

# PARTNERSHIP IN ACTION IN EASTERN EUROPE AND CENTRAL ASIA

Tashkent, Uzbekistan  
October 2022

**A shared pathway for financing food systems transformation in the ECA region**  
**High level round table & divisional annual meeting**

**A collaboration between the Government of Uzbekistan  
and IFAD's Near East, North Africa, Europe and Central Asia (NEN)**

## CONCEPT NOTE

As we write, the world is experiencing increasing security concerns, exacerbated polarisation, risk of an economic and financial downturn and unprecedented levels of food insecurity. The global food crisis is far from over and all signs are that it will get worse in 2023. Meanwhile, drought and extreme weather continue impacting food security for some of the world's most vulnerable people, and staggering energy and fertilizer costs are disproportionately harming small-scale farmers, who produce one-third of the world's food. Food systems have been shaken to the core since the start of the pandemic, thus reversing years of progress and further exposing food systems' structural weaknesses.

The Eastern Europe and Central Asia region being at the crossroads is exposed to high risks of supply chain disruption, further affecting prices of food and energy at global scale. There is a consensus that scaling-up investments in long-term rural development should help small-scale farmers produce more diversified food, access markets and value chains while they adapt to climate change.

In 2021, the United Nations (UN) led Food System Summit set the stage for global food systems transformation to achieve the Agenda 2030 and called for concrete actions at all levels to contribute to healthier, more sustainable and equitable food systems. A UN Food System Coordination Hub was established to collaborate with and draw upon the wider UN system capacity to support the follow-up to the Summit. The Summit identified five imperatives for a transformative "Food Finance Architecture", namely:

- I. Reshape public support and incentives;
- II. Integrate health, environmental and social risks into financial decision-making;
- III. Scale fit-for-purpose financial products and business models;
- IV. Secure equitable food systems; and
- V. Strengthen food governance and stability.

These priorities are relevant to the role that Development Finance Institutions (DFIs) – including both multilateral, international and national institutions – play in the financial ecosystem around food and agriculture. IFAD's mandate to invest in rural people for SDG 1 and 2, its convenor role for Public Development Banks working in the sector and overall co-leadership of the finance track following the Food System Summit makes the Fund a natural partner of the Government of Uzbekistan to champion this agenda in the ECA region.

In fact, Uzbekistan has a high potential to be at the centre of successful partnerships to support rural development and transformation of food systems. Since 2017, the country has accelerated its transition to a market economy and initiated structural reforms, focusing on people's prosperity and well-being under the flagship Strategy of New Uzbekistan for 2022-2026, which intends to reduce poverty by half and to upgrade the country income status to an upper-middle-income one by 2030. While aiming to double farmers' incomes, the Strategy fosters private sector investments in the agri-food sector and sustainable use of natural resources, thus providing a multi-pronged action to build sustainable food systems.

A series of highly consultative Food Systems National Dialogues took place in Uzbekistan over 2021 and led to the country's pathway to Transforming to Efficient and Sustainable Food Systems by 2030. The pathway is fully aligned with the country's Strategy for Agricultural Development 2020-2030 (SAD) and its overall objective to develop a competitive, market and export-oriented agri-food sector to increase farm incomes, create jobs, enhance food security and ensure sustainable natural resources. Building on cross-sectoral objectives and strategies, Uzbekistan's comprehensive institutional and policy framework provides a conducive platform to facilitate catalytic investments, leverage opportunities from local and export markets and enhance private sector investments to bridge the financing gap for food systems transformation at regional level.

In this perspective, IFAD's Near East, North Africa, Europe and Central Asia Division (NEN) in partnership with the Government of Uzbekistan have jointly organized a public thematic forum titled A Shared Pathway for Financing Food Systems Transformation in the ECA region in Tashkent (Uzbekistan), on 25 October 2022.

The event aims to:

- Reach a shared understanding of the specific roles of DFIs in assembling and catalysing finance (including climate finance and private finance) for food systems transformation in Eastern Europe and Central Asia;
- Identify and raise visibility around new opportunities, innovative practices, and priority areas of work in this domain;
- Strengthen partnerships among key actors in the food and agriculture financial ecosystem in the region.

