



A UN FOOD SYSTEMS DIALOGUE: FINANCING FOOD SYSTEMS & NUTRITION TRANSFORMATION

Post Event Report, February 2021

A multi-stakeholder dialogue with financial institutions, foundations, investors, and entrepreneurs to identify and discuss the barriers to private capital investments in nutrition, as well as explore and develop new solutions for increasing these investments across the food system, including innovative financial products, prioritizing nutrition impact as well as an adequate financial and social return on investment.

Convened by:



01.

Dialogue Summary

Co-Conveners:

Food Systems for the Future, The Eleanor Crook Foundation, Rabobank, Global Alliance for Improved Nutrition, Partnership for a Healthier America, The International Fund for Agricultural Development, Scaling up Nutrition, and The Annenberg Foundation Trust at Sunnylands.

Date and Venue

Friday, February 12, 2020; Online

Number of attendees

Around 140 attendees registered for the dialogue, and nearly 120 individuals participated in this event. The average participation duration (i.e., how many minutes participants were 'in the room,' on average) was 128.5 minutes.

OVERVIEW

This event was organized as a multi-stakeholder dialogue with financial institutions, foundations, investors, and entrepreneurs to identify and discuss the barriers to private capital investments in nutrition, as well as explore and develop new solutions for increasing these investments across the food system, including innovative financial products, prioritizing nutrition impact as well as an adequate financial and social return on investment.

The objective of this dialogue was threefold:

- To develop a shared understanding amongst stakeholders of the challenges and solutions for overcoming negative lending and investment capital access issues as experienced by small and medium enterprises (SMEs) seeking financing in the food and agriculture sector, specifically enterprises with potential for nutrition impact (i.e., ensuring equitable access of nutritious foods for vulnerable populations across the globe, and particularly in low- and middle-income countries).
- Engage stakeholders from across multiple financial sectors to identify and create new solutions and incentives for addressing short-term and long-term finance gaps for healthy, affordable food production, distribution, and consumption.
- Identify policies, metrics, and other support required to affirm asset owners' and managers' commitment to investment in scaling up innovative food and agriculture businesses capable of generating nutrition impact and financial return.

Dialogue Format

Before participants were moved to their respective breakout sessions there were opening remarks delivered by five Keynotes speakers including: *Agnes Kalibata*, UN General Secretary Special Envoy for the Food Systems Summit (UN FSS); *Wiebe Draijer*, Chairman of the Managing Board at Rabobank; *Alvaro Lario*, Associate Vice-President, Chief Financial Officer at the International Fund for Agricultural Development (IFAD); *Will Moore*, CEO at Eleanor Crook Foundation; and *Lawrence Haddad*, CEO at the Global Alliance for Improved Nutrition (GAIN).

The opening remarks and event were moderated by *Ambassador Ertharin Cousin*, Founder and CEO at Food Systems for the Future Institute, Distinguished Fellow of global food and agriculture at the Chicago Council on Global Affairs and a Visiting Scholar at Stanford University's Center on Food Security and the Environment.

After the opening remarks participants were moved into their respective breakout sessions that were pre-assigned to them based on the pre-event survey. The dialogue comprised 6 breakout sessions with an average of 15 discussants per session. Each breakout session was given 60 minutes to discuss their respective theme topics. The dialogue was structured to foster in-depth discussions on identifying game-changing solutions for consideration and possible inclusion in UN Food Systems Summit outcomes.

Dialogues Themes/Discussion Topics

Each breakout session related to core themes around financing food systems and nutrition transformation, with a particular focus on global food and nutritional security. Central themes and discussion topics included:

1. Key challenges and possible game-changers for access to finance for agri-SMEs operating within food value chains.
2. The role of blended capital structures in de-risking and enhancing investments in the food and agri-SME space.
3. Challenges, trends, and promising solutions in smallholder finance.
4. Generating investable asset classes around nutritious foods.
5. The role of nutrition impact metrics as facilitators of alignment among investors, nutrition professionals, and agri-SMEs.
6. Connecting ideas, capital, and place: overcoming barriers for entrepreneurs to catalyze healthy, sustainable food access in economically disadvantaged communities.

Central questions of each session included:

- *What actions in next 3 years will have greatest impact on the Discussion topic?*
- *How will it be possible to tell if these actions are being successful?*
- *What are the divergences that are revealed and how to manage them?*
- *What contributions will our organizations make?*

02.

Breakout Sessions Outcomes

Each session facilitator was given 4 minutes to present a summary based upon their breakout session topic at the end of the breakout session, and a policy brief/outcomes detailed report was produced capturing all the important gamechanger solutions discussed in each breakout session.

The readouts presented by facilitators from each session were moderated by *Ambassador David J. Lane (ret.)*, President of The Annenberg Foundation Trust at Sunnyslands. At the end of the event there were remarks and response to readouts and call to action delivered by *Ambassador Gerda Verburg (ret.)*, Scaling up Nutrition (SUN) Movement Coordinator and UN Assistant Secretary-General.

Session 1.

