



#IFADiNnovationTalk No.17

# IS BIG BET PHILANTHROPY CAPABLE OF SCALING FOOD SYSTEMS TRANSFORMATION?

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Date: Wednesday 4 September 2024

Time: 14.00 - 15.00 CEST

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Register here:

[https://ifad.zoom.us/webinar/register/WN\\_LreDRgR7Tz2RZaD-kCko4A](https://ifad.zoom.us/webinar/register/WN_LreDRgR7Tz2RZaD-kCko4A)



## About the session

Across the globe, philanthropic foundations are aiming to enhance the effectiveness of their investments by strategically increasing their charitable contributions. This shift involves moving beyond reactive grants and embracing ambitious philanthropy that leads to tangible outcomes. A key aspect of this trend is the desire to collaborate with development partners, including governments and civil society, while also implementing innovative financing models to tackle global challenges.

Examples of this phenomena include:

- Rockefeller Foundation's big bets – broad, multi-stakeholder, multi-year initiatives to solve a large-scale problem threatening the well-being of humanity
- Melinda French Gates spending US\$1 billion over the next two years on causes advancing the welfare and rights of women and girls around the world
- Increased commitment from Robert Wood Johnson to impact investing by providing US\$325 million in equity investments, debt financing, and loan guarantees to a range of projects

During COP28, philanthropic organizations made significant multimillion-dollar pledges to urgently advance systemic food and agriculture solutions. These commitments aim to address critical issues such as food systems, health, ocean conservation, and emissions reduction. The urgency stems from the inadequacy of current food systems, which impact people, economies, and the planet. Based on data released by the United Nations in July 2023, more than 122 million additional people worldwide are experiencing hunger compared to 2019, primarily due to the pandemic, recurring weather crises, and conflicts. Furthermore, over 3 billion individuals cannot afford a nutritious diet. Additionally, food systems contribute to one-third of greenhouse gas emissions, up to 80% of biodiversity decline, and approximately 70% of freshwater usage.

Instability, conflicts, and migration will continue to increase unless we change how our food systems function. The global call to transform food systems is growing louder. This is where philanthropic dollars may fill the gap. Their multifaceted contributions can encompass filling financial gaps in conventional funding channels, providing seed funding for early-stage research, bridge funding for promising projects requiring additional support, or sustained financing for ventures with substantial potential.[1] Embracing risk-taking with fearless resolve, philanthropic organizations can champion unconventional ideas and untested hypotheses, birthing inventive solutions that redefine the nutrition and food security landscape.[2] They can further endorse interdisciplinary research, fostering collaborative efforts among experts from diverse fields to tackle complex challenges and stimulate innovative solutions. In addition to financial support, they can leverage their influence to champion policies and practices that foster an enabling environment for innovation, collaborating harmoniously with development partners.[3]

[1] Chandu, L.; Kharas, H.; Peake, C. Old Problems, New Solutions: Harnessing Technology and Innovation in the Fight against Global Poverty. 2012. Available online: <https://www.brookings.edu/wp-content/uploads/2016/06/10-blum-roundtable-fullreport.pdf> (accessed on 20 January 2024).

[2] Rosener, A. Leveraging the power of foundations: An analysis of program-related investing. *Rev.* 2013, 5, 70–72. Available online: [https://scholarworks.gvsu.edu/cgi/viewcontent.cgi?params=/context/tfr/article/1173/&path\\_info=Resource\\_Review\\_of\\_Leveraging\\_the\\_Power\\_of\\_Foundations\\_\\_An\\_Analys\\_rev.pdf](https://scholarworks.gvsu.edu/cgi/viewcontent.cgi?params=/context/tfr/article/1173/&path_info=Resource_Review_of_Leveraging_the_Power_of_Foundations__An_Analys_rev.pdf) (accessed 2 February 2024).

[3] Jinwen, O.; Yisong, C.; Zhouyu, L. Media Attention of Charitable Donations and Enterprise Innovation. *Foreign Econ. Manag.* 2021, 43, 111–122.



