions together to support and leverage existing structures, mechanisms, and programs to respond with urgency to the surge in food prices".¹⁰
- 5. **Collaborative programming:** This includes specific joint funding initiatives of donors, such as Ceres2030 and the 50x2030 Initiative, which mobilize funding and partnerships around specific issues and thematic areas.
 - a. **Ceres2030:** Funded by Germany's Federal Ministry for Economic Cooperation and Development and the Bill & Melinda Gates Foundation, <u>Ceres2030</u> is a partnership between Cornell University, the International Food Policy Research Institute and the International Institute for Sustainable Development that is working towards developing a cost estimate for achieving SDG 2. Drawing on available data and economic modelling, the initiative seeks to provide donors with data, information and evidence to enable them to make informed investment decisions.
 - b. 50x2030 Initiative: The <u>50x2030</u> Initiative is a multi-partner programme supported by the United States Agency for International Development, the Bill & Melinda Gates Foundation, the Federal Ministry for Economic Cooperation and Development, the

¹⁰ World Bank (2022), "Joint Statement: G7 Presidency, World Bank Group establish global alliance for food security to catalyze response to food crisis", <u>https://www.worldbank.org/en/news/statement/2022/05/19/joint-statement-g7-presidency-wbg-establish-global-alliance-for-food-security</u>.

Ministry of Foreign Affairs and International Cooperation of Italy, the Department of Foreign Affairs and Trade of Australia, the Food and Agriculture Organization of the United Nations (FAO), the World Bank and IFAD. It seeks to tackle the issue of the agricultural data gap at the country level and aims to produce the largest-ever collection of data on agriculture development across 50 countries in Africa, Asia, the Middle East and Latin America by 2030. The 10-year programme aims to increase the capacity of countries in these regions to "produce, analyze, interpret and apply data"¹¹ to facilitate decision-making in the agriculture sector. The programme is implemented through a partnership between the three agencies: FAO, IFAD and the World Bank. It is funded by a multi-donor trust fund at the World Bank.

6. Country-level coordination mechanisms: These mechanisms bring development partners together at the national level. A range of mechanisms exist to promote coordination around overall development cooperation and in specific sectors, including agricultural development. They include mechanisms that enable dialogue between donors, partner governments and other development partners, in addition to those for coordination between donors themselves. In a growing number of countries, the food systems agenda is now being anchored by the office of the prime minister or at the level of a senior coordinating ministry such as a national planning commission. At the country level, donors often form groups of development partners that bring together bilateral and multilateral agencies under one umbrella to facilitate dialogue with partner governments in support of national development plans and priorities. The United Nations also plays an important role at the country level in driving intersectoral coordination between different agencies, and between agencies and partner governments, around specific areas that align with country development plans and priorities.

5.3. Thematic areas of coordination

There are thematic areas around which donor coordination is particularly important, requiring alignment from the global level to the local level. For the areas listed below, without coordination it is impossible to deliver development cooperation that is efficient and effective.

1. **Data:** Data, and the associated research that delivers it, is critical for guiding and prioritizing effective development interventions. It is necessary for generating evidence of what works for policy, implementation strategies and financing. However, the availability of data on food systems at the country and local levels remains limited. At the country level, the availability of data, information and statistics and the sharing of data are critical and important for donor coordination. In many countries, data are unavailable, scattered, of poor quality or available in formats that make them difficult to use. The lack of usable data makes it that much harder for

¹¹ https://www.50x2030.org/sites/default/files/resources/documents/2021-02/50x2030%202020%20Brochure%202021.pdf.

partner governments, donors and development partners to determine where they are best placed to make investments (geographically and sectorally), or where these are likely to have the most impact. Gathering and collating data in a way and form that make them usable is expensive. At the country level, bilateral donors and other stakeholders also can work jointly towards supporting efforts to improve the availability of data and build in-country capacity. At the global level, initiatives such as Ceres2030 and the 50x2030 Initiative are working towards addressing the data gap and providing donors and partner governments with more information and evidence-based analysis to inform their investments and actions in the area of food systems. As a follow-up to the Ceres2030 initiative, Hesat2030 initiative, involving the implementation of a global roadmap to end hunger sustainably, nutritiously and equitably, is being led by the FAO, the Shamba Centre for Food & Climate and the University of Notre Dame. The initiative is using data and artificial intelligence to carry out economic modelling and data to build an evidence base for increasing both the quantity and the quality of overseas development assistance for agriculture and food systems to achieve the SDGs.

In February 2023, the European Commission, IFAD, the GDPRD and the Global Partnership for Sustainable Development Data hosted a dialogue in Rome between donors and organizations working on data-gathering initiatives to take stock of current data-gathering initiatives in agriculture and food security.¹² The dialogue emphasized the need for better coordination on both the demand for and the supply of data on agriculture and food systems. At the high-level dialogue on donor coordination held in Rome on 27 June 2023, the discussion emphasized the need for donors to rethink how they invest in obtaining data and move away from simply investing in collecting data for topics that they are interested in to investing in gathering them where evidence is really needed. In working to better align donor's and partner government's priorities, it is important to prioritise gathering data and evidence.

2. **Finance:** Donor coordination necessitates the coordination of not just policies, programmes and initiatives but also of financing. Global economic uncertainty, recessionary trends, and rising inflation and debt burdens in some countries and regions have meant that governments around the world are increasingly less able to invest in building resilience and responding to crises and shocks in the long term and in a sustainable manner. Focusing on the collective actions and responses addressing the underlying drivers that are preventing progress in strengthening food systems and achieving the SDGs is critically important. The misalignment of country and donor financing mechanisms and the frequent incompatibility between the financing, budgeting and reporting cycles of different donors often make it challenging to coordinate the delivery of donor support but also place a considerable burden on partner governments that must comply with different systems and processes.

¹² GDPRD (2023), "Assessing the Data 'Quantum' Leap in Agriculture and Food Systems", <u>https://www.donorplatform.org/featured/assessing-the-data-quantum-leap-in-agriculture-and-food-systems/</u>.

There are a range of funding modalities at the country, regional and global levels. Financing for food systems transformation requires the coordination of different types of financing, principal among which are domestic public finance, international development finance and private sector finance. It is equally important to balance short-term investments with long-term financing. It is also critical to look at which types and modalities of financing are working well and which are not and determine how they can be coordinated more effectively to maximize impact. Data and financing are also intricately linked to the issue of improving coordination. Tracking data on financing can help governments make better investment decisions. For example, the United Nations Food Systems Coordination Hub, IFAD and the World Bank have developed the first country-level budgeting tool for food systems transformation. The Food Systems Financing Tool (3FS prototype) helps countries track financial flows to food systems and provides governments, donors and other stakeholders with evidence for making better investments.¹³ Finally, it is critical to build alliances and partnerships between different stakeholders, including the private sector, foundations, philanthropic organizations, non-traditional donors and civil society, to facilitate better and more effective coordination around financing. For example, the United States Government's flagship programme the Feed the Future Initiative is partnering with 12 African countries to focus on economic growth and improved food security and nutrition. The initiative places an explicit emphasis on partnerships for success, which has been embedded in its overall approach.

3. Policy: Food systems transformation requires policy-level shifts in legislation, rules and regulations around food, agriculture and health, financing, public investment, etc. In the context of the current food crises, policy shifts are needed in several areas, including agriculture subsidies, agricultural practices and policies, investment, trade and value chain policies, and policies for social inclusion and protection. At the country level, as governments seek to adopt a food systems approach, there is a need for guidance on how to transform legislation and policies over time and deal with the trade-offs and synergies across different areas and how governments can best manage these. While often a neglected area, support and funding for transition agendas at the country level is important. For example, the Consortium of International Agricultural Research Centers' National Policies and Strategies with greater coherence and more capacity to address current and future policy and development needs. The initiative is working to develop a policy coherence dashboard and framework for food, land and water policy coherence, as well as a mechanism to improve policy coherence.

