



Good Food Finance Initiative

HIGH-LEVEL LEADERS ROUNDTABLE

Summary and Takeaways

On Friday, April 30, 2021, we held the first High-Level Roundtable of the Good Food Finance Initiative (GFFI), convened by EAT and FAIRR, in close collaboration with the World Bank. The Roundtable was moderated by Rachel Kyte, Dean of the Fletcher School at Tufts University, and included leaders in government, the private sector, and from multilateral institutions.

The discussion was held under the Chatham House Rule, not for attribution. Where we mention names of participants or speakers, we do so because they are hosts, partners, or have approved disclosure of their participation.

The Meeting was opened by **Dr. Gunhild A. Stordalen**, Founder and Executive Chair of EAT. She noted the urgency of developing innovative finance for food system transformation and committed the Initiative to help generate new ideas and innovative practices, based on the best available science.

The Good Food Finance Initiative will be a “big tent”, she said, welcoming high-level leaders, technical experts, stakeholders, and policy-makers. The Initiative will work to identify strategies for mobilizing finance that makes good food more available, more accessible, and more a part of the everyday experience of people who have too little access to diet-driven health and resilience.

She stressed the importance of developing viable economic pathways to a healthy, just, and sustainable food future. COVID has made clear the costs of unsustainable land use, habitat destruction, and health vulnerabilities resulting from dietary non-communicable diseases. Clearly, the cost of inaction is too high to delay action further.

Jeremy Collier—Chief Investment Officer and Managing Partner at Collier Capital and co-convenor of the meeting with Gunhild—outlined the FAIRR Initiative. FAIRR stands for Farm Animal Investment Risk and Return and is the fastest growing ESG network in the world, now representing \$38 trillion in assets under management.

Jeremy highlighted the systemic risks investors face as a result of flawed and unsustainable food systems. These risks extend to finance ministries as well, given the macroeconomic costs, and the emergency public spending required to deal with major shocks. Zoonotic disease outbreaks are becoming more common, because of how we use land and manage our food systems.

FAIRR research has found over 70% of the largest protein companies are at ‘high risk’ of fostering these pandemics. These companies are performing poorly against criteria like food safety, worker safety, pollution, and over-use of antibiotics. Investors need data. FAIRR has launched a climate risk tool to quantify financial risks, relating to climate change.

Currently projected growth in meat demand makes climate goals impossible to achieve. Today, 1 billion tons of grain is used to feed livestock. Yet, with that same grain, we can directly feed 3.5 billion people. Diversification into non-animal proteins is critical to manage this risk.

Mismanagement of these risks can result in significant hit to profits and even bankruptcy. One of the largest dairy producers in the US recently went into Chapter 11, because alternative dairy went from 1% of sales to 13% of sales.

A sustainable food system is key to achieving the Sustainable Development Goals, creating opportunities for both jobs and livelihoods—not only managing systemic, institutional, or local risk. For example, millions of new jobs could be created by a shift to plant-based diets in Latin America.

Development institutions and public banks can play a role. Shifting resources from encouraging factory farming to the new tools and instruments of food tech and sustainable protein, to help countries transition to a more sustainable food system. Public sector and institutional investors can work together to invest in a more sustainable future.

Johan Rockström—Co-Director of the Potsdam Institute for Climate Impact Research—then set the scene for the discussion with a grounding in the science of planetary boundaries, noting we are very likely to press on buttons on major disruptions that will spiral out of control, disrupting the key foundations for civilization as we want it. We have entered the decisive decade for humanity's future on earth. We have a planetary state of emergency, but the door is not closed. The good news is that the Earth system science shows the window is still open.

It collides with our political inability to shift practice and focus. There are two non-negotiables, however: the need for a comprehensive energy transition and the need for a food system transformation. We are experiencing a convergence of health crisis, climate crisis, and ecosystem crisis. At the intersection of these three crises, we have a food crisis.