By implementing innovative financing models and promoting collaboration, philanthropic ‘big bets’ can play a crucial role in ensuring a more secure food future for everyone. This is precisely where philanthropy can make a significant impact. High-net-worth individuals, foundations, and family offices possess the capacity to drive innovation, leverage their resources and networks, and reduce risk in interventions. Their collective efforts have the potential to transform global food systems, enhancing sustainability, security, and equity.

The IFAD Innovation Talk will highlight groundbreaking financial innovations and strategies that are transforming global food systems and empowering smallholder farmers. Additionally, it will delve into specific instances where impactful philanthropic partnerships and investments have led to transformative and sustainable enhancements within food systems. Esteemed representatives from foundations and philanthropic organizations will engage in discussions on optimizing investment strategies to efficiently allocate resources and achieve proven results in addressing hunger, ensuring food security, and enhancing climate resilience.

The event will aim to answer the following questions:

- Can philanthropy live up to the challenge of increasing and shifting financing for food systems? What are some challenges and/or opportunities?
- How can a shift in partnership and investment modalities innovate philanthropic practices that lead to the transformation of food systems?
- How can philanthropy complement traditional efforts to help countries in the financing of their food systems investment strategies?

## Hosting organization

IFAD is an international financial institution and specialized United Nations agency based in Rome, the UN’s food and agriculture hub. Since 1978, the Fund has provided US\$23.2 billion in grants and low-interest loans to projects that have reached an estimated 518 million people. At the International Fund for Agricultural Development (IFAD) we invest in rural people, empowering them to increase their food security, improve the nutrition of their families and increase their incomes. We help them build resilience, expand their businesses and take charge of their own development.

## About Global Alliance for the Future of Food (<https://futureoffood.org/>)

The GA is a strategic alliance of philanthropic foundations working together and with others to transform global food systems now and for future generations. The GA believes in the urgency of transforming global food systems, and in the power of partnership to effect positive change. Food systems reform requires new and better solutions at all scales through a systems-level approach and deep collaboration among philanthropy, researchers, grassroots movements, the private sector, farmers and food systems workers, Indigenous Peoples, government, and policymakers.



## Background to IFAD Innovation Talk no. 17

Founded in 1977, IFAD has a unique role as both a specialised UN agency and an international financial institution, seeking to eradicate rural poverty by strengthening food security and resilience. In 2021, IFAD ranked as number one by the Quality of Official Development Assistance Report, which evaluated the capacity of 49 countries and multilateral agencies to deliver impactful long-term assistance to countries in need.

In March 2022, IFAD adopted a new definition of and approach to innovation. IFAD now defines innovation as a new process, product or approach that adds value and delivers a sustainable, equitable, inclusive and/or new contextual solution to rural development challenges.

For IFAD, the most important innovations are those that impact poor rural people directly.

IFAD aims to catalyse the generation, testing and scaling up of solutions that have the potential to contribute to deliver equitable, better and greater impact for the rural poor by leveraging on learning, strategic partnerships, digitalization and the implementation of sustainable tools and guidelines.

## About the IFAD INNOVATION TALKS

IFAD Innovation Talks are a series of learning and knowledge sharing sessions, lasting one hour. They feature innovative approaches, tools, products and services developed by IFAD, its partners and the members of the IFAD Innovation Network in order to further the aims of the network. The Talks follow various formats: from interviews and panel discussions to TEDx talks and demonstrations of new technological tools.

Watch the IFAD Innovation Talk series here: <https://www.youtube.com/playlist?list=PLHLkfcOqwaxfcOsMqgSQte8K7yQ8zru5>

## About the IFAD INNOVATION NETWORK

The IFAD Innovation Network is an informal, democratic, non-hierarchical space to share ideas, good practices, tools and lessons learned on how members can use innovation to improve performance and better address the needs and challenges of our target groups and beneficiaries.

This group is open to IFAD staff, representatives of IFAD's members, fellow United Nations and Development Finance Institutions colleagues, representatives of academia, research centres, think tanks and the private sector, and those who wish to contribute to advancing innovation for the achievement of the Sustainable Development Goals.

Don't hesitate to get involved and share your ideas with us!

If you're not a member yet, apply to join us here: <https://ifad.dgroups.io/g/IFADInnovation>