¹³ The tool proposes a roadmap for the financing of food systems through investments in five key areas: agricultural development and value chains; the infrastructure of food systems; nutrition; social assistance, including emergency food assistance; and climate change and natural resources. It also emphasizes the need for coordination among stakeholders for a full systems approach.

4. Crisis response: Aligning donor coordination efforts around crises is an area that has garnered a lot of attention in recent years. Globally, we are seeing an environment where crises and emergencies (food, energy, climate, financial, conflict, etc.) are multiplying and overlapping. On the one hand, this creates a challenge for coordination, as there are multiple perspectives on the crises and how to tackle them, making it difficult to find a common narrative for coordination. On the other hand, the crises also present an opportunity to think about new and innovative approaches to coordination and collaboration. As donors and governments navigate emerging crises, it is critical to ensure that resources and funding coming into a crisis situation are well coordinated and that there is sufficient knowledge and understanding of where funds, support and resources are most needed.

There are now numerous instances of coordination around crisis response that indicate not only the need for supportive structures and institutions on the ground but equally and also the importance of sound information, data and communication mechanisms, as well as the need for donors to work proactively together and with partner governments to identify where support is needed. Furthermore, it is well established that partner governments' ownership and leadership is key. Some examples of efforts emerging around crises response include the G7 GAFS, which is a platform for coordination that seeks to catalyse an agile and immediate coordinated response to the global food security crisis. A key output of GAFS is the Global Food and Nutrition Security Dashboard, launched in 2022. The dashboard presents up-to-date data on the severity of the food crisis, tracks global food security financing, and makes research and analysis available to improve policy coordination and financial responses to crises. The goal of the dashboard is to inform a more coordinated global food crisis response and support medium- and long-term food security interventions. Similarly, the Food and Agriculture Resilience Mission (FARM), initiative by France, is an umbrella initiative focused on addressing short- and medium-term food security and nutrition and longer-term sustainable and resilient food systems in multiple areas, including international trade, humanitarian responses and development.¹⁴

5. **Long-term resilience:** There is growing recognition that of the tension between responding to and investing in short-term crisis response and investing in the longer-term policies and reforms needed to build resilience and avoid constant cycles of crisis. This implies investing in food systems transformation processes that will address the root causes of failures. Building on the national pathway processes, donors and development partners have an opportunity to co-invest in long-term resilience strategies that support partner governments to make the kinds of structural changes required at the institutional and normative levels.

¹⁴ IFAD (2022), "Update on IFAD Activities Related to the Global Food Crisis Response", <u>https://webapps.ifad.org/members/eb/136/docs/EB-2022-136-R-2.pdf</u>.

6. Monitoring and evaluation: Monitoring and evaluation is critical to effective donor coordination and must be done as a package. However, in practical terms, establishing common monitoring and evaluation and data collection frameworks among donors and between donors and governments is challenging, as is coordinating joint monitoring and reporting efforts. Given the added complexity of a food systems framing, donors can work together effectively to invest in building monitoring and evaluation tools and approaches that apply a systems lens and that can factor in the complexity of different actors and stakeholders engaging in the food systems in-country. As far as possible, it is important to avoid recipients of donor resources having to report back to different donors in different ways with different indicators. Progress has been made on this issue in recent years, in part due to the creation of related Development Assistance Committee standards; however, it does remain a significant issue for many recipients of donors' funds.

6. Key messages: emerging challenges and opportunities for donor coordination for food systems transformation

The background research for this review, including a series of key informant interviews, resulted in the following 10 key messages for donors on emerging challenges and opportunities. These conversations have highlighted a set of fundamental core issues with respect to donor coordination on food systems that represent both challenges and opportunities for donors and partner governments.

6.1. Coordination is more important than ever but remains far from optimal

The emergence of the food systems agenda, combined with current global crises, which are increasing the demand for donor resources, creates an ever-greater need for coordination. In 2021, the UNFSS and national pathway processes catalyzed discussions at the country level related to

"These conversations [on coordination] are very theoretical and sometimes even abstract ... we should never forget we are talking about life here ... we are talking about people, and we have an unprecedented crisis now."

Donor

different themes, across different sectors and ministries (nutrition, health, climate, etc.). These discussions galvanized partner governments to take an intersectoral approach to determining their food systems agendas and priorities.

At the country level, the UNFSS and subsequent support for national pathway processes helped to bring stakeholders from different sectors, ministries and countries together to cooperate to resolve food systems issues. The Rome-based agencies –FAO, WFP and IFAD – have also played

an important role in coordination at the country level by supporting discussions around the national pathways and supporting platforms that seek to bring donors, development partners and governments together.

While there is no doubt that coordination has improved, it remains far from optimal for several reasons. On the one hand, donor coordination and alignment is becoming increasingly difficult in the face of increasing geopolitical tensions, domestic politics and the economic fallouts of COVID-19 and the Russia-Ukraine war, which have weakened incentives for coordination.

In many countries, rising food and fuel prices and the lingering impacts of the pandemic have drawn the focus and resources of donors towards addressing domestic issues. The reduction in foreign assistance and bilateral aid budgets has also meant that there is increasing competition among donors for resources, even as bilateral donors legitimately pursue their own agendas, driven by domestic and national concerns. While the

"...systems thinking is always hard to place with decisionmakers because they like linear, easily attributable, clear concepts". When it comes to food systems it is a concept that is difficult to lend ownership to. It is everybody's and nobody's." - Donor

motives and imperatives for coordination among donors may be strong, country-level coordination is time-intensive, and requires the investment of dedicated resources that are not always available. Further bilateral funding through individual donors is often not sufficiently flexible or aligned with the funding of other donors. In practice, at the country level this results in donor funding going to "cherry picked" areas and sectors that are often not deemed important in national development plans or a high priority. This cherry-picked approach also further dilutes and fragments efforts to ensure a coordinated response to the food systems agenda. While there are clear challenges for coordination, there are also opportunities for donors to come together to work collaboratively and align with the priorities of partner governments. They can align themselves in terms of specific issues within the food systems agenda, in particular in-country geographies where donors have ongoing programmes, and around the types of financing.

6.2. The food systems agenda brings new coordination challenges, but also opportunities

While there is increasing support for and recognition of the need for a food systems approach at the country level, in practical terms a food systems framing brings a whole new level of complexity to the issue of coordination, both within partner governments and between partner governments and donors. Gaining traction with policymakers on food systems can be challenging at the country level. The need to work across sectors and ministries can make ownership and accountability challenging in a context when policymakers are looking for clear, attributable results and outcomes.

Food and agriculture are also sensitive and often deeply politicized areas for national governments, a factor that a food systems approach must consider. Finally, in many countries, where there is political will to address food systems in an integrated and coordinated manner, the institutional architecture and framing remains very siloed. On the donor side, as one interviewee noted, while there is a fair understanding on the ground of what some of the issues and challenges are, donors are not working as an ecosystem or using the frameworks and instruments that they have available to work together on food systems issues.

Coordination on food systems requires a high degree of investment in terms of time, effort and resources in mechanisms that facilitate dialogue both between parts of government (ministries engaging in matters of water, health, food, agriculture and nutrition) and with donors and development partners. For their part, donors and development partners also

"I think there is quite a willingness to talk and to coordinate at that [global level] about approaches [to coordination], but...the real thing to see impact on the ground needs to happen at the county level." – IFI representative

need to invest in institutional mechanisms, systems and processes that support the deep structural changes that are needed to truly embed food systems thinking and approaches. This requires both donors and partners to work more effectively towards breaking institutional and funding silos to invest in collaborative planning, programming and implementation.