70% of infectious diseases result from zoonotic spillovers, often from livestock to humans. There is a hockey-stick curve—over the last 20 years, we have an exponential rise in zoonotic diseases, from Zika to SARS to COVID-19. If we want resilient recovery and sustainable investment flows, we need a healthy resilience-building investment in food. Food is no longer a sideline item; it has to be a central item for Ministers of Finance.

EAT is working to make sure we have the science and knowledge we need to drive action, including through the Food System Economics Commission.¹ We know from IPBES and the IPCC that the final battle ground for 1.5°C is no longer whether we can get off fossil fuels; that's the easy part. The really big challenge is to secure the carbon sinks in Nature. This is about innovation, and financial decision-makers working toward Good Food Finance represent that innovation.

In the food agenda, we're holding the planet's stability in our hands. We need to get financial flows in line with scalability and sustainability.

Gunhild closed the opening segment with a clear statement of the stakes:

Fixing food systems is absolutely critical to achieving the SDGs, Paris Agreement goals, and pandemic resilience.

¹ More information at foodsystemeconomics.org

Juergen Voegele, World Bank Vice President for Sustainable Development, followed with a statement about the extreme urgency of this conversation. People understand we need to move beyond coal, and transform transport, but they are not aware, generally, that unless we change how we produce food, we cannot get ahead of climate challenge.

We are in a scenario where ¼ of GHG are produced by how we mismanage our food system. Beef, rice, and food waste and loss, are the three main areas where major emissions reductions need to be achieved. We will make this one of the key pillars of our climate action going forward. If we tackle them head on, scientifically, and put real money behind the transition, we will be able to make a big difference.

The World Bank has made this one of the 5 key transformations needed for a climate resilient future. This is not only a climate challenge; it is also an essential financial calculation we need to do. The Food and Land Use Coalition *Growing Better* report² finds our food systems today produce around \$10 trillion in economic value, but when we count externalities, we're looking at an estimated cost of about \$12 trillion per year.

The food system we have is a net-negative value proposition; it does not have to be that way.

Imagine we finally get a carbon price, globally, that would change investors' risk profile so fundamentally. 3 of the top 5 causes of premature death are from how we eat, but the urgency of transforming food systems is not recognized as much as the energy challenge. Without a significant increase in awareness, innovation, and action, we will be too slow and too late.

How do you finance the transformation of food systems around the world? Here, we are in better shape than in energy or transport, because governments are supporting food systems through \$700 billion per year in direct agricultural subsidies. We need to use that \$700 billion in a better way—for public goods outcomes. We need to give this to farmers so they can produce healthy, nutritious food, lower the climate footprint of food systems, and leverage food production to achieve a range of social goods.

There are good examples. Because of a change in technology and incentives, farmers in the EU now use less fertilizer to produce more. This is one good example of targeted subsidy shifting having the kind of effect we need to see become the norm. The private sector invests around 2-3 trillion per year and that could also be done differently, for example, investing in alternative protein. It is not like there should be no meat at all but there needs to be a balanced diet.

Vera Songwe—United Nations Under Secretary-General and Executive Secretary of the Economic Commission for Africa, and a Co-Chair of the Food System Economics Commission—said the food we eat really depends on how we pay for it. It starts from financing. Africa produces quite a lot of food, but still 20% of the African population is food insecure. 12% are totally out of reach of an energy efficient diet. The way we manage the subsidies system on the continent determines how we eat, and these choices are shaping what is possible for the health of people and Nature.

Morocco is putting a lot of resources into the right fertilizer and technology, using tech to calibrate fertilizer to soil characteristics, and to understand sustainability needs and priorities. Africa raising a lot green bonds, primarily for the energy transition, but the energy transition and the food transition

² The Growing Better report is online at: <https://www.foodandlandusecoalition.org/global-report/>

are linked. Food system transformation and funding agriculture in the right way are critical levers for reducing risk and building resilience.