Discussion Topic		Key challenges and possible game-changers for access to finance for agri-SMEs operating within food value chains	
Name of Facilitator & Note-taker	Ben Valk, Rabobank	No. of Participants: 15	
What actions in next 3 years will have greatest impact on the Discussion topic?			
<i>Direct tools and finance instruments</i>			
<ul style="list-style-type: none"> • Digital innovation a.o. to reduce transaction costs, filter deals, and link them to finance • Bundling finance with inputs, knowledge, marketing partnerships • Risk management – how to change the equation • Micro-loans • Smallholder financing through coops • An “Uber” for farm implements and TA • Size and cost of the investment case • Small ticket financing – ready for SMEs • Eligibility for incentives from governments • Nutrition-positive accelerator 			
<i>Other action improving finance for nutrition</i>			
<ul style="list-style-type: none"> • Role of SME in improving nutrition – support, pilots, financing • Better define the benefits across <i>all</i> outcomes of investments in nutrition-sensitive agriculture – also environment, social, etc. • Clearer investment policies and tools – including subsidies • Link nutrition goal to poverty alleviation role • Poultry, eggs in SSA • Long term investment, due to pay-back time of investments • Grains industry is very competitive and political • Partnerships: who is going to join us? • Innovation at serving lower-income consumers – rather than just medium and higher-income consumers • Technical support to build our business plan – and help us to deal with bureaucracy • Have both women and men have access • Adapt technology developed in Western countries • Working through cities • Follow the Food Systems Dialogues at the national level and find country-owned solutions, including demand-driven research • Network formation, peer benchmarking, access to resources • Food Systems Leadership approach • Making staple crops more nutritious 			
How will it be possible to tell if these actions are being successful?			
<ul style="list-style-type: none"> • Nutrition Key Performance Indicators • Income of farmers • Sustainability of the business (“are they still alive after 5 years?”) • Social returns: reduction of chronic diseases • Benefits for the entrepreneur • Benefits for the enterprise • Benefits on systems-level 			

- Country-level metrics
- Metrics on finance:
 - Cost of finance
 - Maturity available
 - Volume
- Gender-equity
- Need for “localized” metrics

What are the divergences that are revealed and how to manage them?

- Information asymmetry
- Poor infrastructure
- Risks – production, yield, weather
- Market infrastructure
- Internal SME issues: Financial controls, accounting etc.
- Expectations of returns and duration of the financing
- Micro-financing shows good repayments when based on proper support
- Women secure good repayment track records
- Connection between policymakers and SMEs is crucial → national FSD
- Assume more risk with development programs and learn of the failures
- Small tickets to overcome minimum amount for investment
- Lack of collateral, missing land rights or ownership structures
- Market dynamics require more flexible financing structures
- Knowledge with financiers
- Finance combined with capacity building – business case, how to deal with the market, how to work in a demand-driven way, how to deal with the public structure
- If you’re not “the best”, you won’t get finance – you have to be the winner – especially also when age counts
- Aid skewing the marketplace

What contributions will our organizations make?

- Nutrition Accelerator
- Networks connecting SMEs
- Capacity building offerings (systems leadership, food safety, marketing)
- Food Systems Innovation Hubs (also with WEF amongst others)
- Digital Finance Service Innovations and Platforms
- Financing Innovative Models for Small-scale Producers in PPP
- New Business Models for Urban and Rural Financing
- Equity Investment Fund for Nutrition-Focused SMEs
- Investment in and Capacity Building for National Banks, IFIs, and Value Chain Finance
- Digital Platforms for Finance, Knowledge, Capacity Building, Peer Benchmarking, Social Network Access, etc.
- Developing metrics that measure the impact of investment in nutrition
- SME Fund de-risking through first loss lending to SMEs
- Bringing “nutritious foods” SMEs together at the country level to address SME needs, to contribute, to learn, to share, and to advocate
- Collaboration with the NL Food Partnership
- Support SME Capital and Trade Finance through Centre of Government
- GlobalGro AgriFood Business Innovation Hubs

- Push the role of Digitisation and Tech
- Develop value chain finance funds with SMEs
- Support for government-led investments: agropoles/clusters, urban-rural linkages, processing clusters, etc.
- Solutions for protein value in SSA
- “Playbook” for investors to invest in emerging markets and build sustainable supply chain companies that increase access to protein to the most vulnerable
- Strong focus on financing poultry and eggs as one of the most immediate ways to mitigate under-nutrition and micro-nutrient deficiency.

Session 2.

Discussion Topic		The role of blended capital structures in de-risking and enhancing investments in the food and agri-SME space	
Name of Facilitator & Note-taker		Bettina Prato, SAFIN	No. of Participants: 18
What actions in next 3 years will have greatest impact on the Discussion topic?			
<ul style="list-style-type: none"> • Disaggregating the investors’ market and the areas of investment needs/recipients of finance in food systems and develop a clear mapping of what types of needs or investments are best suited to specific investors or types of capital. • Innovate in the product offering space, e.g. in designing and issuing large bonds that combine nutrition and other dimensions of sustainable food system impact. • Design blended structures with a deliberate agenda of data generation, financing innovation, learning, and informing policy, rather than just with an agenda of mobilizing capital on a time-bound basis. • Aligning metrics to make new investment products for food system capital (e.g. for nutrition and other areas of impact) both impact-meaningful and investor-meaningful, and not too complex. 			
How will it be possible to tell if these actions are being successful?			
<ul style="list-style-type: none"> • Cost of capital for agri-SMEs and smallholder farmers should be less than it is today • More capacity to invest in this space among national and local financial institutions • Company-level impacts for agri-SMEs in particular 			
What are the divergences that are revealed and how to manage them?			
<ul style="list-style-type: none"> • Challenges in data quality, data integration • Issues around the demand side are also important – progress requires also developing more absorptive demand for the capital that blending can mobilize among local financial institutions and investors. It also requires more capacity to absorb finance among agri-SMEs – who very often need a lot of TA investment not only to be bankable but also to deliver fully the positive food system impact they can potentially deliver- and more demand for nutritious foods. • Challenges in the incentive frameworks governing most blended vehicles and the time frame in which they typically operate, which does not encourage data generation, building local financial capacity, learning, or transparency in reporting. • Decisions about nutrition happen in complex environments at the household and individual level; we should not assume that fixing finance is going to solve that. • Local currency lending is another challenging area. • Market-level challenges affecting the capacity of nutritious foods that are not fully “up to standards” in terms of size or appearance to reach the markets where consumers who need these foods are located, with resulting losses in terms of nutrition but also of incomes for farmers/aggregators/transporters etc. 			