6.3. Working to support partner government agendas is fundamental, but not always straightforward

For coordination to be effective, the agenda must be set and led by partner countries, with donor investments aligning with and supporting national development plans and priorities. National food systems pathways are important mechanisms for supporting and deepening discussions on food systems approaches and providing donors with entry points for their assistance and support for

"The structure is a bigger problem than the understanding. If you had a structure [to support food systems dialogue] that would have a mechanism to bring different actors together and within that space, a greater understanding can happen. At a political level, there is an understanding of food systems, and they want it to move, but don't have the infrastructure. If we had the infrastructure, we could figure out the financing."

- United Nations organization representative

food systems approaches. Although partner governments and donors remain keen and committed to implementing the pathways, on the ground several factors are impeding these efforts.

At the country level, the discourse and narrative around food systems is still quite new. A key message resulting from the interviews is that while there is a high degree of political will and support for the food systems agenda, in practical terms there is a lack of clarity around how to take this agenda forward. There is therefore a need to look at how donors and other

stakeholders can effectively communicate food systems approaches more tangibly and utilize available entry points through existing sectors such as agriculture, food security, nutrition and rural development, and expand from there. A deeper understanding of the food systems approach, and the implications for policy, programming and funding, is needed across all development partners and within donor organizations.

While the national pathways act as a framework for determining government objectives and actions on food systems, there has not been sufficient support to sustain the dialogue processes initiated by the UNFSS. In some instances, dialogue pathways initiated during the UNFSS have been

"The thing about the food systems approach is that it bleeds into other topics that do have coordination mechanisms, which means that for some people on certain issues it can seem redundant. Any coordination group has to be aligned carefully with other salient sectors that are related to food systems." - Donor supplemented by parallel coordination structures that have made it unclear who is responsible for driving the food systems agenda. At the same time, while there are a growing number of sectoral working groups on agriculture, food security, rural development and donor and development partner groups, at the country level what is often missing is an overarching structure or framework to bring

different stakeholders and actors together under food systems umbrella. The United Nations Food Systems Coordination Hub was established to address this gap and specifically to galvanize donors, IFIs, the private sector and other key stakeholders to use their knowledge and expertise to support country-level efforts and actions.

Finally, it is important to acknowledge the political economy context within which debates on food systems, agriculture and rural development take place at the country level. These topics are not simply technical but are rooted in politics. On the ground, governments and politicians must grapple with a whole host of domestic

concerns. To better embed food systems approaches with governments at the country level, one key message is that ownership and accountability need to be established at different levels. At the highest political level, it is essential to secure commitment from the highest level of government, that is, the office of the President or the Prime Minister. At the policy level, it is

"The consultation as development partners, we keep on, it is good to engage, it's good to discuss. But at the end of the day the buy in and the decision has to come from the respective government, the owner of all the projects that we want to work on."

- United Nations organization representative

important to secure commitment and ownership at the ministerial level. This process is driven by a key ministry or agency that can coordinate across different departments. Finally, at the technical level, it is important to secure sectoral ownership; that is, the food systems agenda must be linked more broadly to discussions happening in the country on rural economy and rural development issues. Governments must link their efforts on food systems with the SDGs and amplify the "leave no one behind" approach to address vulnerability and issues of national and sustainable

development. Equally, it is necessary to continue to sustain and support the dialogue processes initiated by the national pathways and find mechanisms to fund and resource these adequately, to enable engagement between different parts of governments, donors, the private sector and other actors.

6.4. Coordination to align different modalities of development finance and leverage private sector finance is critical

As demonstrated by the Ceres2030 report¹⁵, and, for example, the Malabo declaration¹⁶ on public funding for agriculture, transforming food systems will require substantial investments from national governments, the private sector, international and regional financial institutions, and bilateral donors. To be effective, the leveraging effects of domestic public financing, grant funding, budget support, concessional loans, non-concessional loans and private sector investments (across large- and small-scale enterprises) need to be well understood and fully utilized. For example, domestic financing of infrastructure can unlock private sector investment, which can be influenced by grant funding for stakeholder processes to support more inclusive value chain development.

Representatives of both national governments and donor agencies stated that much more explicit attention should be given to the leveraging potential of different forms of finance at the national level. Specifically, at the national level development finance needs to be coordinated in a way that addresses national concerns related to not just sectoral issues but, equally, the geographic focus and spread of development investments as well.

At the country level, there are challenges in understanding how funding from different sources adds up to push the food systems agenda forward. In some areas, governments are taking the lead and committing their own resources, whereas in others financing is provided by donors, the private sector and other stakeholders, including IFIs and multilateral development banks, etc. The shifting global discourse and nomenclature on food systems and the tendency for donors to periodically shift and cluster funding around "in-vogue" topics – for example from rural development to food security and currently food systems – makes it quite difficult to track where funding is going.

¹⁵ The Ceres2030 Report concludes that approximately USD 330 billion in additional funding will be needed up to 2030 to end hunger sustainably. Annually that amounts to USD 33 billion a year. See <u>Ceres2030: Sustainable</u> <u>Solutions to End Hunger – Summary Report</u>.

¹⁶ At the African Union Summit in Malabo, Equatorial Guinea, in June 2014, heads of state and government adopted a set of agriculture goals to be attained by 2025. <u>The Malabo Declaration on Accelerated Agricultural Growth and</u> <u>Transformation for Shared Prosperity and Improved Livelihoods</u> is a set of goals with a more targeted approach to achieving the agricultural vision for the continent – that is, shared prosperity and improved livelihoods.

Furthermore, not all of what is coming in is tracked, with governments tending to track mainly what is coming in as budgetary support. In some countries, there are no official national statistics on how much donors in general are contributing and the support that is coming through donors to civil society and NGOs, etc. The lack of tracking of this information is a key barrier to better leveraging

"What are the outcomes of these billions of dollars invested in agriculture? In terms of geographic investment, where is this money going and what is it purchasing? ... is it going in this district? If so, how much money is going in this district from donors?"

- United Nations organization representative

investments for impact. A consistent message from interviews is that there is a need to map what donors are doing at the country level, including the specific areas and sectors in which they are making investments. Equally, there is broad recognition that beyond conventional bilateral donors, there is a great need to

better understand the multilayered investment models at the country level, including direct budget support; joint country programming; bilateral projects; global initiatives such as the SUN Movement, GAIN and GAFSP; development banks; IFIs; and the private sector.

6.5. Collaborative funding of data-gathering, policy innovation, research, and monitoring and evaluation is key for effectiveness and efficiency

There is always a strong tendency for donors and national governments to invest in "hard" initiatives with shorter-term on-the-ground impacts. These investments include, for example, investments in infrastructure, focused value chain development and business development. However, food systems transformation also requires complementary investments in "softer" areas that may not appear to have an immediate or direct impact and return on investment. Data-gathering, policy innovation, research, and monitoring and evaluation fall into this category. On the one hand, as resources are more constrained in these areas, coordination is vital to avoid duplication and optimize investments. On the other hand, these are areas in which it makes no sense to have individual fragmented investments. For example, national governments need to develop one integrated platform for statistics, data and knowledge to support food systems change, and donors need to align their resources to provide such support in an effective way. Likewise, it is becoming increasingly burdensome and inefficient for national governments or programmes to have to report to multiple funders with multiple indicator frameworks and timeframes. At the global level, having platforms and dashboards that provide information about national and global food systems is vital; however, having multiple initiatives without clearly defined functions and coherence with similar efforts becomes counterproductive. There is also a critical need to improve the quality, reliability and comparability of data.

On the research side, there is a vast array of food systems issues around which innovation is needed. There are also many different funders of such research and a wide range of research institutions, including national research bodies such as the Consultative Group on International Agricultural Research (CGIAR), universities, private sector organizations and think tanks. It is impossible and probably undesirable for the research ecosystem to be fully coordinated. However, an effective middle ground that avoids duplication and optimizes the linkages between fundamental research, applied research and their application is critical. This requires mechanisms for coordinating research across the national, regional and global levels.

