



Global Donor  
Platform for  
Rural Development

**CFS: Collaborative Governance Dialogue on  
Financing for Food Security and Nutrition**

**Catalysing the Future Financing  
of Food Systems Transformation**

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# Food systems are facing critical challenges



## Food security and health

Cost of malnutrition  
~US\$5.3 trillion/year  
(5% of global GDP)



## Livelihoods poverty and inequality

30% of the world's population cannot afford a healthy diet



## Climate change and environment

>30% GHG emission are from agrifood sector

**The hidden cost of food is ~12 trillion US\$/year**

# The basic story

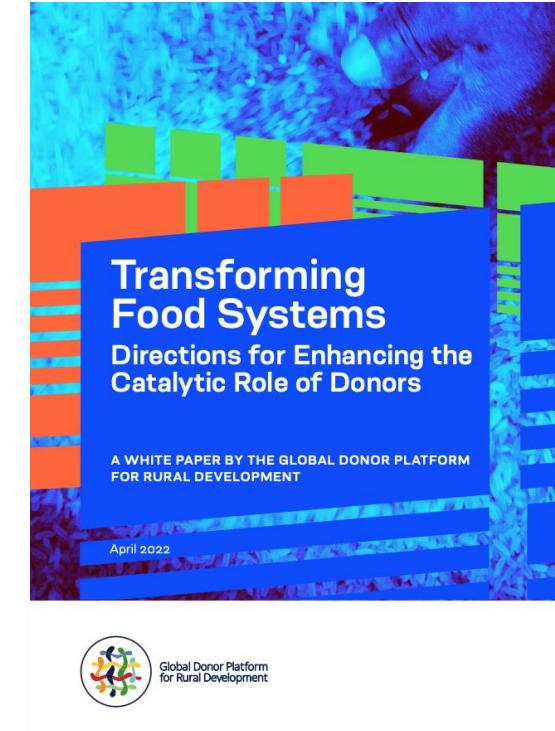
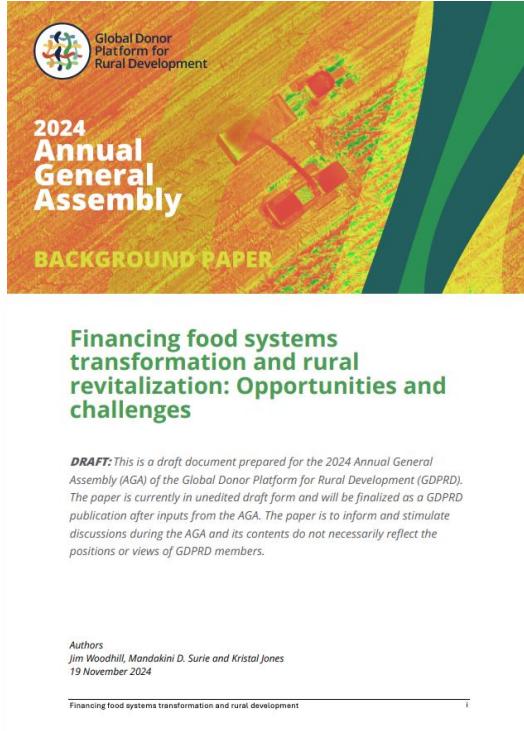
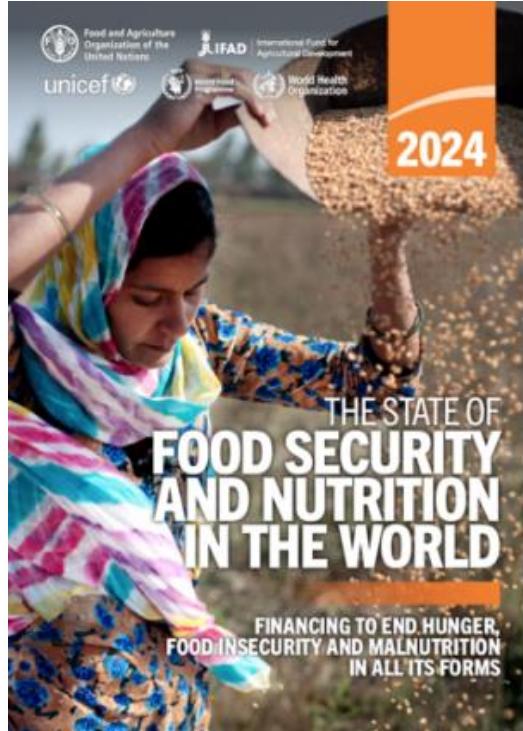