Session 3.

Discussion Topic	Challenges, trends, and promising solutions in smallholder finance	
Name of Facilitator & Note-taker	Suzanne van Tilburg, Rabobank David den Uyl, Rabobank	No. of Participants: 18
What actions in next 3 years will have greatest impact on the Discussion topic?		
<p>WB / FAO estimate 95% of farmers can be classified as smallholders (500 mln) producing 45% world's food, 70% of the food deriving from Africa, SE Asia, and Latin America. Despite constraints (training, logistics, cheap imports, climate change effects), they obviously put food at tables worldwide. Still: 700 mln people are hungry, 3 bln people lack access to healthy food, particularly in developing countries, and due to scarce resources, food needs to be produced much more sustainably. So, there are opportunities, but what's hampering smallholders to take them?</p> <p><i>In this session, we moved into a natural flow by discussing:</i></p> <ul style="list-style-type: none"> The People involved themselves: the need to differentiate in the target groups and their (financial / market) needs. Conclusion: it's not about smallholders only (self-subsistence or emerging or exporting), but it's about the ECOSYSTEM with and around them, including SMEs, the mom and pop stores, producer organizations, and cooperatives. The Profit we need with business models and business cases, and the need to address this ECOSYSTEM with technology, leapfrog smallholders to the innovation potential with digitization and new financial solutions such as carbon credits as the new currency The Planet we need to have benefit from new nature impact solutions by connecting the smallholder ECOSYSTEM to agroforestry projects or nutritious production such as fruit trees or cold chain solutions in the ecosystem with less food loss & waste. <p>Only this way, by interconnecting/managing all stakeholders (around and with smallholders) and connecting the opportunities, we create real social impact with more sustainable and equitable livelihoods, which could be accelerated if this nature and social impact could be measured and/or priced in so that consumers are willing to pay fair prices for their food.</p> <p>The Food Systems Summit can come up with the right framework and metrics to guide this transition.</p>		
How will it be possible to tell if these actions are being successful?		
<ul style="list-style-type: none"> If smallholder farmers can organize themselves (more cooperatives, producer organizations): enables financing that is usually hardly possible -> increases rural livelihood enables cooperation to improve market position -> increases equitable livelihoods If farmers have a voice themselves: where are they in the FSS dialogues? We hardly hear their voice. If we see successful, scalable new and innovative business models: such as the project ACORN that was showcased as a Firestarter (see: https://channels.ft.com/foodrevolution/marketplace-for-change/) combining agroforestry with nutritious fruit trees, technical data and GPS monitoring (provided by Microsoft to smallholders) and carbon sequestration with new ways of income for smallholders. 		
<p>WHICH ACTIONS COULD HAVE IMPACT TO LEVERAGE THESE OPPORTUNITIES? Integration of value chains to the smallholders' benefit with the right technology: digitizing value chains, enabling digital wallets on smartphones, monitoring individual plots enabling farmers to access pre-harvest advances when the need for finance is at its peak. Creating more traceability/transparency throughout the value chain.</p>		

Via Partnerships: such as the project Seed NL that was showcased (see annexed presentation): public-private money spent on seed and propagation materials as a catalyst for transformational change

Blended Finance models: de-risking the new partnerships and innovative business models such as the Global Agriculture and Food Security Programme (GAFSP).

What are the divergences that are revealed and how to manage them?

- Access to data and data ownership (we need a global framework, maybe the FSS can provide guidance): how can we boost data collection and ensure data design with smallholders' interest at heart?
- More transparency and traceability in the value chain: by coalitions of corporates and connections between the key players in the agri value chain
- Metrics / framework for real True Pricing and True Cost Accounting (via the Science Group of the FSS?)
- SCALE: we concluded that there are many nice and new opportunities, but that particularly with smallholders it's all about SCALE. How can we scale for instance agroforestry, regenerative ag practices and carbon sequestration? See next page for some suggestions and gamechanging solutions.

What contributions will our organizations make?

Seed NL: Cooperate at crossroads of aid and trade, involving government, businesses, civil society organizations and knowledge institutes to make high-quality seed available to farmers in LIC's/MIC's improving productivity, food system resilience, and food and nutrition security.

Tokensfood - is an AI cloud business platform that helps build, transform, and connect e-supermarkets, cloud kitchens, and vertical farming to meet the e-commerce - delivery economy. Tokens digital technology enables value-creating interactions between external producers and consumers. Public and private investing, but hard for the smaller businesses, stores, and farms to find the right investment.

UnBox: Novel digital Technologies can help smallholder farmers to leverage online marketplace, for example, snap food stamps. This includes social welfare programs supporting low-income communities and providing capital to low welfare communities.

GAFSP: GAFSP is a financing instrument that channels funds to low-income countries' governments, producer organizations, and the private sector to support them in recovering from current crises as they transition from humanitarian interventions to implementing more long term, strategic Investments; GAFSP is a blended Finance mechanism directed to organized small producers such as cooperatives, farmers organizations, networks.

WFP: WFP's [Fill the Nutrient Gap \(FNG\) tool analyses](#) the nutrition situation in a country and identifies the barriers faced by the most vulnerable to accessing and consuming healthy and nutritious foods. The project is carried out in collaboration with a range of national stakeholders. Its results are used to inform policies and programming in social protection, food systems, health, agriculture, education, and other sectors that can contribute to improving nutrition.