To support the systemic transformation of food systems, there is a critical need for donors to collaborate on coordinated initiatives that can support the necessary data-gathering, research and policy innovation and collective efforts by alliances of different stakeholders. Specifically, the collaborative funding of data-gathering, joint research, and monitoring and evaluation is particularly critical. At the country level, interviewees spoke about the data-information paradox – that is, there is an abundance of knowledge but a lack of concrete data. The absence of concrete data about what donors are doing in-country, and in which areas, was repeatedly highlighted in country-level interviews. Where data are available at the country level, they are often fragmented and not fit-for-purpose in supporting collaborative programming and coordination.

In many countries, governments coordinating with donor partners have begun mapping donor contributions to better understand where resources are being invested in terms of areas and locations. From a food systems perspective, mapping donor engagement and investment from a cross-sectoral perspective is one of the first building blocks in terms of identifying opportunities and areas of mutual interest and engagement. This mapping can also avoid the duplication of efforts and identify opportunities for leveraging donor funding and investments on the ground. Although investments in data-gathering are important, support and funding for policy research and joint monitoring and evaluation are equally critical.

6.6. Integrating crisis response with development will become an increasingly important issue

It is widely recognized that donors will need to remain flexible and responsive to existing and emerging food crises and will need to design programmes and funding mechanisms that are able to do this at short notice. However, a key message from interviews is the disproportionate focus on the immediate humanitarian response by most donors, as opposed to a more systemic and long-term approach that looks at food crises from the perspective of a preparatory, humanitarian and recovery response. There is also a general sense that the extent and quality of the response to the current food crisis has been inadequate and that there is a lack of coordination and communication between donors, humanitarian organizations and development communities engaged in crisis response. A clear message from the interviews is that even as donors channel their resources into emerging humanitarian crises, there is a need to balance crisis response with continued investments in longer-term development solutions that tackle the root of the problem. This is especially the case when addressing issues such as food insecurity, hunger and malnutrition. A food systems approach requires longer-term investments by donors and development partners to support national pathways.

6.7. Donor and partner government coordination needs to be backed up by effective and ongoing dialogue and engagement with all actors across food systems

Food systems represent a very vast sector and require the engagement of a wide diversity of stakeholders, not just the government and donors. To be effective, coordination mechanisms must engage all actors, including those that these programmes seek to impact – that is, smallholder farmers, youth, women and communities as a whole. Strengthening community ownership and engagement at the local level is as critical as building political will and intent at higher levels in government. Therefore, national coordination mechanisms must seek to adopt multisectoral and multi-stakeholder approaches that engage and dialogue with all key stakeholders, including governments, donors, the private sector, communities, civil society, etc. The convening stakeholders, whether led by the government or led by donors working together, must be seen as trusted, neutral and responsive to national priorities and concerns. Furthermore, as discussed above, national coordination mechanisms must be backed by adequate funding that goes towards supporting collaborative planning, mapping programmes, and resources to support dialogue and coordination.

6.8. While a variety of donor coordination mechanisms exist at the country level, their effectiveness could be substantially enhanced through intentional collaborative planning and mapping of donors' activities

Possibly the strongest message to come from the background interviews conducted for this report is the need for a more collaborative approach to coordinating development partners at the national level. The bottom line was that while there are often numerous coordination mechanisms at the national level, too often these function as "show and tell" forums whereby development partners share their plans, rather than as mechanisms for proactive collaborative planning to align investments, initiatives and projects. These coordination mechanisms include development partner groups and sectoral coordination groups on, for example, agriculture, rural development, the environment or health. It was also noted that donors and other development partners often lack the time and resources needed to actively engage in coordination mechanisms, and the effectiveness of coordination groups waxes and wanes over time often depending on the efforts of those chairing

the groups. Furthermore, in terms of food systems, coordination falls into a gap between overall development coordination with partner governments and the sector working groups. For effective coordination at the national level, it is vital that development partners engage closely with partner governments and other stakeholders and that donors have the opportunity for donor-to-donor

"[It] has become really evident in the last few years that we are beginning to hit the budgetary ceilings in a lot of countries; earlier it was a question of will but in order to keep up a bit in terms of humanitarian needs – the needs are like a train station, left on the platform with no means of catching up. This question/dilemma, i.e. do we head for the short term to keep people alive, or do we look at the long-term solutions which will keep people alive tomorrow? It is certainly a matter of balancing the two and looking to combine more systematically humanitarian action with more development agenda." - Donor coordination.

There is also a need for donors to look beyond their own bilateral and institutional agendas to assess how they can be more attuned as a community to supporting national development plans and food systems pathways. Equally, it was noted that often governments themselves favour donors working in different areas and geographic regions, as it allows development investments to be spread more widely. Therefore, building a broader understanding both within governments and among donors on

the benefits and the likely impacts of coordination is important. Moreover, in terms of donor coordination at the country level, the United Nations continues to play an important role in coordination. In addition, there is a growing ecosystem of actors and stakeholders that are engaging and supporting agriculture, food systems and rural development at the country level, including the private sector, IFIs and multilateral development banks, and countries that are not members of the Organisation for Economic Co-operation and Development's Development Assistance Committee, such as China and India. There is a critical need to engage this growing diversity of actors so that all stakeholders can take a broader system-wide approach to investing and supporting food systems. The lack of a system-wide approach significantly impedes the adoption of a coordinated approach to addressing the food systems crisis.

6.9. Effective country-level coordination requires strengthened donor coordination at the global level

Ultimately, effective coordination at the national level also requires donors and other development partners to be aligned on their policies and priorities at the global level. While a growing number of high-level international events are focusing attention on the issue of food systems and the national pathways, there is a clear and identified need for more regular and sustained platforms for engagement and dialogue between and among donors and development partners on these issues,

both regionally and globally. In this context, the GDPRD can play a formative and catalytic role in continuing to foster dialogue and discussion on the opportunities and challenges for donor coordination around food systems. It can also serve as a forum that uses its convening power to drive practical conversations on how donors can work more effectively to advance the food systems agenda at the country level.

"I think what always helps [with regard to driving the food systems agenda at the country level] is if we can stack the pieces at a global level. If we can get some sort of political commitment that this is an important global agenda, and that this global agenda can deliver significantly for national development agendas and these national development agendas can then deliver further. If those arguments can be sufficiently strong at a global level, then at a national level it is a little bit easier to draw down on something."

- United Nations organization representative

6.10 Food systems transformation requires donors to think and work differently and adapt to the local context

Food systems are complex, specific to local areas, and continually changing and adapting. Conventional donor-funded programmes and initiatives focused on niche areas and sectors and driven by set theories of change and monitoring and evaluation frameworks, and cannot be easily mapped against this complexity. Consequently, a one-size-fits-all development approach cannot be effective. Food systems thinking requires donors to place themselves much more concretely in the local context and to commit to co-designing, co-developing and co-implementing initiatives with partner governments in order to "meet people where they are, rather than where donors think they should be". Dialogue with partner governments must be led by the communities and stakeholders involved and must be grounded on the principle of open and mutual dialogue.

"Systems working requires donors to align with the rhythm and ways of working of the people in the environment where the system is playing through. Systems working requires adapting to the local context and making certain that you are taking account of the context in the design and implementation.

It means meeting people where they really are, rather than where you as a donor thinks they should be. It means recognizing that when it comes to a system, everyone who is involved has a different perspective on what that is. The only way forward is working together, co-designing and co-implementing."

- Food systems expert

7. Food systems, food security and rural development architecture

As recognized by all development partners, the institutional architecture for food systems, food security and rural development has become highly complex and multifaceted, with numerous different initiatives being implemented. In recent times, the UNFSS has added to these the Food Systems Coordination Hub, food systems coalitions and the stocktaking process. The recent food price crisis resulted in the launch of additional initiatives seeking to foster international coordination and collaboration, including, for example, the establishment of the new G7 GAFS, the United Nations Global Crisis Response Group, the International Food and Agriculture Resilience Mission, the International Finance Institution Action Plan to Address Food Insecurity and the IFAD-led Crisis Response Initiative. This increase in initiatives has been partly driven by the G7 and G20 processes, through which host governments are often keen to announce a significant initiative in response to current issues.