Some examples of investable action include:

- Tech / GIS / digitization / better food information systems
- Insurance schemes - how well we can protect art of farming and food transportation
- 40% of food lost in transportation; we need different insurance and warehousing schemes in place
- Increasing number of young women in GIS technology
- Young woman in Africa doing amazing GIS soil mapping
- Happy to have UNECA join WB / IFPRI and everyone else in these conversations

Rachel Kyte highlighted the vast inequality leaving so many people with no access to sustainable healthy food, then the incredible disease burden affecting everyone. Ministers of Finance, she noted, are directly impacted by these risks and have a role to play in guarding against them. She noted that student demand for GIS, machine learning, and AI, is growing, and highlighted the need to adjust economic and financial incentives driving overconsumption, waste, and inequality. So, there is an appetite for better, more detailed information, and for science-based risk assessment and resilience-building to secure future value.

Nigel Topping, High-Level Climate Champion for the UK COP26 Presidency, highlighted his team's work with the non-state actor community, noting everyone in the world ultimately falls into this category. We are all climate stakeholders; we are all food system actors.

Action and solidarity will be key for success in Glasgow. We are facing the big question: Are we going to build a regenerative global economy?

Nigel noted he looks forward to working with an African high-level climate champion, as the COP27 will be hosted by an African country. Food and land use will be key themes for the African COP. He cited Johan's work on planetary boundaries, that food systems are pushing us past 5 of the 9 planetary boundaries and interfering with progress on all of the SDGs.³

His remarks are summarized below:

The COP26 Presidency has made Nature and resilience top priorities. Adaptation and resilience are critical not only for climate stability and mitigating risk, but also for shoring up livelihoods and local economies for the 2 billion people who rely on small farm income or subsistence food production. Nature and agriculture are top priorities.

Therefore, under the mandate of the UNFCCC High Level Champion for COP26, we have created two campaigns: Race to Zero and Race to Resilience.

Race to Zero⁴ aims to build momentum around the shift to a decarbonized economy, and send a resounding signal that business, cities, regions, and investors are united in meeting the Paris goals

³ The EAT-Lancet Commission report includes these findings on planetary boundaries and outlines a Planetary Health Diet, which can vary by culture and region, allowing us to feed the world while operating within planetary boundaries. The report is online at: <https://eatforum.org/eat-lancet-commission/>

⁴ The UN Race to Zero is outlined here: <https://racetozero.unfccc.int/net-zero-financial-alliance-launches/>

of keeping global temperature rise at no more than 1.5°C by 2050. At the moment 509 cities, 23 regions, 2,168 businesses, 123 investors, and 571 institutions have joined, representing 15% of the global economy and 7% of global emissions. We aim to ratchet this up to 30% of the global economy and 25% of global emissions by COP26.

A very clear sign of this ambition in the finance space is the Glasgow Financial Alliance for Net Zero (GFANZ), launched on the eve of US Earth Day. Chaired by Mark Carney, UN Special Envoy on Climate Action and Finance (GFANZ)⁵ unites over 160 firms (together responsible for assets in excess of US\$70 trillion) from the leading net zero initiatives across the financial system to accelerate the transition to net zero emissions by 2050 at the latest. All GFANZ member alliances must be accredited by the UN Race to Zero campaign. They must use science-based guidelines to reach net zero emissions, cover all emission scopes, include 2030 interim target setting, and commit to transparent reporting and accounting in line with the UN Race to Zero criteria.⁶

When looking at the food system, what we see very clearly is that despite the existence of many mature and cost-effective technologies that can reverse climate change and provide sizeable co-benefits in terms of resilience (see Drawdown, or Exponential Roadmap), the private investment available is nowhere near the abatement potential these hold, representing a huge missed opportunity. Investment should increase by 10x to begin to leverage these solutions at scale. Furthermore, public investment in terms of subsidies to food and agriculture and procurement, are often not aligned at all with the Paris Agreement, and very few NDCs at the moment contain ambitious regenerative agriculture action. Partners like Exponential Roadmap estimate that through nature based solutions we can take out as much as 90GT CO₂-equivalent by as early as 2030, which would put the sector on track to 1.5°C by 2050, and create vast investment opportunity.

