



# **Donor and Investor Convening**

## **Boosting Food Systems Transformation through Agroecology**

20-21 October 2023, Rome

### **Executive summary**

In a world grappling with formidable challenges such as biodiversity loss, ecosystem degradation, growing malnutrition, inequality and climate change, securing sustainable food sources has emerged as a paramount concern. The imperative to reconstruct our food systems into more sustainable, productive, resilient and equitable systems cannot be overstated. Agroecology, including regenerative agriculture rooted in all of the 13 principles of agroecology defined by the High-Level Panel of Experts (HLPE) of the Committee on World Food Security (CFS), can be a powerful lever for solving these major challenges.

On 20 and 21 October 2023, more than 70 donors and investors met in Rome in advance of the Committee on World Food Security deliberations to discuss how to boost food system transformation through investing in agroecology. This meeting was attended by government members of the Agroecology Coalition, bilateral and multilateral development cooperation agencies, multilateral development banks and financial institutions, private philanthropic organizations and impact investors. The energy in the room was impressive. It demonstrated both the robust political endorsement as well as a strong appetite to better understand how we can link the different funding opportunities to the various financial needs of an agroecological food system transformation.

As indicated by a forthcoming study of the Global Alliance for the Future of Food, we're nowhere close to attending to the financing needs of transforming our food systems towards more regenerative and agroecological ones. To successfully make this transition, investments needs are estimated around \$430 billion annually, whereas actual investments are at around \$44 billion - that is 10 times less than what's needed. But the target becomes much more attainable when we look at what's already being spent on harmful agricultural subsidies - more than \$400 billion a year. The transition costs dwarf when compared to the \$12-19 trillion dollars estimated in negative externalities of our current mismanaged food systems, in other words, the cost of business as usual. The imperative for increasing investments - public, private, and philanthropic - in agroecology is clear.

An increasing number of governments from different regions are launching ambitious agroecology strategies and policies. International financial institutions are increasing their knowledge on how their investments contribute to an agroecological transformation, and it is expected that their investments will increase to accompany transitions at the national level. Donor agencies and philanthropic organizations are tailoring their programs to this ongoing momentum, exploring how to be catalytic and supportive of public and private investments.

One of the main discussions in the meeting was to explore which kind of investments are needed for which aspects of agroecological transformation. Participants acknowledge that agroecology is a deep and systemic approach, and therefore requires more holistic thinking, more patient capital that is flexible and long-term (beyond the usual 3-year project cycles) funding, and more participatory and inclusive approaches that support the agency of those that are leading agroecology transitions on the ground. Here investments are critical in farmers organizations and networks, small and medium enterprises, social movements, and the enabling ecosystems of actors providing technical assistance, market support, and other types of support.

Whereas private investments will certainly expect financial returns, we must recognize a) that some capital will have to take higher risks (and to get there, public finance institutions can help private investors can come in), b) that grants will be needed to support certain enabling factors (and come up with types of grants that are fit for in a given phase of transition), and c) that returns will need to be assessed beyond a financial dimension only. We need to call on and mobilize national and multilateral development banks to invest in agroecology - this is where the frontier of agroecology investments currently is.

This underscores the need for diversity in our investment approaches -> a diverse ecosystem of funders, connected and aligned with each other, funding the diversity of approaches to a robust agroecological transformation, rather than isolated projects.

Increasing investment in agroecology is also not simply about mobilizing new money. It is also about shifting existing funds in the right direction (e.g., repurposing agriculture subsidies currently allocated to high-input agriculture); about exploring impact investments and divestment from unsustainable practices, and about promoting internal alignment and coherence within institutions - both public and private financing institutions. Networking, shared metrics and evaluations will be key, as will be fund pooling and alignment. This is true of the national level as well where Finance, Budget, Development, Planning, Agricultural and Environmental Ministries must find common ground.

We concluded the meeting assessing how to support this collaboration into the future. Participants agreed unanimously to use a common tool to track agroecology investments and that the Agroecology Coalition's working group on finance and investments is best placed to host the work going forward. With that we have taken an important step towards deepening collaboration amongst us, which is a pre-condition for the food systems transformation so urgently needed.