Public financing must be **catalytic**

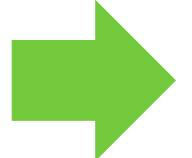
Public resources must be **repurposed**

**Coordination** is critical

# Background documents



Upcoming

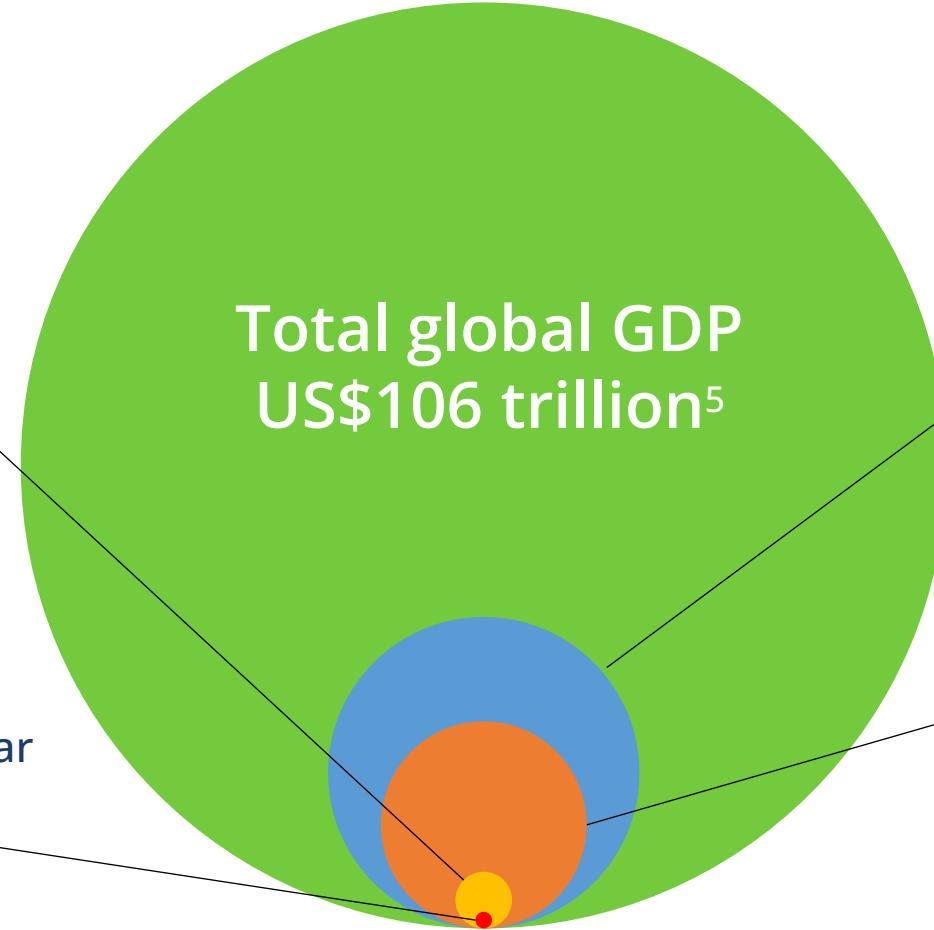


GDPRD 2025 White Paper on Financing Agri-Food Systems

# Costs of transformation

Cost of transforming  
food systems:  
~US\$400 billion/year  
(0.4% of global GDP)<sup>1</sup>

Cost of achieving SDG2:  
~US\$33 billion additional/year  
(0.03% of global GDP)<sup>2</sup>