This also intersects with our second campaign, **Race to Resilience**.⁷ The campaign sets out to catalyze a step-change in global ambition for climate resilience, putting people and Nature first in pursuit of a resilient world where we don't just survive climate shocks and stresses but thrive in spite of them. By 2030, it aims to catalyze action by non-state actors that builds the resilience of 4 billion people from vulnerable groups and communities to climate risks, focusing on rural, urban, and coastal communities, mobilizing investment estimated to be in the range of 4 Tn per annum.

2050 is not a magic date for achieving net-zero climate pollution. If we can do it by 2040 or 2035, every year is less damage and more lives saved. So, the High-Level Climate Champions team and the COP26 Presidency are working to get major players in the food sector to commit to net-zero. Wishes cannot resist the tides, so biophysical and Earth system constraints should be seen as critical information to drive investment and innovation. You can embrace planetary boundaries as catalysts for innovation.

We need new alignment of livelihoods with coastal resilience, food security, and the aim of measurable improvements to the lives of the urban poor and smallholder farmers. 20 initiatives have already joined to work on resilience, including insurance to smallholder farmers. We really welcome and applaud the Good Food Finance Initiative and its spirit of radical collaboration.

⁵ The Glasgow Financial Alliance for Net-Zero is outlined here: <https://racetozero.unfccc.int/net-zero-financial-alliance-launches/>

⁶ The UN Race to Zero criteria are explained here: <https://racetozero.unfccc.int/join-the-race/>

⁷ Learn more about the Race to Resilience here: <https://racetozero.unfccc.int/system/resilience/>

Framing the Discussion

We put forward in our brief to participants, as an expression of the stakes and of the work to be conducted through the Good Food Finance Initiative, this draft mission statement:

Draft Mission Statement

The COVID-19 pandemic emergency has revealed deep and costly vulnerabilities in supply chains and economies across the world. Throughout 2020, food insecurity rapidly expanded, including in wealthy countries; worldwide, the incidence of acute hunger is estimated to have doubled.

- One of the most costly areas of vulnerability is diet-related non-communicable diseases, which not only degrade human health and are a leading cause of premature death, but make whole populations far more susceptible to novel pathogens, like the SARS-CoV-2 coronavirus.
- Another costly food system impact is environmental degradation—including land, water, and the biosphere, all worsened by escalating climate disruption.
- A third high-cost vulnerability is the fact that food systems fail to provide sustainable livelihoods to agricultural workers, meaning food-producing and rural areas suffer higher rates of extreme poverty, resulting in persistent involuntary migration and an additional threat to food security.
- Structural incentives lock these vulnerabilities into our everyday lives and make it harder for decision-makers in the public and private sectors to surround people with healthy, sustainable choices.

To build a resilient future of inclusive sustainable prosperity, we need to shift unhealthy incentives, avoid destructive investments, and mobilize finance to open a healthy future to all people.

- *Taking account* of these and other cascading and compounding risks;
- *Recognizing* the One Health standard—that “health” must include human health, the wellbeing of animals and ecosystems, and also the health and resilience of livelihoods, economies and national budgets;
- *Understanding* that good food finance requires careful, outcome-oriented alignment of structural incentives, market-level practices, and local production and consumption for healthy, sustainable outcomes;
- *Aspiring* to an everyday economy in which all people are surrounded by healthy, sustainable, and affordable Nature-positive food choices;

We, the network of partners, advisors, supporters, and participants in the Good Food Finance Initiative, are committed to working together to identify, develop, deploy, and mainstream the optimal financial instruments, strategies, and enabling policies, to generate food systems that sustain the health of people, Nature, and whole economies.

