

# **2024 Annual General Assembly Report**

**Financing food systems  
transformation and rural  
revitalization: Opportunities  
and challenges**

**26–27 November 2024  
IFAD headquarters, Rome, Italy**



**Global Donor  
Platform for  
Rural Development**

# 2024 Annual General Assembly

## *Financing food systems transformation and rural revitalization: Opportunities and challenges*

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### BACKGROUND AND SCENE-SETTING

The Global Donor Platform for Rural Development (GDPRD) 2024 Annual General Assembly (AGA) focused on rethinking how the limited official development assistance (ODA) available can best be used in the area of food. Building on the recommendations of the 2024 [\*State of Food Security and Nutrition in the World\*](#) report, discussions explored how innovative financing, along with better donor coordination and stakeholder engagement, can support more effective and efficient funding for food systems and rural development.

Topics discussed at the AGA included:

- constraints on and opportunities for using ODA more catalytically;
- lessons and opportunities for incentivizing private sector investments;
- the range of financing institutions, modalities and mechanisms that are needed to enhance donor impact;
- progress on land governance, rural youth employment and data for Sustainable Development Goal 2 (Zero Hunger) to support broader food systems transformation;
- strategic opportunities for the GDPRD and other stakeholders in the food and rural development agendas.

# PART 1 – CATALYTIC DEVELOPMENT FINANCE FOR A SUSTAINABLE AND RESILIENT FUTURE

## Challenges

Despite ODA reaching an all-time high of US\$223.3 billion in 2023, the world remains off track in achieving the Sustainable Development Goals.<sup>1</sup> Climate change, conflict, and political and economic instability are exacerbating hunger, malnutrition and poverty. Governments are facing escalating costs due to rising inflation, growing income inequality, and the spin-off effects of domestic and international conflict, natural disasters and increased migration.

Food systems transformation is critical to tackle climate change, alleviate poverty and protect biodiversity. Yet ODA for the agriculture, forestry and fishery sectors remains insufficient. Meanwhile, the hidden annual costs of global food and land use systems, including their negative impacts on society, health, and the environment, are estimated at US\$12 trillion. This amounts to more than the market value of the global food system, estimated at US\$10 trillion.<sup>2</sup>

The scale of the challenge and the financing needed require a fundamental rethink of how limited ODA can be more effectively and catalytically deployed by governments, donors, the private sector and other stakeholders. Stand-alone and fragmented pilot projects simply cannot deliver the kind of systemic change needed to bring about transformation in rural areas.

## Quotes

*“We know that we require sufficient levels of equal access to financing. And this will be essential to get back on track towards eradicating hunger. But the point is do we have enough financing? Do we need more? What do we need to do with what we have? And how much more financing do we need? And that is the big challenge that we have to answer.”*

Maximo Torero

Chief Economist, Food and Agriculture Organization of the United Nations

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<sup>1</sup> Organisation for Economic Co-operation and Development, “Official development assistance (ODA)”, <https://www.oecd.org/en/topics/policy-issues/official-development-assistance-oda.html>.

<sup>2</sup> Calculated in Trillions USD in 2018 prices. The Food and Land Use Coalition, *Growing Better: Ten critical transitions to transform food and land use*, 2019  
<https://www.foodandlandusecoalition.org/wp-content/uploads/2019/09/FOLU-GrowingBetter-GlobalReport.pdf>.

*“Prosperous, equitable, resilient and connected – that is what we want rural transformation to be.”*

Jo Puri  
Special Advisor, Strategic Initiatives, Office of the President and Vice-President, IFAD

*“This year’s assembly comes at a pivotal moment, as we approach the 2025 Fourth International Conference on Financing for Development in Seville, Spain. We have a unique opportunity to revisit the Addis Ababa Action Agenda and reimagine the future of ODA.”*

Maurizio Navarra  
GDPRD Secretariat Coordinator, IFAD

## Opportunities

Every dollar invested in agriculture can yield a substantial return in terms of development impact, while also providing great value for money to investors. **Shifting the narrative to highlight the investment and financing opportunities in agriculture and food systems is key to rural revitalization.**

To turn these opportunities into concrete investments in food systems, especially in fragile countries and contexts, **donors must examine how they can deliver aid more efficiently and effectively, harmonizing their policies and strategies to ensure that each dollar spent has a catalytic effect.**

Alongside traditional ODA, innovative approaches to financing must be leveraged to deliver catalytic financing to critical sectors and fragile regions.

The most urgent need is for catalytic development financing, especially for small and medium-sized enterprises (SMEs). Increasing private sector investment in rural areas is vital, with the public sector playing a key role in reducing investment risks. The public and private sectors must work jointly on tackling existing structural and policy constraints on financing.

Ultimately, better alignment between public, private and international development financing will be key to increasing the scale and impact of investments in food systems and rural development.

