

## **171st Session of the Council**

### **Item 4: Update on the Hand-in-Hand Initiative**

The Hand-in-Hand Initiative<sup>1</sup> achieved a major milestone by holding its very first investment forum during 18-19 October 2022, in Rome. The forum provided a platform for 20 countries<sup>2</sup> to present impact investment opportunities to multilateral development banks, private companies and donors. Three special regional initiatives were also presented for prospective investors.

With a total estimated investment of USD 3 billion, the forum kicked off earnest mobilization efforts, including USD 500 million commitment from the World Bank to support Bangladesh's efforts as part of the Government-led Agriculture Transformation Program. Brazil led off the regional initiative for the Dry Corridor with an initial investment of USD 1 million. Ecuador has committed USD 45 million from its national budget to upgrade its agriculture value chains. Countries are following up with requests for further engagement.

#### **Select Country Progress**

In preparation for the investment forum, 20 countries spent months drawing up investment plans based on integrated geospatial, bio-physical and socio-economic analysis, and a market-oriented agrifood systems approach that are the hallmark of the Hand-in-Hand Initiative. Below are some highlights.

- Bangladesh: Through the Agriculture Transformation Plan, the Government of Bangladesh aims to boost food self-sufficiency and access to markets, build resilience, and protect land and soil resources. The Government seeks USD 2.9 billion and has already successfully mobilized USD 500 million from the World Bank and USD 43 million from IFAD.
- Ecuador: The Ecuadorian Government has used Hand-in-Hand to promote agriculture as part of the National Agricultural Plan. Specifically, it plans to develop avocado and cocoa value chains to raise productivity and incomes, and create off-farm jobs. As part of an effort to raise USD 300 million to implement the plan, the Government has allocated USD 45 million of the national budget for value chains development.
- Zimbabwe: The Government of Zimbabwe has developed an agrifood systems transformation agenda, with the goal of tripling agricultural trade, cutting poverty by half, and building resilient and inclusive food systems. It seeks to raise investment to scale up irrigation systems, develop tomato value chains, and build banana packing stations.
- Ethiopia: The Ethiopian Government started the development of Integrated Agro-Industrial Zones to modernize its agriculture sector and accelerate economic development. The Hand-in-Hand support has prioritized two territories for immediate support and is strengthening the inclusion of smallholder producers.

#### **Special Regional Initiatives**

- The goal of the Sahel Regional Initiative is to complement ongoing efforts of countries, regional bodies and development partners. It amplifies the existing efforts to direct resources to where they can have maximum impact. It comprises three pillars of improving water management and governance, protecting productive assets on land and building resilience, and strengthening institutional capacities.

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<sup>1</sup> As of October 2022, 54 Members have joined the Initiative. For more information, visit <https://www.fao.org/hand-in-hand/en>.

<sup>2</sup> Burkina Faso, Congo, Ethiopia, Mali, Niger, Sao Tome and Principe, and Zimbabwe from Africa; Bangladesh, Bhutan, Lao PDR, Nepal, Solomon Islands from Asia and the Pacific; Guatemala, Ecuador, El Salvador, Haiti, Honduras, Nicaragua, Peru from Latin America and the Caribbean; and Yemen from Near East and North Africa participated.

- The Central American Dry Corridor initiative aims to tackle poverty and food insecurity challenges by building resilience in the region. Investment plans are centred around technological innovation on water, soil, climate risks, and assisting small- and medium-sized agribusinesses. The Government of Brazil has given an initial support of USD 1 million.
- The Panama Canal facilitates key routes in global agrifood trade, with soybeans, grains and bananas as major commodity groups traded. Establishing new food storage or processing facilities in Panama could bolster agricultural trade further and connect Latin American exporters with Asian importers more easily.

### **Global Communications Strategy**

A global-level communications strategy was developed to capture and promote the progress of Hand-in-Hand. It sets out to boost Hand-in-Hand's capacity to engage investors, donors and partners, and provides a roadmap to amplify Hand-in-Hand's strengths. It is crucial to promptly execute the communications strategy to build on the momentum created during the investment forum to facilitate partnerships between countries and investors, and build consensus on the strategic measures needed to transform agrifood systems.

### **The Next Steps**

- Countries are using Hand-in-Hand tools, such as typology maps and data analyses, at a more local or provincial level to identify their planning and investment needs. As such, additional monitoring and support from FAO is necessary.
- Following the investment forum, more opportunities to deepen engagement between countries and investors are needed. Prospective investors also gave feedback that countries' investment proposals emphasize climate-smart approaches.
- There is a strong need to accelerate the development of performance management and evaluation dashboards to strengthen coordination and maximize impact.

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