Guiding Questions

As additional impetus for discussion, participants were asked to address these guiding questions:

1. What is needed to allow **Finance Ministries** to support, or coordinate good food finance across government, and at multiple levels?
2. What is needed to unleash **private-sector investment** in emerging, cascading benefits of resilience-building food-system finance?
3. Which **metrics, platforms, risk assessment tools**, or other innovation strategies have been most useful for you in expanding sustainable investments?
4. Which segment of the **food system value chain** is a priority, from your perspective, in terms of enhanced data collection and financial insight generation?

Discussion

Rachel Kyte then took the floor to moderate the day's discussion. Rachel noted the importance of food as medicine, deep decarbonization, political alignment, and intense activity to adjust the foundations of the finance system, along with the a vast landscape of work happening in the run-up to the UN Food Systems Summit. She then put a question to the room:

Can we draw actionable connections between food systems, deep decarbonization, and financial innovation, so Ministers of Finance and other leaders see how this agenda fits into their already crowded to-do list?

Compounding Cost and Risk

Food systems as they are now generate trillions of dollars in unfunded hidden costs, while degrading climate stability and exacerbating risk of biodiversity loss, zoonotic disease spillover. These risks interact and compound over time and across borders. They pose real threats to human health and wellbeing, and to fiscal health and resilience.

The September 2020 report from a special subcommittee of the United States' Commodity Futures Trading Commission⁸ found unchecked climate change already causes the financial system to operate suboptimally and could lead to financial system failure. Food, climate, biodiversity, virus spillover, and related financial risks combine to threaten the foundations of macroeconomic stability, even in wealthy countries.⁹

The United States, for example, has alarmingly high incidence of diet-related non-communicable diseases, which also heighten vulnerability to worst-case COVID-19 outcomes. The costs of the pandemic to the United States include an extremely high loss of life, trillions of dollars in lost economic activity, collapse of local economies, and trillions of dollars in emergency economic relief and recovery spending. Even with that spending, tens of millions of Americans required food assistance in 2020.

Financial institutions and mainstream economic activity are increasingly at risk from threats to climate stability, ecosystem health, and the security of food and water supplies. The way finance

⁸ The September 2020 report from the CFTC's Climate-Related Market Risk Subcommittee is available here: <https://www.cftc.gov/PressRoom/PressReleases/8234-20>

⁹ An analysis of the findings of the CFTC Subcommittee is available at: <https://resilienceintel.org/2020/09/09/cftc-finds-climate-change-puts-us-financial-system-at-risk/>

interacts with and shapes our food systems also provides an unprecedented opportunity to greatly reduce numerous interacting and compounding risks, and to help establish new modes of economic development that build resilience and expand shared prosperity, including on a gender-equal basis.

Rethinking Return on Investment

We now see clearly the cost of resilience failure. The Good Food Finance High-level Roundtable discussed the need to create opportunities for investment that actively builds resilience across sectors and throughout value chains.

Sustainable food systems are investable because they reduce risk, build efficiency, and involve *defensible* value creation—sustainable, renewable benefits from investment activity that not only provide a bottom-line return on investment but also secure environmental and social benefits, sustain equitable generation and distribution of economic value, and help to secure the foundations for future wellbeing. This is even more important in a world where nonlinear threats and major shocks are becoming more likely and more frequent.¹⁰

Participants also noted specific segments of the food system value chain that provide distinct but meaningful opportunities for resilience-building investment. These include:

- climate-smart production;
- more localized financing, processing, and distribution, including gender-informed local investment;
- agri-SME finance and investment (including finance for disruptive business models that can deliver sustainable food system impact)
- data systems that monitor soil health and allow investors to chase resilience value and reward Nature-positive production;
- reorientation of subsidies toward foods that are not ultra-processed and harmful to human health;
- labeling and other information given to consumers to allow them to choose healthier, more sustainable options.