Foundation for Food and Agriculture Research (US GOV): It matches private dollars 1:1, and focuses on issues like methane, abx, soil health, etc. We also have "roundtables" in the U.S. across almost all commodities that bring together not only the supply chain from producers to retailers but also the NGO, finance, and research

communities. In beef, collectively, they put together a Framework on the actions in each sector of the supply chain that should be focused on or incentivized by individual producers or companies.

A Marketplace for Change: Carbon Removal Unit Marketplace Partnership Rabobank and Microsoft, creating a marketplace that connects large corporates with smallholder farmers that produce carbon removal units through growing fruit trees. Uses satellite imagery to measure agroforestry project.

Session 4.

Discussion Topic: Generating investable asset classes around nutritious foods

Name of Facilitator & Note-taker: Hamid Hamirani, FSF & Shanoo Saran, FSF Number of Participants: 12

Investing in nutritional food must be one of the new investment themes for the next decade. The ageing population, increasing urbanization, excessive build-up debts, fiscal deficits, climate change commitments, and innovation all make a compelling case for governments globally to create a separate line asset class for Sovereign Wealth Funds and Development Funds. The aim must be not just an increase in life span but the quality-of-life span with a significant reduction in health costs and enhanced productivity.

The following are the key game-changing ideas proposed for the UN Food Summit for creating nutritional food as an asset class:

1. Financing

- Creating an asset class for 'nutritional food' will attract significant capital from institutional investors and funding agencies.
- Investment in 'nutritional food' is likely to have a significant positive impact on government health spending globally. For instance, US federal spending on health is expected to be over 20% of the GDP. A study carried out by Cleveland Clinic suggests it can drop down to 7% with healthy habits and healthy eating. (Annexure 1). Some of the savings can be allocated to funding:
 - Research for alternative sources for protein in animal feed to reduce the feed cost. This will contribute towards affordability. a) Infrastructure for logistics and cold storage to reduce food wastage b) Subsidies for finance cost for SMEs
 - Campaign to create awareness and encouraging consumption of healthy food. This is likely to create demand and increase capacity utilization.
 - Tax exemption for foreign investments and capital investments on Education for SMEs on policies and how to deal with government bureaucracies.
- Forestry and growing fruit and vegetables offer the cheapest & long-term option for earning carbon credits for fossil fuel and heavy energy-intensive industrial production (Annexure 2 & 3). This is critical when globally CO2 emission will need to be reduced by 23 Gigatons by 2030 if the Paris Climate change aspirations are to be realized by 2050. (Annexure 3). This has a great potential to generate new and cheap capital for farmland.
- Compared to conventional asset classes investing in farmland:

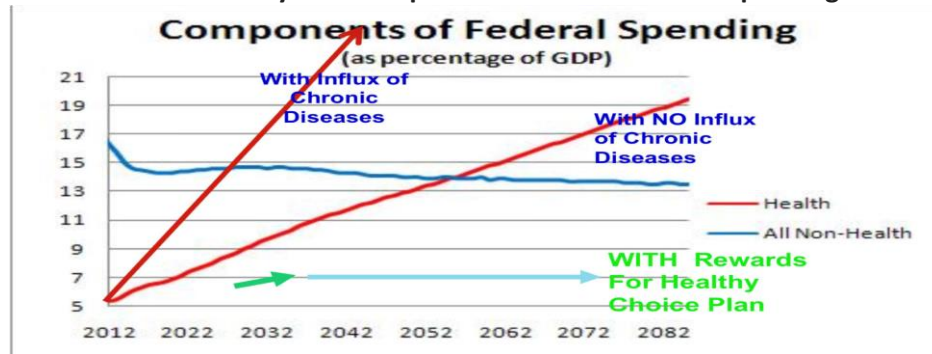
- Has generated excess returns (Annexure 4)
- is relatively less volatile (Annexure 5)
- is uncorrelated (Annexure 6)
- Is resilient to economic cycles (Annexure 7)
- Represents a good hedge against inflation (Annexure 8)

This is likely to encourage institutional investors to invest in farmland as a yielding asset. This should provide fresh capital for investing in nutritional food.

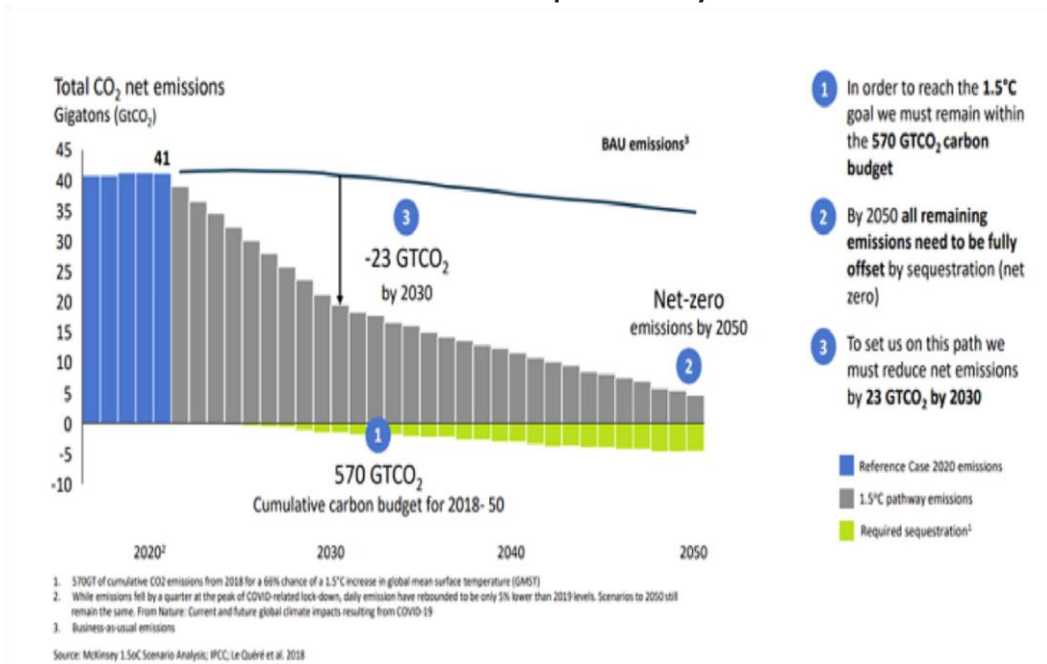
2. Building Good Credible Investment Pipelines