There is no easy solution to the complexity of the current institutional arrangements and initiatives. Furthermore, from a systems perspective, some diversity of institutions can enable more flexible and dynamic responses. However, in extreme circumstances this can lead to coordination difficulties, competition over legitimacy, duplication and competition for limited funds. It can also mean that older initiatives lose their ability to operate effectively, as they no longer receive the amount of funding needed for them to be effective.

As part of the coordination workstream, the GDPRD is creating a database of key decision-making forums, networks, platforms and initiatives. It will be structured around different categories of institutional groupings. Figure 4 provides an overview of the global agriculture and food systems institutional architecture. The figure is intended only to illustrate the diversity and complexity of mechanisms, forums, platforms and organizations involved, providing key categories and some examples; it does not provide a comprehensive list of all entities.

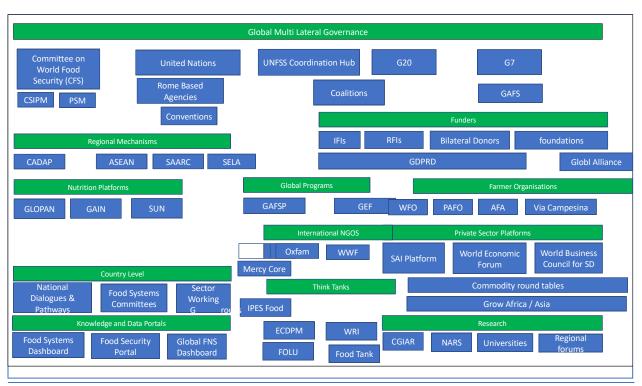


Figure 4. Indicative structuring of institutional architecture¹⁷

Note: AFA, Asian Farmers' Association for Sustainable Rural Development; ASEAN, Association of Southeast Asian Nations; CADAP, Central Asia Drug Action Programme; CSIPM, Civil Society and Indigenous Peoples' Mechanism; ECDPM, European Centre for Development Policy Management; FOLU, Food and Land Use Coalition; GEF, Global Environment Facility; GLOPAN, Global Panel on Agriculture and Food Systems for Nutrition; NARS, National Agricultural Research System; PAFO, Pan-African Farmers' Organization; PSM, Private Sector Mechanism; RFI, rural finance institution; SAARC, South Asian Association for Regional Cooperation; SAI, Sustainable Agriculture Initiative; SELA, Latin American Economic System; WFO, World Farmers' Organization; WRI, World Resources Institute; WWF, World Wide Fund for Nature.

¹⁷ Illustrative overview of the agriculture and food systems architecture, providing some key categories and examples. This is intended only to show the diversity and complexity of the institutional architecture and is not a comprehensive listing.

8. Conclusions and recommendations

It is very clear that donors and partner governments are operating in a substantially different environment from that in the early era of the aid effectiveness agenda. The world today is dealing with multiple and overlapping crises that are making coordination more challenging. The impacts of these crises are also being felt most acutely in low-income and developing countries. There is a clear need for a renewed focus on building resilience and capacity to cope with these shocks. Among partner government representatives, donors, international organizations and NGOs, there is also clear recognition that coordination between all development partners could be substantially improved, with considerable benefits for the impacts of development investments. Those interviewed offered numerous practical examples of how poor coordination can undermine development efforts. The complexity of the current environment creates new challenges for coordination, but it also presents opportunities. Donors and partner governments must consider and contend with not just the politics but also the political economy of coordination for food systems and identify the appropriate dialogue and negotiation mechanisms to work through issues on the ground. This requires structural changes in the way donors and partner governments think about policies, reforms and institutions.

The current situation also presents an opportunity to do things differently and to innovate in terms of approaches for coordination and collaboration. There is a growing set of examples at the country level and across global programmes that illustrate good practices for coordination. Monitoring and evaluation, and a framework for tracking investments, and their effectiveness and impact, are also critical in building the case for investments in food systems transformation. Together, these constitute a set of key considerations for how donors and development partners can more effectively coordinate their support for the food systems agenda at the country level.¹⁸ Critically, it should be recognized that improving coordination is not simply a technical issue, but rather it is highly political, with inevitable areas of tension, conflict and legitimate differences in objectives between different development partners. Ultimately, coordination will only be improved if these political interests and differences are understood and mechanisms are put in place to enable effective negotiation and the resolution of differences. The outcomes of the workstream on donor coordination, drawing on the interviews, seminars and literature, have led to the following eight areas of recommendations.

¹⁸ The conclusions and recommendations for this report were discussed at the high-level dialogue "Donor Coordination for Food Systems Transformation: A forward agenda", held in Rome, Italy, on 27 June 2023. The hybrid (online and in-person) event was attended by over 70 people, and high-level participation in the event included a minister, and senior representatives of international organizations and donor countries. The invite-only event was held under the Chatham House Rule.

1. National food systems transformation pathways must be developed as a key framework for aligning donor investments with national priorities for food

systems transformation. The food systems agenda calls for a deeply integrated approach across sectors and ministries. Most countries have now developed national food systems transformation pathways, which, although heterogeneous in structure and quality, bring together national priorities from national development and sector plans related to food systems. In most cases, these pathways also draw on the outcomes of national food systems dialogues. These pathways are a first attempt by countries to articulate an integrated agenda for food systems transformation. To be effective, they will need to be refined and strengthened over time, even as more attention is focused on the structural constraints to food systems transformation.

Recommendation 1

- 1.1. Recognize national food systems transformation pathways as a key mechanism for aligning food systems-related investments with national priorities.
- 1.2. Support partner governments to continuously monitor and update the pathways as "living documents".
- 1.3. Encourage and support ongoing multi-stakeholder national dialogue processes linked with implementing, reviewing and updating national pathways.

2. Donors should proactively support enhanced collaborative planning at

national level. This review has established that there is widespread support for a more structured approach to donors collaboratively planning their country investments to optimize their alignment and synergies. This requires donors to go beyond a "show and tell" approach, in which they simply share their activities with each other, to designing their interventions in relation to an entire package of donor support that responds to partner government priorities. Furthermore, donors and development partners need to be more proactive in building alliances and partnerships for food systems transformation with other stakeholders that are engaged in the food systems ecosystem. Support for collaborative planning would require the development of a structured framework for how donors and partner governments would work together. The potential benefits of a collaborative planning approach would have spillover benefits to development efforts across other sectors as well.

Recommendation 2

- 2.1. Acknowledge the value of a more structured approach to collaborative planning at the national level.
- 2.2. Utilize national food systems transformation pathways as a basis for collaborative planning.
- 2.3. Work with partner governments to ensure that donor investments support the "soft" investments needed in stakeholder dialogue, to improve systems change capabilities and for policy reform to transform food systems.
- 2.4. Consider options for impartial convening of collaborative planning processes that enable all development partners (including the private sector) to come to a neutral table.
- 2.5. Work towards building alliances and partnerships with key actors and stakeholders engaged in the food systems ecosystem.
- 3. Individual donors should develop coordination policies and principles for achieving food systems transformation. Donors can reconsider and reassess the extent of their compliance with the aid effectiveness agenda. They can complement this with their own specific policies on coordination. Such policies could address how they would engage in collaborative programming at the national level, their internal positions on working across sectors to achieve food systems transformation and their position on supporting different financing modalities. Donors can consider ways in which enhanced coordination and collaboration can be incentivized institutionally and through policy frameworks.

Recommendation 3: Donors should develop their own internal guiding principles and policies on country-level coordination around food systems that specifically address how to engage in collaborative programming for food systems transformation at the country level. In particular, donors should consider how to create stronger institutional incentives for effective coordination.