There is also a need to consider the basic rights and capacity of people—women and men alike—to invest in activities that do no harm, to have the information they need to know they are doing this and tangible returns from shifting practices, and to remain free from harm. Access to sustainably produced food and affordable healthy diets is too uncommon (with women often suffering greater disadvantage). This is a practical inefficiency, an economic inefficiency, and we now know, a direct threat to the fiscal health of nations.¹¹ The question of how institutions,

¹⁰ The compounding, nonlinear nature of system-level risks addressed in this Roundtable means financial value creation is “defensible” in practical terms only if it is also defensible in ethical terms. We cannot exclude from consideration the downstream impacts of our choices, though the relevant taxonomies, metrics, and matrices, are still emerging. This is part of what motivates the repeated demand for more multifaceted, integrated, data-rich resilience value metrics.

¹¹ As we note in the GFFI Mission Statement, above, the Good Food Finance view of One Health is that it encompasses human, animal, and ecosystem health, but also the resilience of natural systems and the fiscal health and stability of nations.

investors, and whole economies deliver on the unfulfilled right to food can be seen not as a burden but as a lens that focuses decisions on specific higher-value actions and strategies.

Regenerative food systems that mitigate climate disruption, reduce transportation and processing costs, and produce better overall health outcomes, improve conditions locally and globally. They can also have a direct, measurable effect on improving the long-term fiscal viability of national economy-building strategies.

Asset owners, asset managers, and underwriters have clear interests in markets moving to a sustainable footing that respects planetary boundaries, so that we meet today's needs for all, without limiting the ability of future generations to do the same.¹² Devising the appropriate metrics, and common standards will allow for mainstreaming climate-smart healthy food system finance. In this context, it is particularly important to design metrics and standards that allow investors to combine impact in the different aspects of sustainable food systems—including environmental and climate impact, livelihood and inclusion impact, and nutrition and health impact—on the same footing, rather than in a fragmented manner.

COVID Recovery and One Health

Recovering from the COVID-19 economic disruption involves an unprecedented short-term mobilization of capital for projected benefits over time. With varying strategies and according to local and national politics, national governments are investing to spur short-term economic recovery, secure new additional benefits for the medium-term, and lay the foundations for sustainable prosperity decades into the future.

The draft Good Food Finance Initiative mission statement recognizes that the full meaning of *health* “must include human health, the wellbeing of animals and ecosystems, and also the health and resilience of economies and national budgets”. The recommendation was put to the Roundtable that this call for a commitment to One Health be stronger and more explicit.

We will need to define “no harm”, when we talk about what qualifies as “good” or virtuous, in the project of mobilizing sustainable food system finance. It may be instructive, for instance, for national budget managers and central banks to focus on the idea that food systems should not create unmanageable system-level risks and unaffordable costs; since food systems can be designed to build resilience, that should be an agreed national goal.

Science should clarify risk profiles. The most efficient and effective pathways to climate resilience run through sustainable food systems. Small farmers are a necessary and catalytic part of the overall resilience-building project. At system level, they are not the high risk our financial system tends to see. We need to account better, more comprehensively, and in a more routine way, for the negative externalities generated by food systems as they are now. This points to specific areas where structural incentives and market drivers need to shift.

¹² We take note of the ruling by Germany's Constitutional Court, which held that national climate action policy needed to include more specific and ambitious near-term decarbonization, in order to avoid imposing an unfair burden on future generations. The principle of intergenerational equity is also recognized in the Paris Agreement.

This unique moment of COVID recovery planning and resource mobilization also points to the need to develop metrics that help identify and mitigate disease spillover risk. The incidence of disease spillover is rapidly escalating, so pandemic preparedness will be better and more affordably achieved if we can limit the drivers of that higher—and very costly—spillover risk.¹³

Common metrics that can help to mainstream the delivery of new capital to sustainable food system finance should also include measures of biodiversity protection and Nature-positive production. These can be elements of any activity throughout the food system value chain, and well-designed common metrics can directly inform asset managers, investors, finance ministries, and everyday consumers.