Establishing and funding of independent platforms with the required industry-specific know-how, finance, legal, investment, and policy-specific expertise along the entire value chain of investing in the nutritional food asset class to identify, structure, and match attractive sustainable and scalable investment opportunities with potential investors.

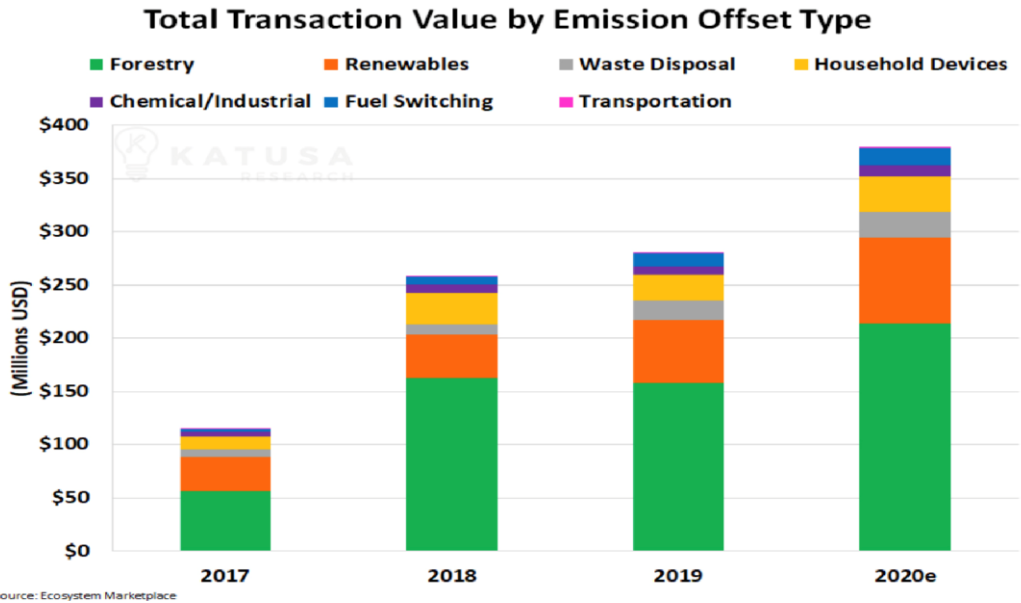
Annexure 1 – Healthy habits impact on US Federal health spending



Annexure 2 – CO2 reduction requirement by 2030



Annexure 3 – Forestry represents the highest value for offset type



Annexure 4 - Farmland returns higher compared to conventional assets



Data representative through December 2018.

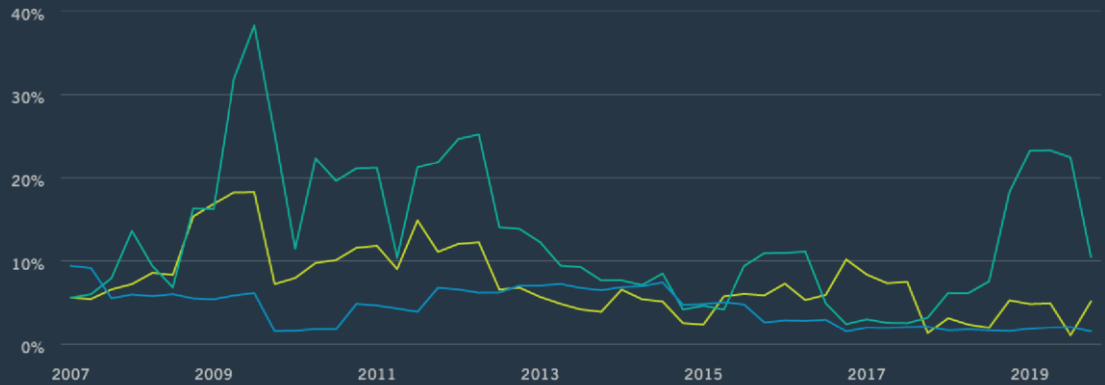
Sources: Farmland Values: NCREIF Farmland Index, Timberland Values: NCREIF Timberland Index, Real Estate Values: NCREIF Property Index, Stocks Values: S&P 500 Index, Bonds Values: Bloomberg Barclays US Aggregate Bond Index

Annexure 5 – Farmland Investments less volatile compared to conventional assets

Chart 3: Farmland as an asset class offers lower volatility in a rising volatility world

Annualized volatility of select assets vs. average U.S. Farmland

● U.S. FARMLAND ● S&P 500 ● U.S. 10-YEAR BONDS



Source: Bloomberg, LTM data to 12 August 2019, NCREIF, LTM data to 31 Dec 2019

Annexure 6 – Farmland returns uncorrelated to conventional asset classes

Correlations of Real Assets, Commodities and REITs (1992 - 2017)