4. Donors should review options for more effective information systems to support coordination at the national and global levels. Gathering data and evidence to improve coordination is critical. Development partners in several countries have begun mapping donor investments in food systems as a basis for improving coordination. However, such information-gathering is not currently widespread across countries or at the global level.

Recommendation 4: In consultation with partner governments, donors should draw on lessons learned from mapping donor investments at the country level to explore options for a common framework and data infrastructure that could be used in a flexible way across

multiple countries. If there is sufficient support, donors should invest in supporting the development of the necessary data infrastructure.

5. Donors should review modalities of funding food systems and rural

development. Funding for food systems is delivered through a wide range of modalities, including bilateral budget support, concessional and non-concessional loans, joint trust funds, programmes of United Nations agencies and the CGIAR, and support for international NGOs and other civil society organizations and joint initiatives such as GAFSP or the Alliance for a Green Revolution in Africa. In taking a forward-looking perspective on how best to support food systems transformation in the long term, in what is likely to be an increasingly turbulent and crises-driven context, there is a clear need for a more comprehensive assessment of the advantages and constraints of different funding modalities, their impact and value for money, and how best to balance resources across them.

Recommendation 5: Donors should instigate a collective review of funding modalities for food systems transformation and rural development with a view to creating a shared guiding framework for optimizing the complementarity of differing funding streams.

6. Donors should increase the amount of coordinated funding available for initiatives that support the underlying processes of structural change in food

systems. Food systems transformation is a complex and multifaceted process that requires structural changes at multiple points within an ecosystem of institutions, structures and actors that are engaged within it. The current pressures and constraints on donors and development partners have resulted in donors having a tendency to focus on discrete areas within the food systems architecture, for example nutrition or food security. While these efforts are necessary, they cannot substitute for broader systemic investments by donors in the institutions, policies and practices that are instrumental in enabling a whole-system transformation. In this regard, the role of donor investments in multilateral programmes needs speci' c consideration. As articulated in numerous dialogues and documents associated with the UNFSS, food systems transformation will require long-term attention to the underlying political economy factors that enable or restrict change, and the power relations that in uence these factors in turn. Donors, development partners and partner governments also need to acknowledge that there will be incompatibilities between donor and country priorities and that space and time for negotiation will be required. Donors and governments have their own political priorities, and an honest conversation about what is feasible in terms of country-level coordination should take place.

Recommendation 6: In consultation with partner governments and other actors at the national and local levels, donors should explore the types of support needed to drive longer-term structural change to achieve desired food systems outcomes. This requires an

enhanced theory of change analysis for country investment strategies focusing on the "how" of food systems transformation. Furthermore, at the country level, donors and governments must recognize the importance and value of an articulated negotiation process around food systems transformation.

7. Donors should review options for enhanced coordination

forums/mechanisms at the global level. There is a complexity of institutional arrangements at the global level for food security and food systems, including the CFS, G7 and G20. Despite the presence of these platforms and processes, some donors and other actors consider that donors lack a regular process for holding in-depth discussions on coordination issues, which could enable more aligned engagement across a range of global governance mechanisms. Such coordination would ultimately lead to better coordination at the country and subnational levels. This is particularly the case in relation to responding to crisis issues, where new crises tend to spur yet another initiative. While the GDPRD provides a platform for donors to engage, network and learn, to date it has not provided a more structural approach to coordinating donor responses to emerging issues or upcoming global forums. The UNFSS 2023 stocktaking process presents another opportunity for donors and development partners to consider how the momentum around global events such as the UNFSS and similar marquee events can be sustained on a more regular basis. It also provides an opportunity to consider how the GDPRD or other platforms can bring together donors and development partners in a more structured way, to coordinate specific areas within the food systems architecture. Structured discussions and meetings can usefully serve as preparatory mechanisms and inputs to intergovernmental processes, including the G7 and the G20, and COP meetings.

Recommendation 7: Donors should examine whether existing global mechanisms enable sufficient donor coordination and alignment and, if not, look at how this could be strengthened in the context of existing institutional arrangements.

8. Donors should establish review mechanisms to assess the effectiveness of donor coordination and brainstorm approaches for tracking and measuring food systems transformation at the country level. The need for greater monitoring and evaluation of donor coordination efforts around food systems repeatedly emerged in interviews as a key area requiring greater focus from donors and development partners alike. While individual project- or programme-level evaluations have been conducted, there appears to be very limited research on what approaches to or practices for donor coordination are most effective at the country level, especially around food systems. There are also clear examples and pilot studies in different countries where donors, partner governments and other stakeholders are coming together to address the issues of coordination around food systems, food security and nutrition, and other allied areas, such

as health, water and sanitation. Therefore, there is scope for more effective sharing of experiences, best practices and lessons learned between and among donors and partner governments. Finally, while acknowledging that tracking systemic change is challenging, there is a clear need to think about how donors, development partners, partner governments and other stakeholders can use existing data, indicators and other metrics to track and measure food systems transformation.

Recommendation 8

- 8.1. Collectively support the monitoring and evaluation of coordination at the national level on food systems, agriculture and rural development.
- 8.2. Undertake meta-evaluations of country-level evaluations of the effectiveness of coordination.
- 8.3. Collectively support efforts to document and share lessons learned and best practices from ongoing coordination efforts at the country level in the area of food systems and in other allied areas, such as health, water and sanitation.
- 8.4. Brainstorm approaches and methods for tracking and measuring systemic changes in food systems at the country level.

9. List of key informants

This report is based on input from key donors and other stakeholders who participated in a virtual seminar on donor coordination held on 22 November 2022 (attended by 40 people), and a hybrid high-level dialogue on donor coordination for food systems held in Rome, Italy, on 27 June 2023 (attended by 70 people). Information was also obtained from 30 interviews conducted with key informants (listed below).

Name	Role	Organization
Audax Rukonge	Executive Director	Agricultural Non State Actors Forum
Bruce Campbell	Senior Policy Advisor	Swiss Agency for Development and Cooperation
Conrad Rein	Policy Officer	Sustainable Agri-Food Systems and Fisheries Unit of the European Commission
	Co-Chair	GDPRD
Darejani Markozashvili	Coordination Unit	GAFSP
David Nabarro	Strategic Director	4SD
	Co-lead	Food workstream of the United Nations Secretary-General's United Nations Global Crisis Response Group on Food, Energy and Finance
Elhadji Adama Toure	Programme Manager	GAFSP
Frew Behabtu	Country Director	IFAD Cambodia
His Excellency Hussein Mohammed Bashe	Minister for Agriculture	Ministry of Agriculture, United Republic of Tanzania
lris Krebber	Head of Agriculture, Food Security and Land	Directorate General for Economic Development of the Foreign, Commonwealth & Development Office, United Kingdom
John Plastow	Global Programme Director	Oxfam International
Juan Echanove	Associate Vice President – Food and Water Systems	CARE International
Lawrence Haddad	Executive Director	GAIN
Manon Bellon	Policy Advisor – Agriculture and Food Security	Ministry for Europe and Foreign Affairs, France

Jean-René Cuzon	Chargé de mission	French Development Agency
Sebastien Subsol	Officer in Charge of Governance, Humanitarian and Environmental Affairs	Embassy of France, Niger
Marcy Vigoda	Director	SUN Movement Secretariat
Martien van Niewkoop	Global Director of Agriculture and Food Global Practice and Chairperson of the Food Systems 2030 Partnership Council	World Bank
	Chairperson	
Mawira Chitima	Country Director	IFAD Ethiopia
Mohamed El-Ghazaly	Country Director and Country Representative	IFAD Uganda
Neil Watkins	Deputy Director – Program Advocacy and Communications	Bill & Melinda Gates Foundation
Pascaline Berankeba	Country Director for Liberia/Sierra Leone	United Nations
Pau Blanquer	Aid Coordination and Strategic Planning Specialist and Head of the Development Partners Group Secretariat	United Nations Development Programme Ethiopia
Philip van der Celen	Deputy Program Manager	GAFSP
Rachel Arcese	Task Manager	IFAD Lao People's Democratic Republic
Sebastian Lesch	Head of the Agriculture Division	Federal Ministry for Economic Cooperation and Development, Germany
Pattivong Soulinvanh	Country Programme Officer	IFAD Lao People's Democratic Republic
Susan Ngongi Namondo	United Nations Resident Coordinator, Uganda	United Nations
Tristan Armstrong	Senior Sector Specialist – Agricultural Development and Food Security	Department of Foreign Affairs and Trade, Australia
Virginia Tortella	Coordination Unit	GAFSP
Zlatan Milisic	United Nations Resident Coordinator, United Republic of Tanzania	United Nations

ANNEX:

Event report on "High-level dialogue on donor coordination for food systems transformation: A forward agenda"

27 June 2023, Rome, Italy

Agenda

The dialogue was moderated by **Mandakini D. Surie**, Senior Consultant for the Global Donor Platform for Rural Development (GDPRD).