This raises a translation question: How do we translate what we know about the science of planetary boundaries, human health, spillover risk, and climate disruption, into a concentrated number of common metrics that can be used by this range of decision-makers, at different levels and in diverse contexts?

Work toward development and deployment of a **One Health Fund** was put forward as a potential spur to technical innovation, and a way to focus the attention of investors in the public and multilateral sectors on aims, metrics, and activities that will catalyze major private sector investment. Participants affirmed the importance of leveraging the best available science to support investments that foster human and animal health, and the health and resilience of natural systems.

A One Health Fund could also help to focus attention on the need for a **unifying framework of actionable metrics**. Such a framework, or taxonomy, could incentivize innovation based on deeper analysis of connections between science data and the performance of economies and specific sectors and help financial decision-makers develop the necessary new instruments, adaptive sustainable business strategies, and enabling policies.

Operational Context

We are, in a sense, already in a period of great disruption and transition. The cost of inaction is all around us. The effects of resilience failure are already affecting, and limiting, the choices available to decision-makers. Climate transition risk went from theoretical to operational very quickly. Food system transition risk is coming over the horizon, maybe faster—given the now visible cost and risk tied to unsustainable food systems.

Finance Ministers already deal with a complex landscape of challenges and constraints. Food systems require careful calibration of support. Many of the historically useful ways of achieving food system security, and related pricing and economic stability, are not going to be effective in the age of major globally interacting and compounding risks, like climate and COVID.

The actions of finance ministries have the potential to build fiscal health and resilience; in some cases, this mandate is already written into law. ESG funds have outperformed non-ESG funds for first time in history. The scale of the climate, food, biodiversity and pandemic preparedness

¹³ A call to action to reduce escalating spillover risk, induced by unsustainable land use practices, was published in The Lancet in March 2021: [https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196\(21\)00031-0/fulltext](https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(21)00031-0/fulltext)

challenges is such that ESG funds will have to continue expanding new investment and new application at historic rates.

It was noted by participants that “the funding is there”, if we can get governments, incentives, taxonomies and performance tracking—and a unifying goal—all aligned. Alignment would then allow for a major repositioning of capital, based on new metrics and adjusted incentives.

The Roundtable highlighted some important obstacles to achieving that alignment:

- Lack of transparency
- Proliferation of metrics and standards
- Lack of accountability for non-financial results
- Fragmentation of regulation

Toward a Good Food Finance Toolbox

What tools are needed to help the public, private, and multilateral sectors come together around “good food finance”?

There was strong support from Roundtable participants for the draft Mission Statement, and a call for pointing toward a single unifying goal. We know about risks, costs, and interacting drivers of risk, shock, and cost. We know these influences converge and compound. Do we know what to aim for, or how to work toward that common goal together?

There was high-level private-sector support for the *mainstreaming effect* of a common, unifying goal. A mutually understood, practical target allows everyone to get to work, adjust their practices and investments, and compete. That mainstream atmosphere of competition can reveal a common-sense, proven pathway to healthy, sustainable food systems. The process of realignment and innovation would benefit from a common taxonomy, but that taxonomy will also come together from a process of fast-paced innovation toward a common, unifying goal.

Getting started quickly toward resilience-building food system investments has its own value, so a next order of business would also be to begin detailing actions that can have value even before common frameworks are clear.

The Roundtable was asked to address the landscape of financial instruments, financing strategies, and enabling policies that fall into one of three categories:

1. **proven**, operational, and adaptable;
2. **emerging**, and capable of generating both resilience and return on investment;
3. **theoretical**, but potentially useful and important.

