

OPENING REMARKS LEADERS' ROUNDTABLE: THE FUTURE OF FOOD AND AGRICULTURE

Donal Brown Associate Vice-President, Programme Management Department International Fund for Agricultural Development

Again, thank you for the introduction. Great to be part of the panel today.

Ladies and gentlemen, I just have a quick presentation which hopefully will go with what Roberta has just presented and I will talk a little bit about how IFAD uses the challenges and opportunities of food systems in the region. For most of you, I think you know that IFAD is the International Fund for Agricultural Development; and we focus particularly on rural communities and smallholder farmers.

To reiterate the context, obviously, we have seen from COVID-19 and now the ongoing disruption in Ukraine that this is having a significant impact on rural development and food security in the Asia-Pacific region. This is already on top of significant negative impacts on Sustainable Development Goals 1 and 2 which have taken a real hit. Currently, about 8 million people have been pushed into poverty over the last two years, but we are expecting a lot more with the impact of the Ukraine crisis, particularly in the Asia-Pacific region where we have wheat-importing countries such as Bangladesh, Pakistan, Indonesia, and Malaysia.

So, while talking about the agriculture sector, it's important to look at some of the ongoing challenges in the region which, from an IFAD perspective and definitely for small farmers, is still a continuing lack of digitalization of ICT for development tools. There is still a need for more investment in human capital. And for us, there's a real gap in connecting SMEs and MSMEs to the wider value chain in Asia-Pacific. And of course, there is a lack of voice and visibility of smallholder farmers who, despite the increase in commercial agriculture, provide much – if not most – of the food. Of course, we will talk about climate threats.

Where does IFAD see the opportunity? I think there are four particular areas.





The first one for us is transforming markets into a driver rather than an obstacle for inclusive and sustainable food systems through market-based innovations that support poor people's food purchasing power that also empowers poor people to make better choices.

The second area is something that I just mentioned which is focusing on expanding what we call the "midstream" of the agri-food sector and focusing on off-farm enterprises. The midstream is dominated by SMEs and they have grown rapidly in recent years, and that midstream is really important for some of the poorer, smaller producers. It has created many, many employment opportunities in rural areas in the food production and processing sectors which has really increased the livelihood options and the resilience for small people with an opportunity to find ways of employment.

The third area is social protection. Even the best efforts to create more inclusive economic opportunities in the food system will not lift everyone out of poverty. At the same time, as we have seen with COVID-19 but also as we're starting to see in Ukraine, poor rural communities and households are the ones most likely to be affected by the shocks that hit the system. So that's where we feel social protection plays a role.

And finally, we need to see increased involvement of the private sector, particularly in driving technology and technological solutions.

IFAD is mindful that we got a big task ahead of us and we need to work in partnership to do that. For IFAD, that partnership is about knowledge-sharing, technological development, and mobilizing finance. It's also about working closely with regional development banks, the researchers, and others specifically to generate documents and share knowledge; to strengthen partnerships to identify innovative mechanisms for food production, transformation, and commercialization; and to enhance our lending and non-lending instruments bringing both financial and nonfinancial support at scale so we can invest but also engage with the possible forms necessary in the sector.

Going forward, IFAD recognizes that we got to really get some immediate responses – and we will suggest some of the key areas would be digital knowledge investments particularly accessibility to rural information and communication; innovative markets to address the issues on agroecology to increase the availability of production – we see a real focus on local areas as well; climate-smart agriculture, and linked to this, coordinated investments – at scale – that balances large-scale commercial, intensive agriculture with smallholder investments. And in IFAD, we have





a model for this: we call it the 4P Approach. So, it's not just Public-Private Partnerships, but we call it Public-Private-Producer Partnerships. And I really like to emphasize that word: "Producer."

That brings me to the end of this short presentation. In conclusion, I'd like to say that our food systems actually need to be disrupted to correct some of the power imbalances and have more focus and investments on local food systems and production, local labor markets, and local midstream businesses. And we can only achieve this through strategic partnerships with government, private sector, and producers.

Thank you and I look forward to an interesting discussion.

