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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.

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 catalysed discussions at the country level related to 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.

> “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**

> “…systems thinking is always hard to place with decision makers 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**

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 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. Furthermore, 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 used.

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 in which 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 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.

> “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 country level. **IFI representative**

> “The structure is a bigger problem than the understanding. If you had a structure [to support food systems dialogue] that would [create] 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**

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 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, 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 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 a 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.

> “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**

> “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**

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 within 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 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.

4 Coordination to align different modalities of development finance and leverage private sector finance is critical. As demonstrated by the Ceres2030 report,[15] and, for example, the Malabo declaration[16] 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.

> "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**

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.

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 investments for impact. A consistent message from interviews is that there is a need to map what donors are doing at the country level,

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

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. The Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods 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.

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.

5 Collaborative funding for data-gathering, policy innovation, research, and monitoring and evaluation is key for greater efficiency, effectiveness and impact. 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 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 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.

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 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 in 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.

> “ [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 [arises], 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

8 Collaborative planning and mapping of donors’ activities at the country level are key to improving coordination and effectiveness at the country level.

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 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 with 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 in 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.

> "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 think 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**

9 Effective country-level coordination requires strong 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.

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 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 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.