Real assets had low correlations to other asset classes - and to each other

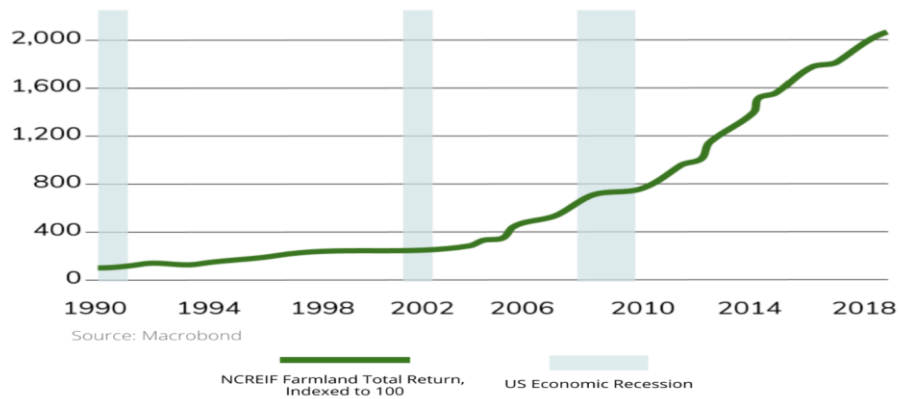
Market Indexes	Stocks		Bonds		Private real assets			Public real estate & commodities		
	U.S.	Non U.S.	U.S.	Non U.S.	Real estate	Farmland	Timberland	U.S. REITs	Agriculture	Timber Proxy
U.S. stocks	1.00									
Non-U.S. stocks		1.00								
U.S. bonds	-0.06	-0.31	1.00							
Non-U.S. bonds	0.05	0.02	0.70	1.00						
Private Real Estate	0.22	0.18	-0.22	-0.21	1.00					
Private Farmland	0.01	0.17	-0.35	-0.27	0.39	1.00				
Private Timberland	0.17	0.15	0.17	0.15	-0.04	0.22	1.00			
U.S. REITs	0.06	0.03	0.16	0.10	0.12	0.08	0.08	1.00		
Agriculture Commodities	0.21	0.29	0.13	0.39	0.16	0.04	0.13	0.21	1.00	
Timber Commodities Proxy	0.62	0.74	-0.16	0.01	0.03	-0.15	-0.01	0.61	0.15	1.00

Data are based on rolling one-year total returns, calculated on a quarterly basis for periods ended 31 Mar 1992 through 31 Dec 2017. Asset classes represent the following indexes: U.S. stocks - Russell 3000 index; non-U.S. stocks - MSCI ACWI ex USA index; U.S. investment-grade bonds - Bloomberg Barclays U.S. Aggregate Index; non-U.S. investment-grade bonds - Bloomberg Barclays Global Aggregate Index; privately held U.S. commercial real estate - NCREIF Real Estate Index; privately held U.S. farmland - NCREIF Farmland Index; Privately held timberland - NCREIF Timberland Index; publicly traded U.S. real estate investment trusts and Forestry Index (2004 - 2017) with the returns of companies representing 4% or more of the index between 1991 and 2003. Indexes are unmanaged and unavailable for direct investment.

Sources: NCREIF, FactSet, Nuveen, LLC.

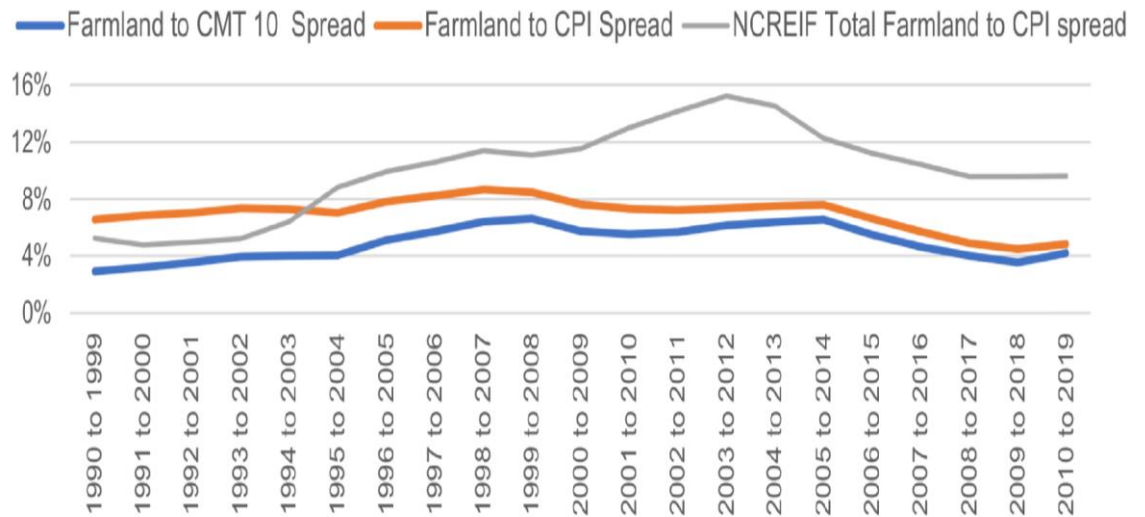
Annexure 7 – Farmland resilient to economic cycles

Farmland Resilience to the Economic Cycle



Annexure 8 – Farmland a hedge against inflation

Figure 3: Farmland return spread to inflation, 1990 to 2019³



Session 5.