## Quotes

*“Agriculture represents a tremendous opportunity. With the right economic support, it can drive economic growth, poverty reduction and food security.”*

Federica de Gaetano  
GDPRD Chair, and food security and rural development expert, Italian Agency for Development Cooperation



*“As donors and development actors, we should take a moment to look at how we are delivering aid and dispersing it. With ODA, we only have US\$20–30 billion per year which can be directed to food systems, so we need to be economical and we need to be smart. This requires cooperation and coordination.”*

Bruce Campbell

GDPRD Co-Chair; Senior Policy Advisor, Food Systems Section, Swiss Agency for Development and Cooperation (SDC); and focal point, SDC Agriculture and Food Systems Network – Switzerland

## Key messages and takeaways

- The financing gap cannot be closed without the private sector. However, expectations about the volume and scale of private sector investment must be realistic and stakeholders need to take a longer-term view.
- Discussions on increasing private sector investments in food systems must address how these investments can be de-risked.
- Blended finance approaches have significant potential, but more innovative partnerships between donor agencies and development finance institutions are needed to effectively tackle existing challenges.
- The public and private sectors need to work more effectively together to pool resources and address emerging challenges in financing food systems and rural development. They must improve their engagement with smallholder producers. Companies already working with smallholder producers are able to connect them to global value chains and ensure they are fairly paid.
- It is critical to monitor and assess the impact of new and emerging financial innovations. Discussions on the profitability of investments must go hand in hand with clarity about whether or not these investments are raising living standards and improving lives.

## Quotes

*“We have the tools. We don’t need a lot more innovation on tools. We know how to reach small and growing businesses. We know how to invest in the agriculture sector. But to go to the hard places, you need more – more blended finance, more concessionality and more patience.”*

Chris Isaac

Chief Investment Officer, AgDevCo

*“By looking at the international financial architecture, it is possible to see so many innovations and it is critical to look at their impact. There are two issues to consider: first, the investment of money and its profitability, and, second, being sure we are raising living standards.”*

Attiya Waris

Professor of Fiscal Law at the Faculty of Law, University of Nairobi, Kenya, and UN independent expert on foreign debt and human rights in 2021

# PART 2 – FINANCE AND DONOR APPROACHES

## Thematic perspectives from land governance, rural youth employment and data for SDG2

- Current funding for agriculture and rural development is fragmented and focused on short-term projects. **The focus must shift from merely the quantity of finance to its quality**, to ensure that resources reach the people who need them most.
- Donor and development partners must **integrate social and environmental considerations** into financial strategies and target financial flows into specific subsectors, based on local needs.
- There is growing interest in private sector funding for agriculture and rural development, but it is **crucial to clarify if and how these investments contribute to food systems, rural development and the sustainability agendas**.
- **Engaging more effectively with local governments is critical, especially to create a strong and enabling environment that can make agrifood SMEs more bankable and lending to them more attractive to investors.**
- In **fragile states**, multilateral development banks and development finance institutions **must have a higher risk appetite, provide concessional liquidity and step in to support the private sector**. De-risking tools and donor support are essential in contexts where data infrastructure is weak and market research is needed.
- **Centralizing and harmonizing data platforms for donor information is essential.** Donor support for data and market research is also critical to engage and sustain investor interest and investments.
- In agriculture and rural development, **governments must balance subsidies** to avoid hindering private sector investment while fostering an environment that supports the operational stability and liquidity of commercial banks.

## Special session: Three young entrepreneurs share innovative financing approaches from Kenya, Rwanda and Uganda

- Young entrepreneurs struggle to access local financing due to bureaucratic hurdles with banks, where loans often require high collateral. In addition, businesses are vulnerable to external shocks, and the lack of insurance and support makes investing in agripreneurship a daunting prospect for rural youth.
- Governments and investors must address the challenges faced by young agripreneurs by putting in place support mechanisms and incentive schemes. Young entrepreneurs must have access to information on investment opportunities before they start their ventures.
- Innovative financing approaches such as blended finance, impact investing and results-based financing have significant potential, but to be effective these mechanisms must cater to the needs of rural youth and agripreneurs.
- Donors must support financing solutions that target youth engagement, decent job creation and economic growth, while supporting a shift towards more sustainable and resilient agrifood systems.

### Quotes

*"Banks want land as collateral – often they want as much as four times as much land as what the loan is for."*

Moreen Nyakato  
Chief Executive Officer, Greeco Organic Farm, Uganda

*"This is common for all youth ... approaching the bank without collateral and a historical background in finance ... the doors cannot be opened for you to get a fund to start your business."*

Nsengiyumva Prosper  
Chief Executive Officer, Avocado Oil Industries Ltd

*"Businesses are struggling to get past that first initial phase of starting their businesses. There is work to do in this area."*

Vanessa Nzabamwita  
Investment Lead, One Acre Fund

## Special session: Redefining and enhancing the quality of finance for sustainable development – How to better reach Indigenous Peoples and local communities

Global crises such as climate change, conflict and economic instability are intensifying, making the need to transform ODA into a tool for long-lasting, locally led change in recipient communities even more urgent.

- At a local level, Indigenous and other communities face challenges in accessing financing due to language, compliance and credibility requirements. Capacity-building to access grants and loans is critical to bridge the last mile of financing and make it more accessible.
- Donors must adopt flexible approaches when mobilizing resources for Indigenous Peoples and local communities. Standard compliance procedures may not be fit for Indigenous organizations. Donors should create conditions that allow these organizations to access funds in ways that align with their local structures, systems and practices.
- Land reform remains a critical piece of the puzzle, but it is also the most complex and challenging area for donors and development actors to engage with.

