

Informal Consultation:

Leveraging the Pivotal Role of Public Development Banks (PDB) for sustainable food system transformation

Date: 7 September 2021

Time: 15:00 – 16:30 (Central European Summer Time); Venue: Held Virtually via Zoom

Concept Note

Background. Recent estimates suggest that transforming food systems to deliver healthy people, a healthy planet, and a healthy economy will require US\$300 – US\$350 billion extra per year over the next decade. Meeting these needs will require scaling up and enhanced coordination between all sources of finance to work together in alignment with the 2030 Agenda and the objectives of the Paris Agreement, adapting their business models to step up investments at a global scale.

With their development mandate and close proximity to public policy and governance institutions, Public Development Banks (PDBs) have a particular responsibility to catalyze a change of course across local and global financial ecosystems. This includes mobilizing sustainable and green finance, structuring blended solutions and public-private financing schemes, developing and modelling the use of solid metrics and methodologies, adopting digital solutions, and delivering a suite of financial services and products to different types of clients in food systems, notably those who are not currently served by existing players such as small-scale producers, women and youth.

However, many PDBs currently lack the capacity to do all or part of the above – while others are at the forefront of good practice and innovation. This provides significant opportunities for collaboration to leverage the role of PDBs as strategic actors that can help bridge the financial gap to achieve transformative change in food systems. Over the past year, the momentum around unlocking the potential of PDBs has been growing.

Key milestones in those discussions have included:

1. **First edition of the Finance in Common Summit (FiCS1).** France convened FiCS1 on 10 – 12 November 2020, which aimed to re-orient investments of the world's PDBs to fully contribute to the 2030 Agenda and the Paris Agreement objectives across all sectors.
2. **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 and agreed to continue to meet as a Working Group to share knowledge and good practice and to jointly advocate for the importance of investments in inclusive and sustainable food systems.
3. **Working Group on Financing Sustainable Food Systems.** Under IFAD's leadership, this Working Group on '*Finance in Common Working Group on Financing Sustainable Food Systems*' has continued to meet once every two months during 2021, to discuss major challenges/opportunities facing PDBs. During a recent Food Systems Summit Dialogue on *Financing the transition towards inclusive, sustainable food systems: the role of Public Development Banks* co-hosted by IFAD and the African Development Bank on 17 March 2020, PDBs expressed the need to develop a Platform, including to address existing knowledge and data gaps.
4. **The evolution of a PDB Platform and Coalition.** Building on this initiative, preparatory work has been ongoing to inform the design of a robust platform for accelerated learning, innovation, mobilization and deployment of capital and services. This Platform is expected to be a major deliverable of both the UN Food Systems Summit (FSS) and second Finance in Common Summit (FiCS2). 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*'. This Coalition will ground the establishment of a PDB Platform with strong partnerships, ensuring linkages to G20 and COP.

Objectives of this session. In the lead-up to the FSS, FiCS2, G20 Leaders' Summit and COP26, the International Fund for Agriculture Development (IFAD), in partnership with the Agence France de Developpement (AFD) and Cassa Depositi e Prestiti (CDP) are convening this informal consultation to provide an update on the evolving PDB initiative, including linkages with key 2021 global events, i.e. the FSS, FiC2, G20 Summit and COP26. The event is also meant to seek feedback and idea to inform the way forward.

Format. The session will be virtual, with opening remarks from AFD, CDP, FIRA and IFAD (30 minutes), followed by an interactive Questions & Answers segment (1 hour).