The main outcome of the event would be a Declaration of Intent for Multilateral Cooperation endorsed by the participating multilateral banks, development actors and government representatives to set guiding principles for actionable partnership in support of food systems transformation in Eastern Europe and Central Asia.

The format of the event includes keynote speeches and roundtable discussions with active interaction with the participants in plenary. The event will bring approximately 100 participants from IFAD and partner countries in Eastern Europe and Central Asia, as well as high-level representatives from multilateral development banks and UN agencies active in the region.

After the opening ceremony, the Government of Uzbekistan and IFAD will sign the IFAD Host Country Agreement that will seal the mutual partnership and will pave the way for the opening of the first ever IFAD Office in the country.

The signing ceremony will be followed by the first panel discussion, titled *Identifying the key ingredients for financing sustainable food system transformation in the ECA region*. The session is expected to shed light on the challenges of mobilising resources to sustainably achieve Zero Hunger by 2030 in this fast-growing region with increasing inequalities, and to explore new ways to improve coordination.

Indeed, the Food and Land Use Coalition set at US\$ 300-350 billion the annual investments required to trigger food systems transformation and counter the production of hidden social, economic and environmental costs generated by world food systems (currently estimated at US\$12 trillion) and help to unlock US\$ 4.4 trillion in new business opportunities every year.

Experts agreed that if donor-supported programmes and projects aim to be effective in transforming food systems, a deeper understanding of their complex dynamics as well as adaptive project management are required. Small-scale agriculture in the region followed the transition to market economies in the Nineties; despite impressive development gains, poverty remains a rural phenomenon and diaspora has contributed to further deprive rural economies from young workforce and investments.

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This panel discussion aims to set aside the underlying structural constraints for agile investments in food security and rural development, and to ultimately propose catalysing principles for effective donor coordination. The discussion will revolve around the following guiding questions:

- How has the newly adopted food system paradigm changed the donors' approach to financing towards SDG2 (Zero Hunger)?
- What is the potential of public policies to facilitate development finance coordination in the region?
- What are the top three *must-do* actions to step up contributions to food systems transformation?

After the lunch break, the discussion will be enriched with a deep-dive into the role of private and climate financing to support food systems transformation. The second roundtable is titled *The role of private financing as accelerators of food systems transformation*.

One of the development community Call for Action's axiom for financing food systems is the need to mobilise billions of dollars in responsible investments by the private sector. The latter, in turns, calls for the critical role of donors, national governments and public development banks to create a safe enabling environment for climate-sensitive investments for improved food security. Building on each other's comparative advantage and defining common goals are pivotal steps to harness private resources in a traditionally public-driven agenda.

The discussion will revolve around the following guiding questions:

- What is the private sector already doing to transform the agri-food sector into sustainable and equitable systems in ECA? What does it still need to be done?
- What does it take to build mutual trust between profit-oriented actors and the development donor community?
- How to conciliate the call for huge private investments in agri-food for increased food security, on the one hand, and promoting small-scale farming and improved livelihoods of the poorest rural people, on the other hand?

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## OUTLINE AGENDA

Time	Session
09:00 – 10:00	Registration and welcome reception
09:30 – 10:00	Greeting of Officials
10:00 – 10:30	<b>Opening Ceremony</b>
10:30 – 11:00	<b>Signing ceremony of the IFAD Host Country Agreement</b>
11:00 – 12:45	<i>Identifying the key ingredients for financing sustainable food system transformation in the ECA region</i> <b>Panel discussion 1</b>
12.45 – 14:15	<b>Lunch Break</b>
14.15 – 14.30	<i>Turning ambition into effective action: Egypt and the NWFE</i> <b>Remote speech</b>
14:30 – 16:15	<i>The role of private and climate financing as accelerators of food systems transformation</i> <b>Panel discussion 2</b>
16:15 – 16:30	<b>Coffee Break</b>
16:30 – 16:50	<i>Declaration of Intents for accelerated food system transformation in Central Asia</i> <b>Announcement</b>
16:50 – 17:00	<b>Closing session</b>

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