Philanthropic Foundations Mechanism

15.04.25

PFM intervention during the Collaborative Governance Dialogue on Financing for food security and nutrition at FAO HQ

Thank you, Chair.

Your excellencies, colleagues, I'm joining you from the green room - across the hall on true cost accounting for food systems. Indeed, if the 12 trillion dollar cost of food systems negative externalities - 70% related health, diets, food security and nutrition were addressed, if current agriculture investments were redirected to health, environment, social and economic outcomes - away from harmful outcomes - we would be much farther ahead for FSN and our global goals.

I am Lauren Baker with the GA and am speaking today on behalf of the Philanthropic Foundations Mechanism. I would like to express my gratitude to the CFS for organizing this dialogue and to the insightful speakers and comments.

Philanthropic foundations, while modest in financial scale compared to public or private actors, are uniquely positioned to contribute to financing solutions for food systems transformation. Our value lies not just in how much we finance, but in how and where we invest—often stepping into underfunded, higher-risk, or early stage areas where public and private capital are reluctant or unable to go such as smaller, grassroots organizations, CSOs and resilience-building.

The current food systems financing architecture is not fit for purpose. Studies such as *Hesat2030* make this very clear: we need a tenfold increase in investment to meet the scale of the food system transformation required. Public budgets are constrained. Official development assistance is declining. Structural constraints such as global financial architecture, debt, governance hold back change. I'm glad this conversation will continue at the International Conference on Financing for Development in Spain, in June.

As philanthropic actors we are acutely aware that we cannot act alone. Philanthropy increasingly acts as a connector—co-designing and co-financing with development banks, impact investors, and governments to experiment with innovative financing models. For instance, we are currently in conversation with several financing actors on collaborative finance mechanisms that align public, private, and philanthropic capital toward shared goals of food system resilience.

In that spirit, I want to share a model for systemic investment that emerged from a recent meeting convened by the Global Alliance for the Future of Food just last month here in Italy bringing together government representatives, philanthropy, DFIs, multilateral and bilateral donors, and a range of private investors and capital holders. This model—currently focused on supporting agroecological transformation in Kenya and Tanzania—is an integrated, four-part funding architecture designed to align diverse financial instruments with systemic food systems transformation.

Here is how it works:

- Ecosystem coordination—about 10–20% of the total finance. This anchors the initiative in national agroecology strategy frameworks, ensures participatory governance, and brings civil society, farmers' groups, and Indigenous voices to the table while supporting information sharing and pipeline development for a range of private sector investment.

  Three pillars of funding and finance support systemic transitions.
- Pillar 1 - 10–20% of the funding - focuses on farmer engagement and market development. Through a mix of grants and public programs, it supports training, cooperative development, and local value chains. This is essential for building local ownership and infrastructure. Philanthropy and government, bilateral/multilateral donors.
- Pillar 2 —an estimated 25–40% of the funding —mobilizes transition finance through blended tools like concessional loans, subsidies, and insurance. These mechanisms help de-risk farmer transitions, agroecological bioinputs, digital tools, and transition payments. Bilateral/multilateral donors, DFIs - development banks, green climate fund.
- Pillar 3, the largest share (40–60%), is dedicated to SME investment—through equity and debt instruments—to scale up local enterprises. First-loss guarantees and technical assistance are built in to attract private capital while ensuring mission alignment. Private investors

What's needed is deep coordination among public, private, and philanthropic actors—and a shared commitment to democratic, just, and ecological transitions. Only multi-stakeholder, multi-source financing structures can shift the system at scale.

We are also learning that funding must be anchored in justice. Philanthropy needs to shift from a charity mindset to one based on reparative justice. That means funding frameworks must address historical inequalities—like land dispossession, gender-based exclusion, and lack of access to capital for marginalized groups.

Financial architecture must align with ecological and climate standards to safeguard the stability of the biosphere and bring all planetary boundaries back within a safe operating space. This requires the urgent provision of adequate, high-quality, new and additional public finance—grants-based, climate- and environment-focused—with direct access for the most vulnerable groups.

In concrete terms, this means:

- acknowledging the abundant capacity, diversity of solutions and resources existing within communities
- Coordination over fragmentation;
- Alignment with global goals for climate, biodiversity and equity, as well as democratic principles;
- Justice-centered approaches;
- Supporting climate resilience and planetary stability, not just productivity or short-term returns;
- Advocating for new, adequate, high-quality, grants-based public finance, especially for climate adaptation and environmental protection.
- Addressing the structural barriers that hold back change: the broader financial architecture, debt, and governance.

Thank you.