



# Leveraging the Pivotal Role of Public Development Banks (PDB) for green and Inclusive Food Systems

*7 September 2021*



# Background of the PDB Working Group and Platform

- To accomplish the 2030 Agenda and the objectives of the Paris Agreement, there is a need to **transform food systems** to deliver healthy people and planet, which requires US\$300-350 billion extra per year over the next decade
- Public Development Banks (PDBs) can contribute to the goal by:
  - mobilizing sustainable and green finance
  - structuring blended solutions and public-private financing schemes
  - developing and using solid metrics and methodologies
  - adopting digital solutions
  - delivering a suite of financial services and products to different types of clients in food systems
  - .....
- However, many PDBs lack the relevant capacity and resources, so there is an urgent need for PDBs to
  - build capacity, e.g. financial management, product development and service delivery, risk assessment and management, M&E. This could be done through learning and share practices, knowledge, experience with peers
  - Embrace good governance practices which have lead to failure of several PDBs
  - leverage partnerships to gain access to technical assistance and capital, optimize use of their balance sheets

# Key Milestones

- November 2020**
- **First edition of the Finance in Common Summit (FiCS1):**
    - Aimed to re-orient investments of the world's PDBs to fully contribute to the 2030 Agenda and the Paris Agreement objectives
  - **Joint Statement by a 'Cluster' of PDBs**
    - In the lead-up to FiCS1, IFAD convened a 'cluster' of PDBs with a mandate in **agriculture and rural development**
    - Cluster members submitted a joint statement to the Summit, advocating for investing in sustainable food systems
    - Cluster members agreed to continue to meet as a **Working Group** ('Finance in Common Working Group on Financing Sustainable Food Systems') to share knowledge and practice
- January 2021**
- **Working Group Meetings**
    - Under IFAD's leadership, the Working Group continued to meet every 2 months: 3 meets held so far
    - Discuss major challenges and opportunities facing PDBs and issues of common interest
- September 2021**
- **UN Food Systems Summit (FSS)**
    - PDB Platform emerged as one of the promising Proposals from the various dialogues
    - Through the FSS, member states, private sector organizations, academia and research institutions, civil society and PDBs are encouraged to join a **'Coalition of Action for Inclusive and Sustainable Food System Finance'**
- October 2021**
- **Second Finance in Common Summit (FiCS2)**
    - PDB Platform will be a major focus
  - **Design and Operationalization of the PDB Platform**

# Designing and operationalization

## Next steps

- Continued outreach with current and potential new partners
- Platform positioning: rural development, agriculture development , smallholders, private sector enterprise and investors
- Business model and value proposition for members, donors, investors, etc.
- Define governance, operations, M&E, etc.
- Articulate alignment with IFAD's priorities and IFAD 12 narrative/ objectives

## Background work

- Global study on PDBs with a critical focus on potential and challenges of PDB role in sustainable food system finance
- Critical review of PDBs focused on IFAD's experience supporting PDBs

## Set up

- Internal IFAD cross-departmental working group
- External working group
- Define platform development work plan

# Conclusion

- PDB Initiative has a great potential to accelerate action to achieve inclusive and sustainable food systems through coordinated action.
- It is based on the demand of the PDBs. IFAD is using its convening power to ensure greater interest, buy-on but also progress and results delivery.
- Synergies will be sought with IFAD programs and initiatives but also with PDBs and other partners
- Priority is to deliver sound design and operationalization

# Thank you!