Time	ltem	Presenters
10.00-10.05	Welcome	Conrad Rein , Policy Officer, Sustainable Agri-Food Systems and Fisheries, European Commission (Co-Chair of the GDPRD) Tristan Armstrong , Senior Sector Specialist, Agricultural Development and Food Security,
		Department of Foreign Affairs and Trade, Australia (Co-Chair of the GDPRD)
10.05-10.15	Interactive session	Jim Woodhill, Senior Advisor to the GDPRD
10.15-10.30	Keynote address	Afshan Khan , United Nations Assistant Secretary-General and Coordinator, Scaling Up Nutrition Movement
10.30-10.45	Insights from background research and key informant interviews	Jim Woodhill, Senior Advisor to the GDPRD
10.45-12.00	High-level panel	 His Excellency Hussein Mohamed Bashe, Minister of Agriculture, United Republic of Tanzania Titta Maja-Luoto, Director-General, Department for Development Policy, Ministry for Foreign Affairs, Finland Sara Sekkenes, United Nations Resident Coordinator, Lao People's Democratic Republic James Catto, Director of the Office of International Development Policy, Department of the Treasury, United States Leonard Mizzi, Head of Sustainable Agri-Food Systems and Fisheries, European Commission
12.00-12.45	Q&A session	All
12.45-14.00	Lunch	
14.00-15.15	Plenary presentations on challenges for: - Data - Finance - Crisis response - Long-term resilience - Policy	 Data: Carin Smaller, Executive Director, Shamba Centre for Food & Climate Finance: Nadine Gbossa, Director, Food Systems Coordination, IFAD, and Chief, Means of Implementation, United Nations Food Systems Coordination Hub Crisis response: David Nabarro, Strategic Director, 4SD, and Co-Lead of the Food Workstream, United Nations Secretary General's United Nations Global Crisis Response Group on Food, Energy and Finance Long-term resilience: Susan Chomba, Director of Vital Landscapes for Africa, World Resources Institute Policy: Johan Swinnen, Managing Director of Systems Transformation, CGIAR, and Director-General, International Food Policy Research Institute

15.15–17.45	Town hall dialogue: interactive audience participation High-level discussion for direction-setting and a forward agenda <i>Coffee break mid-</i> <i>session</i>	Juan Echanove, Associate Vice-President, Food and Water Systems, CARE Jyotsna Puri, Associate Vice-President, Strategy and Knowledge Department, IFAD Máximo Torero, Chief Economist, Food and Agriculture Organization of the United Nations Iris Krebber, Head of Agriculture, Food Security and Land, UK Foreign, Commonwealth and Development Office Christine Umotoni, United Nations Resident Coordinator, Liberia
17.45-18.00	Closing reflections and wrap-up	Conrad Rein , Policy Officer, Sustainable Agri-Food Systems and Fisheries, European Commission (Co-Chair of the GDPRD)
18.00	End and aperitivo	

Background

"The disruption of ecosystems, agri-food production systems and value chains due to the policy crisis are causing an unprecedented rise in global hunger, malnutrition, poverty, and distress migration. These ills are, as always, affecting the most vulnerable member[s] of our societies, especially women and children."

Globally, countries are grappling with rising food, fertilizer and fuel prices, and increasing food insecurity, brought about by the escalating impacts of climate change, conflict and COVID-19. The disruption of ecosystems, agrifood production systems and value chains is causing an unprecedented rise in global hunger, malnutrition, poverty and distress migration. The impacts of these crises are particularly acute and significant for low-income countries and low-income households.

In the future, extreme weather, geopolitical instability, and pest and disease outbreaks are likely to increase, exacerbating the risk of food crises. In this context, there has never been a greater need for coordinated donor investments and collaboration that align with partner country needs and priorities. However, emerging crises, pressure on resources and weakening multilateral cooperation combine to increase the challenges for effective donor coordination, particularly at the country level. The coming years are likely to see a critical need to balance short-term crisis response with longer-term development to create food systems for the future that can ensure security and be resilient to the impacts of climate change, growing food demands and market disruptions. The catalytic potential of increasingly scarce donor resources will need to be optimized through improved policy coherence and coordination between development partners and partner countries.

To help drive a future agenda for donor and development partner coordination, the Global Donor Platform for Rural Development (GDPRD), the European Commission and IFAD convened a one-day hybrid (online and in-person) high-level dialogue "Donor Coordination for Food Systems Transformation: A Forward Agenda" on 27 June 2023 in Rome, Italy. The event was attended by 70 people¹⁹ and included high-level participation from a minister and senior representatives of donors, development partners and international organizations.

Held under the Chatham House Rule, panellists and participants engaged in a frank and candid discussion on:

- The challenges that partner countries and donors face in supporting food systems transformation at the country level;
- The ways in which donors and other development partners can better coordinate their aid to support food systems transformation at the country level;
- Examples of viable practices and approaches for coordination at the country level; and
- How enhanced coordination at the global and regional levels can help to address the twin challenges of responding to food crises and building long-term resilience.

The discussion also focused on country-level coordination mechanisms, the role of jointly funded programmes and integrated global responses to crises, the opportunities for collaborative and joint programming in key areas, and the importance of coordination in the areas of data-gathering, finance, crisis response, policy and long-term resilience.

The dialogue was the culminating event of the GDPRD's workstream on country-level donor coordination for food systems transformation, initiated in July 2022, with the objective of supporting donors and development partners with practical guidance on how to improve coordination and alignment, particularly at the country level. The discussions from the event, together with a series of key informant interviews with experts and practitioners, a literature review and an analysis of existing donor coordination efforts and practices, will be published in a final report that will provide donors and development partners with practical guidance on how to improve coordination for food systems transformation and rural development.

¹⁹ 20 in person and 50 online.

Key messages

Current crises create challenges but also opportunities for improved coordination on food systems

The development community has been grappling with the issue of aid effectiveness and donor coordination for decades. However, there is broad agreement that the current environment is fundamentally different from a few decades ago. In the face of cascading and overlapping crises, donor coordination is becoming increasingly more challenging due to geopolitical tensions, pressure on resources and national budgets, and the increasing politicization of development assistance. Yet the current crises also present an opportunity to do things differently. The food systems transformation agenda is opening new avenues for taking an integrated and coordinated approach to tackling a broad range of issues, including the environment, food security, agriculture, health, nutrition and social protection. This is creating a space for donors, development partners and governments to think differently and develop innovative approaches, in areas such as planning, programming and financing, to improve the effectiveness of coordination and collaboration, and ultimately increase their impact at the country, regional and global levels.

"Globally, our systems are under severe strain. Solutions can only be found if all of us work together, including across sectors and stakeholder groups."

"The urgency that we see is how severe all these crises really are. These urgencies provide us an opportunity to also think [about] how to do things in innovative ways in terms of collaboration and coordination that can enhance impact."