The hidden cost of food:  
~US\$12 trillion/year<sup>3</sup>

Cost of malnutrition:  
~US\$5.3 trillion  
(5% of global GDP)<sup>4</sup>

# Investing in transformation

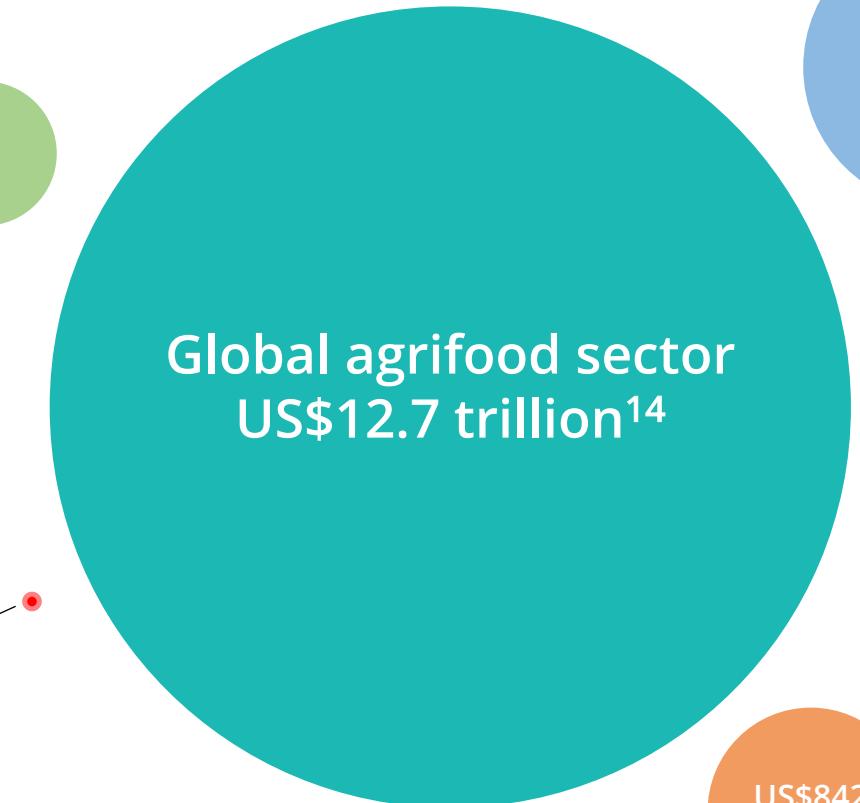
## Current investments

Investment by informal producers and SMEs in L&MICs:  
US\$412 billion<sup>6</sup>

Climate finance to agrifood sector:  
US\$28 billion (<5%)<sup>7</sup>

ODA to agriculture, forestry and fisheries:  
US\$14 billion annually<sup>8</sup>  
(5-6% of ODA,  
0.012% of global GDP)

Private capital leveraged by blended finance:  
~US\$240-500 million/year<sup>9</sup>