Discussion Topic	The role of nutrition impact metrics as facilitators of alignment among investors, nutrition professionals, and agri-SMEs	
Name of Facilitator & Note-taker	Gabriel Quiros Rubio, GAIN Madeline Dickson, ECF	No. of Participants: 15
What actions in next 3 years will have greatest impact on the Discussion topic?		
<p><i>We need:</i></p> <ul style="list-style-type: none"> Facilitated dialogues to create alignment -- we need to bring government, private sector, nonprofit, scientists, researchers, regulatory altogether and determine how to use the information we have to facilitate dialogue to figure out how to match gaps with solutions 		

- Data infrastructure for metrics and standardized metrics, perhaps through the ESG lens, applying success from other sectors for a pathway to impact - we open ourselves to women's empowerment, access to healthy foods and nutritious foods, etc.
- Agreement on standards we use for healthy/unhealthy diets and how to identify gaps
- Consensus on healthy/non-healthy diets and what guidance is used; then determine if there is a viable business opportunity for investments in stimulating certain productions of foods
- A clear roadmap of products that investors can go to invest in
- Global theory of change for investing in nutrition SMEs to identify pathways to impact: along the lines of Lancet series that sets out best practices/ pathways across contexts (which will require very rigorous pilot level M&E), which would then allow us to use more process level/ intermediary indicators for larger-scale ongoing investments that are made according to that evidence-based roadmap.

How will it be possible to tell if these actions are being successful?

What are the lighter touch ways we can get more of a sense of what works?

- Pick a few investments to spend a lot of money on M&E

We need a global theory of change for investing in nutrition SMEs to identify pathways to impact: along the lines of Lancet series that sets out best practices/ pathways across contexts (which will require very rigorous pilot level M&E), which would then allow us to use more process level/ intermediary indicators for larger-scale ongoing investments that are made according to that evidence-based roadmap

What are the divergences that are revealed and how to manage them?

- There are many different types of metrics -- metrics for donor-driven nutrition measurement -- anthropometry, mortality outcomes, height for age, development outcomes
- There is a lag in terms of metrics that have evidence-based that have been invested in and where programs and projects have been defined to test those metrics
- There is no silver bullet to incentivize or a single indicator to measure
- We need enough data to make linkages between dietary quality and health outcomes - it then becomes easier to identify indicators for success
- Healthy, unhealthy - green, yellow, red measurement systems are not effective because who defines this?
- Determine whether investors are going to invest because of a positive impact on nutrition or because there is an economic incentive for investments to make a positive impact on nutrition -- if the latter, who makes decisions on incentives?
- Reduce uncertainty around investments; build consumer value around food (what is nutritious); explore how ESG metrics were originally designed to manage risk and how they can be applied on a pathway to impact

What contributions will our organizations make/ have they already been making?

At Rockefeller, focused on dietary quality and improved health outcomes, but it's really difficult to do that

- Rockefeller is investing in DQQ - getting Gallop to do this at a population level to understand how populations vary in terms of dietary quality
- Hoping this will influence policies

Questions of metric DFID has been looking at over the years, stimulating private sector action (not specifically on nutrition)

- Not one single answer of what metrics for what purpose
- Best metrics at the market level -- affordability of nutritious diets, move past food basket to look at market adequacy to individual levels

- Interactions with investors and the private sector to understand how to capture responsible action and intent
- How processed food are playing a role and what it looks like
- What's missing in what people are consuming - less obvious for people not in nutrition
- Work done by WFP and others on nutrient gap work -- understanding biofortification, fortification -- trying to bring this out into conversations with the private sector (we assume they know, but they don't)
- What we've recognized -- we need to look at the full picture; how to more regularly bring people together to look at what's working/ what's not

GAFSP - incentivize dialogue at the country level about how an ag or food security intervention would be favored if it incorporates a nutrition component

- not necessarily at the nutrition level, but do want to ensure nutrition impact
- minister of finance, minister of ag, minister of health, for example -- operate as investors at this level

Tufts is asking questions like: Where are current metrics focused in ESG frameworks? How is customer health and nutrition quantified and measured? How is it reported by consumer-facing food and beverage? seeing where the gaps are and seeing how to fill and suggest better solutions

DFID/FCDO did work in Pakistan around what's healthy/unhealthy in diets, relying on WHO for what to strive for, unpacking availability and access in different food groups, and determining the biggest challenges to access. This revealed:

- What is actually a viable business opportunity - this is challenging to determine
- What does the demand / supply side look like for specific foods, and how do we make that work

Session 6.

Discussion Topic		Connecting ideas, capital, and place: Overcoming barriers for entrepreneurs to catalyze healthy, sustainable food access in economically disadvantaged communities
Name of Facilitator & Note-taker	Nancy Roman, PHA Shannon Bailey, PHA	No. of Participants: 24
What actions in next 3 years will have greatest impact on the Discussion topic?		
<ul style="list-style-type: none"> • Identifying and credentialing new metrics that privilege nutrition and purpose, alongside profit, to uplift social enterprises and entrepreneurs who are creating solutions specifically for poor communities. • Developing and funding financing vehicles focused on financial return and nutrition impact, specifically serving underserved people and communities. • Create networks to link SMEs to investors, including pathways for NGOs to support for-profit solutions, mitigate risk and develop effective proof of concepts. 		
How will it be possible to tell if these actions are being successful?		
<ul style="list-style-type: none"> • Entrepreneurs will have an understanding of how to access multiple pathways to capital at all stages of the development process. • More models that create nutrition access in underserved communities will be piloted, evaluated, and scaled through traditional investment and NGO/SME partnerships. • The number of financing vehicles focused on financial return and nutrition impact will grow. 		
What are the divergences that are revealed and how to manage them?		