### Quotes

*“The issue Indigenous Peoples are facing here is an issue of confidence. When 90 per cent of funding is through intermediaries, it means you do not have confidence in Indigenous Peoples. It is not our fault we live in communities that don’t have a bank or access to the internet, that we did not go to school to write reports, that we don’t speak English, French, Portuguese or Spanish. All this needs to be taken into consideration when donors try to work with Indigenous Peoples.”*

Basiru Isa

Network of Indigenous and Local Communities for the Sustainable Management of Forest Ecosystems in Central Africa

*“This is not a discussion about money. This is a discussion about impact. The real risk here is that if money is not reaching [Indigenous Peoples and Local Communities], we are not able to have an impact in terms of combating climate change, protecting biodiversity and ensuring sustainable development.”*

Birgitte Feiring

Independent consultant, The Christensen Fund



*“We do not have to protect Indigenous Peoples only because they are guardians of forests and lands but also because they deserve to have their lands protected. Donors’ mentality needs to adapt to this reality; they need to consult Indigenous Peoples to take decisions, and that means at all levels – donors, intermediaries and coalitions.”*

Cristina Timponi Cambiagli

Senior Global Policy and Advocacy Specialist, International Land Coalition

## Finance coordination and data methodologies

Addressing financing gaps and improving financial flows from the public and private sectors is key to transforming food systems and rural areas. However, **effective resource allocation is impossible without reliable data to identify where resources are needed most.**

**Challenges** in data collection include defining the metrics to be measured and determining the appropriate timing for financial flow assessments. Transparent and standardized methodologies are crucial to ensure accurate tracking and reporting, which in turn facilitate better coordination among governments, donors and organizations.

Tools such as **Financial Flows to Food Systems (3FS)** – co-developed by IFAD and the World Bank, in collaboration with the UN Food Systems Coordination Hub – address critical gaps in data on food systems financing. 3FS demonstrates the value of donor collaboration on pooling resources and knowledge to develop financing solutions that support effective resource mobilization for the Sustainable Development Goals.

# EMERGING MESSAGES FROM THE ANNUAL GENERAL ASSEMBLY

- **Shifting the narrative:** Reframing the financing gap as an opportunity to invest in agriculture and food systems can be a game-changing approach to attracting more public and private sector financing.
- **Bridging the gap between the public and private sectors:** Development partners need to transition to integrated financing approaches. This requires greater collaboration and coordination between the public and private sectors.
- **Breaking down siloed and sectoral approaches:** To address hunger, nutrition and SDG 2 comprehensively, donors and development actors must work to break down institutional and sectoral silos.
- **Addressing the last mile of financing:** Investing in agrifood SMEs is vital for rural transformation and youth employment. Donors and private sector actors must collaborate to eliminate the barriers that hinder rural communities and young agripreneurs from accessing local financing.
- **Learning, investing and scaling up successes:** Investing in monitoring and evaluation of blended and innovative finance approaches is critical to identify successful strategies and understand how they can be scaled up.
- **Creating an enabling environment:** Donors must work more effectively with local governments to create an environment that supports increased public and private sector financing for food systems, with a particular focus on policies around land reform and on support for youth, SMEs and agripreneurs.
- **Improving access to data:** Tools such as 3FS and emerging technologies can help identify the areas where funding is most needed and can be used more efficiently. Catalytic funding and support for market research in fragile contexts can boost private sector investment and reduce risks. Finally, enhancing the monitoring and evaluation of ongoing initiatives and sharing lessons learned are crucial.
- **Bridging communication gaps:** There is a disconnect between the priorities and language of donors, rural entrepreneurs and Indigenous Peoples. To address this, it is essential to engage more effectively with local organizations and improve communication, fostering meaningful collaborations that align resources with actual community needs.

## The GDPRD's priorities and the way forward

Donors will convene in Seville, Spain, from 30 June to 3 July 2025, for the Fourth International Conference on Financing for Development (FfD4). The conference will bring together governments, donors, organizations, businesses and civil society to discuss how to improve the global financial architecture.

Building on these emerging messages from the AGA, the GDPRD will support its members to engage strategically in FfD4 and other key global events, including the Nutrition for Growth Summit, the UN Food Systems Summit Stocktaking Moment and COP 30. The GDPRD will publish a **white paper** in 2025 on financing food systems transformation and rural revitalization. The paper will synthesize existing research and recommendations from GDPRD reports and will focus on financing narratives, risk tolerance, innovative financing mechanisms, enhancing coordination, and emerging trends such as digitalization and artificial intelligence. A strategic convening will be held before FfD4 to discuss actionable steps for donors in response to reforms in the international financial architecture for development.

*The agenda for the 2024 Annual General Assembly is available online at:*

<https://www.donorplatform.org/wp-content/uploads/2024/12/AGA2024-Programme-26NOV2025.pdf>.

*Annual General Assembly website:*

<https://www.donorplatform.org/event/gdprd/annual-general-assembly-2024/>