## Potential investment sources



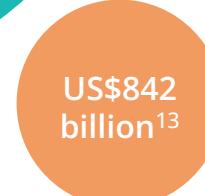
Impact investing



Climate finance



Remittances



Agricultural support

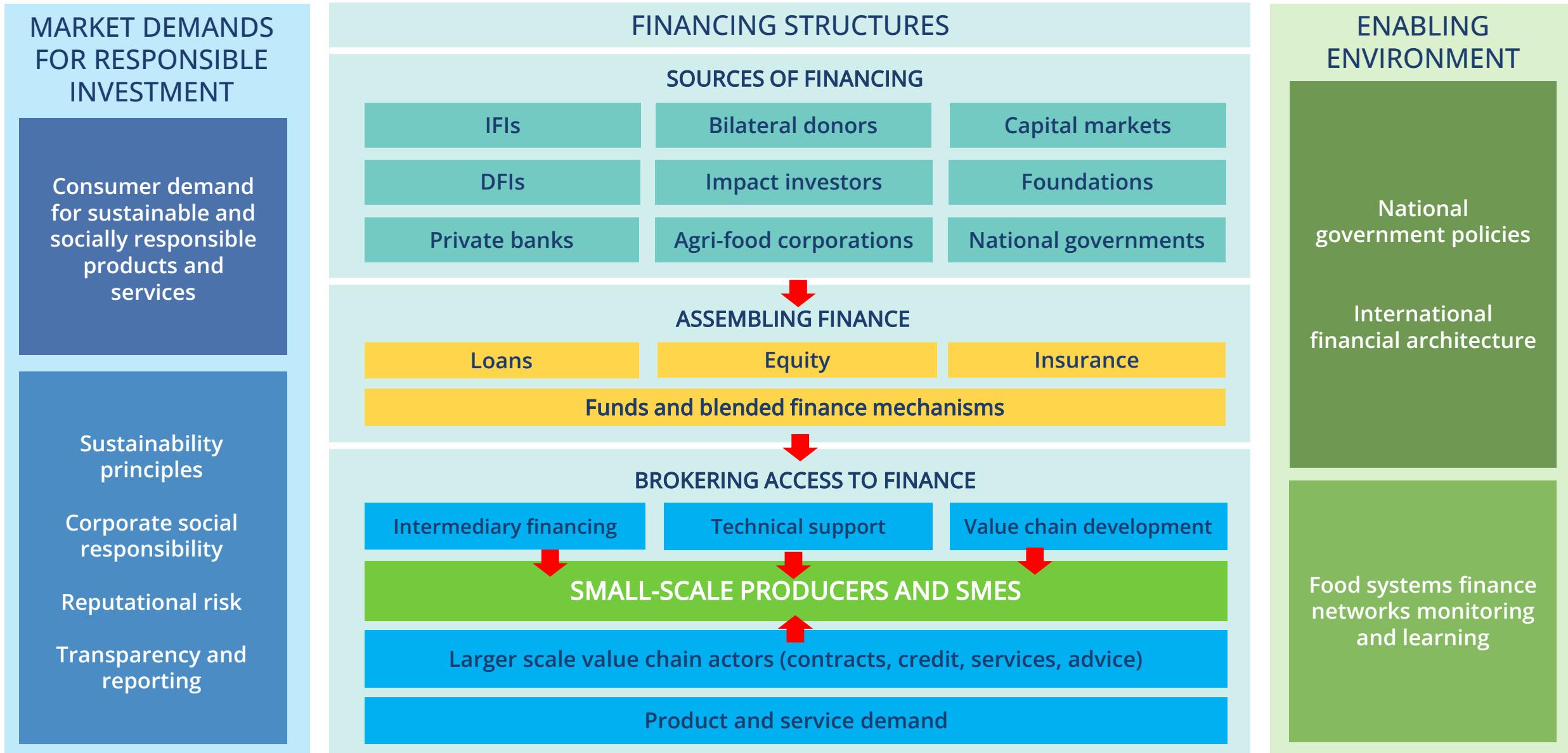
# Innovative financing

## Financing mechanisms

- Pooled donor/FI/private finance funds
- Bonds
- Impact investing
- Loans / concessional loans
- Equity investment
- Guarantees
- First loss
- Insurance
- Technical assistance
- Supply chain finance

**Innovative and blended financing**

# Emerging ecosystem of innovative finance for food systems



# In a nutshell

1

**Shift** the narrative

2

**Mitigate** risk

3

**Coordinate, coordinate, coordinate**

# References for costs of transforming food systems

1. There are substantial variations in estimated costs of transforming food systems for improved nutrition, livelihoods, sustainability and climate adaptation. These range from US\$24 billion for climate adaption to nearly US\$1 trillion for the costs associated with enabling all people to afford a healthy diet. Based on these estimates, US\$400 billion/year is a mid-range value that would presumably enable substantial progress on food systems transformation.

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(There are a range of studies assessing the cost of malnutrition in all its forms to overall GDP at national and global levels. The 2013 assessment by FAO (State of Food and Agriculture) of 5% of Global GDP is used here and adjusted to 2023 Global GDP of US\$106 trillion.)

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6. FAO, IFAD, UNICEF, WFP and WHO. 2024. *The State of Food Security and Nutrition in the World 2024 – Financing to end hunger, food insecurity and malnutrition in all its forms.* Chapter 4.1. Rome. <https://openknowledge.fao.org/server/api/core/bitstreams/39dbc6d1-58eb-4aac-bd8a-47a8a2c07c67/content/state-food-security-and-nutrition-2024/tracking-financing-food-security.html#gsc.tab=0>

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8. Laborde, D., Smaller, C., Eber-Rose, M. & Olivetti, E. 2024. "Donors must change how they measure funding for agriculture and food security and link to climate action." Shamba Centre for Food & Climate. <https://www.shambacentre.org/donors-must-change-how-they-fund-agriculture-and-food-security#:~:text=In%202021%2C%20more%20than%2080%20of%20the,for%20agriculture%20and%20food%20security%20in%202021%2C>

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# Thank you

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