This discussion built on the work of the Innovation Experts Group. Among the instruments, strategies, and policies discussed were:

- Social impact bonds
- Climate-related and resilience bonds
- Blended finance instruments

- Tax credits and targeted tax relief
- Shifting / realignment of subsidies
- Targeted / conditional debt relief
- Targeted de-risking strategies that catalyze investment in marginal or underserved communities—food deserts and/or remote rural areas
- Green budgeting—including stress testing of financial institutions for viability in an economy that will not tolerate unfunded negative externalities
- Innovative (climate-smart and gender-inclusive) financial services (debt, equity, insurance) for food systems actors, including smallholder farmers and agri-SMEs
- Payments for ecosystem services, and other means of incentivizing regenerative agriculture and the building of biomass in soil, above ground, or in marine environments
- Land value reassessment to account for soil carbon, ecosystem resilience, and other environmental values

Summary Overview and Conclusions

The inaugural GFFI High-Level Leaders Roundtable surfaced significant shared interests in connections between food security, climate resilience, pandemic preparedness and cost of response, and fiscal stability. COVID-19 may be the first of a number of Anthropocene shocks to come, but the cost incurred makes clear we must rapidly move to reduce risk and build resilience.

The One Health standard provides a unifying narrative in a year of major climate negotiations and high-stakes COVID recovery efforts. Our unifying goal for this Initiative is to provide a venue where Ministers of Finance, asset managers, and major financial decision-makers can work in alliance, to identify food-related strategies for reducing risk and building resilience.

The future of food-related finance must align with science-based climate targets, the Sustainable Development Goals, and the need for livable livelihoods. Small farmers and communities that have long been out of reach of healthy food systems have a major role to play, and can provide a significant boost to Nature-positive production and scaling of affordable healthy diets.

We discussed the need for radical collaboration—bringing the work of leaders, partners, and wider networks, into a focused effort to set “good food finance” as common ground. This will be critical for building food into the wider landscape of financial policy, practice, and effect. Participants asked that the GFFI process identify specific locally relevant actions for Finance Ministers, considering country contexts and the need for measurable social and financial return on investment.

Rachel Kyte provided a moderator’s overview, noting the work ahead to illustrate and cement in the minds of finance ministers what is at stake, both in terms of finance and in terms of risk. Opportunity is often what speeds progress. We need to embed One Health thinking and strategy into the work of building forward better from the COVID crisis.

We started a conversation—which will continue and go deeper as part of the work of the GFFI—into how economic and financial systems as they are now can think about and interact with better modes of food-related finance. Key questions are:

- Which tools do we use?
- Which rules in the system need to be tweaked or evolved, and how much?

- What guardrails can regulators and institutions put in place to catalyze new investment?
- Can we identify specific, distinct Environment, Social, and Governance areas of net-benefit for building system-level resilience?

In practical terms, we should sequence GFFI work through the calendar of the G7, the UN Food Systems Summit, the Finance in Common Summit, the Annual Meetings of the World Bank and International Monetary Fund, the G20, and the COP26 UNFCCC negotiations. Food is being drawn into the agenda for the urgent reasons we discussed in this session, and the major challenges we face this year present an opportunity to better invest unprecedented sums. Good food finance should be part of that discussion.

We look ahead to the 2nd Good Food Finance High-Level Roundtable, in September. There would be significant value in ministerial-level participation, or in the direct invitation for GFFI inputs to ministerial meetings this fall. The complexity of this issue creates an opportunity to keep up a drumbeat, by identifying better approaches rooted in the alignments we discussed—between climate, food, health, fiscal stability, and sustainable development more broadly.

We will pick up the discussion about important, clarifying technical work that needs to happen, in monthly meetings of the Innovation Experts Group and the Sherpas and Advisors Group. One key goal will be to make clear which steps lead to what amount of specific good outcomes, and how these benefits can be measured by the relevant actors in distinct areas of action—including climate, biodiversity, pandemic preparedness, and mainstream finance. We invite all participants to bring their own insights and wider work into this process, and to highlight critical overlaps with other coalitions and networks.

This is a year of COVID and of climate, and food traces some of the highest value areas of action that connect those two agendas. A modest goal for 2021 will be to ensure a detailed, ready-for-action Good Food Finance Toolbox is available for all participants and their peers.

To get involved in the Good Food Finance Initiative,
reach out to the Secretariat team, by emailing
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