- SMEs providing nutritional, perishable food at low cost to communities are challenged to create economies of scale-need to create shared learnings around supply chain management.
- Technology is critical to reducing costs, but adoption by businesses and by consumer base is challenging-need to create proof points around adoption/test hybrid solutions that respond to all levels of technological competency.
- A lot of capital available in developing markets is restricted, time-bound, philanthropic aid – need to work with donors to create an understanding of the impact on business, provide funding in a way that enables SMEs to thrive while not undercutting traditional charitable efforts.
- Perception of “social enterprises” among investors as less profitable than traditional for-profit counterparts need to create a set of metrics that privilege social impact, especially related to nutrition.

What contributions will our organisations make?

Testing NGO/for-profit partnerships to reduce risk of investment and developing proof of concepts to position effective solutions for scale.

03.

Comments and feedback from the Participants

“The opening speakers were very helpful in setting the scene. Our breakout group had an interesting and vibrant conversation. We had participants from diverse backgrounds, and that made for a very rich exchange of ideas and experiences.”

“First, thank you for organizing such a platform that brings different entities together to discuss how best to tackle the food and nutrition issue. The sessions were well organized and had a good flow of events. I would suggest that we hold such sessions on a more frequent basis while tracking progress.”

“Excellent and timely event. Enough time to also have meaningful discussions in the breakout group. Furthermore, the focus was on 'nutritious food' which is lagging behind in the FSS dialogues and interests so far.”

“We think that we need to layout the financial foundation first. A Venture Philanthropy based financial scheme that includes Angel investors, Venture Philanthropist, bond and stock, etc This must be organized by your organization and presented to the SMEs—that is the strategy we think will work. The financial structure is like the human body; as Maslow created the need pyramid put together, this attire is in the bottom of the pyramid, the foundation of all dialog. Without the proper funding, nothing can be done. Thanks again and congratulation for this great effort that we know will create a great impact.”

“This UN Food Systems Dialogue was one of the most diverse, multidisciplinary, and engaging conversations on international food security and sustainability that I've had the honor to participate in. Members from across the world, including bankers and farmers, advocates, and researchers, discussed

these issues from their unique positionality and also thoughtfully tied their specific perspective to the global context. I think that it may have been constructive for breakout rooms to have been encouraged to go around sharing quick intros and backgrounds, as not all members spoke up. The more opportunities members have to say where they are coming from and what they do, the more springboards to connections between stakeholders who would otherwise never have met. Congratulations on an incredible event!”

“Fruitful discussions - All stakeholders were given a fair chance to contribute. We look forward to reading the outcomes of the meeting.”

“Really appreciated this event and am very grateful to have been invited. Incredibly talented and knowledgeable attendees today, and it was an honor to participate. I would love to see more of these events in the future, too. I liked having the smaller breakout sessions, and it might have been nice to start them with a short round of introductions to really get to know everyone first before having the discussions. Additionally, it would be nice to have some of the breakout questions beforehand to think about responses before going into the rooms. But overall, I loved the event and am very grateful to have been invited.”

“Congratulations on a well-planned and executed event, with rich content and deft facilitation. A bold undertaking to try to bring together financing and nutrition, with some prospective exchanges initiated.”

“Addressing constraints and opportunities for food systems investments that sustainably improve access to nutritious and safe foods is a matter of priority. This session on Financing was well planned, strong on substance, and very informative. It also served as an excellent networking opportunity. An important test of its worth will be how it will be fed into the core discourse of the UNFSS and N4G, and seed serious, inclusive dialogue and action to follow.”

“The dialogue was very good. I, however, feel that African was under-represented yet her needs. Disproportionately greater, and the urgency is even more pressing. Unfortunately, when it comes to financing Africa's Food Systems, the same trends are observed.”

“Very insightful session. Concrete examples of what works and what doesn't, but also clear calls for attention to take action to bridge the access to finance and technology gap, define and improve nutrition metrics and join forces to scale up the impact on nutrition security by improving the performance of SMEs and smallholder producers.”

“I thought it was an incredibly well-organized discussion, and I look forward to reading the notes. The one thing I wish I had was more contact information on the participants in the breakout sessions--it was sometimes hard to identify from what context their ideas came from.”

“Powerful dialogue on finance for nutrition with many ideas for action.”

ENDORSEMENTS*

CO-COVENER ORGANIZATIONS' LEADERS:

Ambassador Ertharin Cousin (ret.), Founder and CEO of Food Systems for the Future Institute; Distinguished Fellow of global food and agriculture at the Chicago Council on Global Affairs and a Visiting Scholar at Stanford University's Center on Food Security and the Environment.

Will Moore, CEO of Eleanor Crook Foundation

Wiebe Draijer, Chairman of the Managing Board at Rabobank

Lawrence Haddad, CEO of The Global Alliance for Improved Nutrition (GAIN)

Nancy Roman, President and CEO of Partnerships for a Healthier America

Alvaro Lario, Associate Vice-President, Chief Financial Officer of the International Fund for Agricultural Development (IFAD)

Ambassador Gerda Verburg, Scaling up Nutrition (SUN) Movement Coordinator and UN Assistant Secretary-General

Ambassador David J. Lane (ret.), President of The Annenberg Foundation Trust at Sunnyslans

LEAD AUTHOR:

Dr. Cedric Habiyaremye, Research Lead at Food Systems for the Future Institute; Research Associate Washington State University, and Senior New Voices Fellow at Aspen Institute