Dialogue and negotiation are key to supporting food systems transformation at the country level

Transforming food systems is a complex process that requires structural and normative shifts in the way governments, donors, development partners and other stakeholders think about policies, reforms and institutions. In trying to work collaboratively, donors and governments must acknowledge that there will be areas where they will have different priorities and where negotiation will be needed. It is equally important to acknowledge that the transformation of food systems is not simply a technical issue but also a highly political one. The production, distribution and consumption of food is intricately tied to allocation of resources (land, water and labour), which in turn is influenced by political and economic interests and social priorities related to food security, health, equity, the environment and other concerns. Consequently, food systems transformation involves complex negotiations and trade-offs between different stakeholders, constituencies and interests. Ultimately, coordination can only improve once there is an understanding by all actors (donors, development partners and partner countries) of the dynamics of the political economy around food

systems and the interests and incentives of different stakeholders, and once dialogue spaces and mechanisms to resolve differences and find common ground are created. Therefore, a clear and well-articulated multi-stakeholder negotiation and dialogue process is critical in bringing donors, development partners, governments and other stakeholders together. Furthermore, any negotiation and dialogue process must engage with the communities and groups – such as smallholder farmers, women, youth and vulnerable groups – that these initiatives ultimately seek to impact.

"The food system transformation is a highly political agenda. Trying to be non-political or neutral will not automatically trigger any systemic change, only marginal progress. It is essential to recognize and address the profoundly political dimension of the food system transformation agenda."

"There are some issues here that cannot be easily resolved. They require constant negotiation, partly because they're political, and partly because of the bilateral nature of the relationship between donors and national and local authorities."

"It's desirable to put on the table clearly that there will be incompatibilities between donor priorities and national priorities when it comes to food systems working. And to say that's normal. And then to say we need enough space and time to negotiate after all."

Coordinated investments and collaborative programming are needed in key areas, including data, finance, policy, crisis response, long-term resilience, and monitoring results and impact

The key areas where investment and collaborative programming and planning are required to support food systems transformation include data, finance, policy innovation, crisis response and long-term resilience. While these are often seen as "soft" areas of investment, they are critical building blocks for improving coordination and achieving longer-term impact. More effective coordination in these areas can also help to avoid duplication and achieve sufficient scales of funding.

Data: Data that support evidence-based decision-making and planning are critical for ensuring effective coordination. A lack of usable data makes it much harder for partner governments, donors and development partners to determine where they are best placed to make investments (in terms of geographic location and sector), or where these are likely to have the most impact. While there are a growing number of data-driven initiatives in the area of food systems, donors need to focus on where evidence and data are needed to support the food systems agenda. Equally, in working to better align donor and partner government priorities, it is important to put data and evidence at the heart of the process of prioritization.

Finance: Donor coordination is needed not only in developing policies, programmes and initiatives, but also in financing. Global economic uncertainty, recessionary trends, and rising inflation and debt burdens in some countries and regions have meant that governments around the world are increasingly less able to invest in building resilience and to respond to crises and shocks in a long-term and sustainable manner. Focusing on the collective actions and responses to addressing the underlying drivers preventing progress on strengthening food systems and achieving the Sustainable Development Goals is critical.

"We need to recognize that our current food systems are a product of historical ad hoc piecemeal, top-down interventions that do not take a whole food system approach, from how we produce food, [to] how we store it, transport it, process it, package it, retail, prepare [it] and even consume it. And if we don't look at food systems as ecosystems, then we try to target different areas and therefore don't get the results that we want."

Policy: In the context of the current food crises, policy shifts are needed in several areas, including, for example, agriculture subsidies, agricultural practices and policies, investment, trade and value chain policies, and policies for social inclusion and protection. At the country level, as governments look to adopt a food systems approach, there is a need for advice on how to transform legislation and policies over time and deal with the trade-offs and synergies across different areas. While often a neglected area of support, donors and development partners must consider funding for policy transition agendas at the country level. More specifically, there is a need to support partner countries in developing a regulatory and policy framework that can support an integrated food systems approach. Donors and development partners can also support policy innovation at the country level to address systemic barriers to food systems transformation (for example, in areas such as agriculture sector support, removing market barriers, and developing incentives for producers and consumers).

Crisis response: The current global crises present a clear challenge to coordination, given the multiple perspectives on the crises and how to tackle them. This can make it difficult to find a common narrative for coordination. Equally, the crises also present an opportunity to think about new and innovative approaches to coordination and collaboration. As donors and governments navigate emerging crises, it is critical to ensure that donor resources and funding being channelled into a crisis are well coordinated and that there is sufficient knowledge and understanding of where funds, support and resources are most needed.

Long-term resilience: There is growing recognition of the tension between, on the one hand, responding to a crisis and investing in a short-term response and, on the other, investing in the longer-term policies and reforms needed to build resilience and avoid constant cycles of crisis. This requires investing in food systems transformation processes that will address the root causes of failures. Building on the national pathways for transformation, donors and development partners

have an opportunity to co-invest in long-term resilience strategies that support partner governments to make the kinds of structural changes that are required at the institutional and normative levels.

There are an increasing number of good examples and practices out there that need to be documented, shared and amplified

There are an increasing number of good examples and best practices in coordination that donors can replicate and further amplify. These include joint financing and programming initiatives, such as the Global Agriculture and Food Security Program (GAFSP), the Scaling Up Nutrition Movement (SUN) and the Global Alliance for Improved Nutrition (GAIN). In addition, existing coordination mechanisms, such as the Committee on World Food Security, the G7 Global Alliance for Food Security (GAFS) and the United Nations Food Systems Coordination Hub, need to be leveraged more effectively to drive dialogue between and among donors, development partners and other stakeholders. There are also examples of collaborative initiatives in specific thematic areas, such as data with Ceres2030, the 50x2030 Initiative and Hesat2030, which has developed a global roadmap to end hunger). In the area of crisis response, the Global Alliance for Food Security is a platform for coordination that seeks to catalyse an agile and immediate coordinated response to the global food security crisis. The International Food and Agriculture Resilience Mission (FARM) is another umbrella initiative focused on short- and medium-term food security and nutrition, and longer-term sustainable and resilient food systems.

More effective monitoring and evaluation of development initiatives and programmes is key

"Impact on the ground must guide our actions. At the end of the day, we are talking about lives."

"The question on whose results agenda and whose results are they? The results must be of the countries that we are working in. It is important that donors are bringing in their incentives, but it is truly important that countries are putting in their overarching impacts that they are keen to see when we are negotiating with them."

In the current global environment, better monitoring and evaluation of donor coordination efforts and their impact, particularly at the country level, is key to making a more compelling case for why sustained investments are needed in food systems transformation. While acknowledging that tracking systemic change is challenging, donors, development partners, partner governments and other stakeholders must consider how they can more effectively use existing data, indicators and other metrics to track and measure food systems transformation and the results and impact of joint efforts and initiatives. Donors and other development partners must collectively support efforts to document and share lessons learned and best practices from ongoing coordination efforts at the country level on food systems and in other allied areas, such as health, water and sanitation.

Next steps

The emergence of the food systems agenda, combined with current global crises increasing the demand for donor resources, creates an ever-greater need for coordination. The dialogue concluded with broad agreement on the need for donors and development partners to remain engaged and in dialogue with each other in their ongoing efforts to enhance coordination, especially in the lead-up to the United Nations Food Systems Summit +2 Stocktaking Moment.

The dialogue reinforced the key messages and recommendations in the GDPRD's forthcoming report on donor coordination for food systems transformation. The insights from the dialogue have been integrated into this report, which, once approved by the GDPRD Board, will be made public and disseminated widely.

Given that the dialogue endorsed the need for enhanced country-level coordination, through its members the GDPRD will explore options for a programme of work and set of pilot initiatives to strengthen country-level coordination processes and apply known good practices.

The report on the donor coordination workstream and the outcomes of the dialogue, along with a set of proposed actions for responding to the recommendations in the report, will be presented at the GDPRD Senior Managers Meeting in October 2023.