Media briefing, June 2024

G7 Food Systems Initiative: Lessons to be learned from past mistakes

The Apulia Food Systems Initiative, due to be launched at the G7 Leaders Summit in Italy from 13-15 June, aims to tackle food insecurity and climate change in Africa. It will be the fourth major G7 food security initiative in the space of 15 years. This briefing analyses past initiatives and highlights the key lessons that need to be learned if Apulia is to be a success.

Apulia Food Systems Initiative 2024

The Apulia Initiative builds on the <u>Declaration on Sustainable Agriculture</u>, <u>Resilient Food</u> <u>Systems</u>, and <u>Climate Action</u> signed by 159 countries at COP28 and <u>Italy's Piano Mattei</u> <u>plan for Africa</u> announced at the end of 2023.

The initiative will primarily focus on Africa and is expected to take a more joined up approach to food and climate than in the past. Climate change is fueling a hunger crisis across the continent – the UN estimates <u>281 million</u> people were undernourished in 2022. While many of the solutions to food insecurity are also key to building climate resilience and reducing emissions.

Apulia aims to promote finance solutions, including increased investment by development banks, debt for food swaps, and food insurance schemes, and provide technical assistance to help countries integrate food and agriculture into their climate plans. It also hopes to improve coordination between G7 working groups, such as the Finance Track and the Gender Equality and Women's Empowerment working groups, as well as with international organisations, multilateral development banks and regional stakeholders.

The initiative will be a key test of Prime Minister Meloni's ability to deliver on the global stage. However, given the G7 has launched three major food security initiatives in the last 15 years with limited success, Meloni will need to learn from past mistakes. Analysis of the previous initiatives - detailed below - highlights four key lessons that need to be learned if the Apuila Initiative is to be a success:

- Engage key stakeholders such as family farmers at an early stage: The success of the Apuila Initiative will depend on the extent to which it delivers for Africa's 33 million small-scale farmers, who produce up to 70% of the continent's food and are critical for global food supply chains. African family farmer networks have yet to be consulted, despite the fact they will be key to its delivery.
- Promote a transition towards more sustainable and just food systems: Apulia looks set to be the first G7 initiative to take the links between climate and food seriously but more details are needed on how it intends to deliver on this goal.
- Ensure climate finance gets to where it is most needed: The initiative aims to mobilise and shift funds for agriculture adaptation and mitigation; however it's not clear how much will be raised, whether it will be new money or how much finance will be directed at grassroots organisations where it can have the most impact. In

Sub-Saharan Africa alone, smallholders' climate finance needs are <u>estimated</u> at around US\$ 170 billion per year. Yet just <u>3.6%</u> of climate finance spent on the food and agriculture sector in Africa in 2021 was directed at small-scale producers.

 Ensure governments are held to account: Clear and transparent targets, timelines and reporting mechanisms – including clarity on how much finance has been delivered and what proportion is reaching small-scale producers – is needed so that the impact of the initiative can be assessed.

Past G7 food security initiatives

The G7 has launched three major food and agriculture initiatives over the last 15 years - <u>all</u> <u>immediately following a global food price spike</u> (see Figure 1).

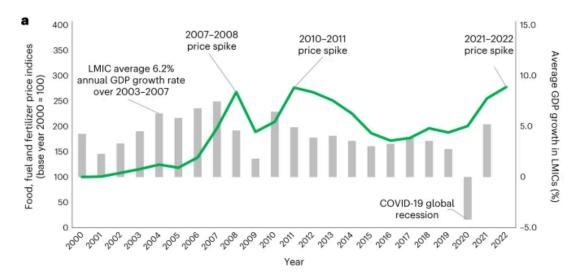


Figure 1: <u>Trends in the international food price index and economic growth</u> in low- and middle-income countries. Each food security initiative came out after a price spike: the L'Aquila Food Security Initiative came out in 2009, the New Alliance for Food Security and Nutrition in 2012 and the Global Alliance for Food Security in 2022.

Global Alliance for Food Security (2022)

The <u>Global Alliance for Food Security (GAFS</u>) was launched in May 2022 in the midst of a <u>food price crisis</u> exacerbated by Russia's invasion of Ukraine - a major global exporter of commodities such as grains and sunflower oil. This initiative provided a short-term response to food insecurity by ensuring safe passage of Ukrainian grain, increasing the availability of agricultural products such as fertilisers, and keeping markets open. In June 2022, G7 members committed <u>USD 4.5 billion</u> for work on food and nutrition security through the GAFS.

There is no publicly available assessment of the Global Alliance's impact or monitoring framework for disbursement of the funds pledged. Despite identifying five key focus areas – including boosting agricultural production and providing agricultural market information – the main output appears to be <u>a dashboard</u> providing country and regional-level data on the state of food security and nutrition e.g. on the affordability of food. International civil society <u>criticised</u> the initiative for its failure to promote a transition towards more sustainable and just food systems, the lack of inclusive decision making structures which would ensure the

effective participation of affected groups, and its failure to acknowledge the links between the erosion of human rights and food insecurity.

New Alliance for Food Security and Nutrition (2012)

The <u>New Alliance for Food Security and Nutrition</u> was created in 2012 by the G8,¹ African countries and private sector actors in order to support the creation of country-owned agricultural development plans. Each key stakeholder <u>had a specific commitment</u>: African leaders to create better policies; the private sector to increase investment by US\$ 8 billion; and G8 members to support innovation and risk management, provide finance, and support nutrition. The overall goal was to lift 50 million people out of poverty by 2022.

A <u>2015 assessment</u> of the New Alliance's impact commissioned by the European Parliament highlighted three key outcomes. First, participating African countries² had signed up to improve their agriculture and investment policies in 116 ways by 2014, and about 25 per cent of those changes had been made. Many of these actions revolved around improving the regulatory environment for investors and facilitating market access for agricultural goods. Second, by 2014, donor countries had disbursed about 72% of the funds pledged by that date. Finally, private companies had <u>invested</u> around US\$ 1.1 billion of the total US\$ 8 billion pledged.

This initiative was <u>heavily criticised</u>, particularly by France, which withdrew from the New Alliance in 2018 over concerns that the finance was failing to reach small-scale producers. <u>NGOs also raised concerns</u> about land grabbing, lack of consultation with key local stakeholders such as small-scale farmers, and benefits going to multinational corporations rather than to African smallholder farmers. Furthermore, the New Alliance <u>largely ignores</u> climate and environmental impacts. Leadership started to fall away after only a few years and <u>researchers called it 'a failed policy.'</u> It is impossible to say how many people were lifted out of poverty.

L'Aquila Food Security Initiative (2009)

The <u>L'Aquila Food Security Initiative</u> was launched during the 2008-2011 food price crises with the aim of increasing food security through a range of interventions, including funding to increase domestic food supplies in low income countries. The G8 <u>committed</u> a total of US\$ 22.24 billion over 20 years to support the initiative (however this wasn't all new money - <u>US\$</u> <u>15.42 billion</u> came from existing aid commitments).

A <u>report</u> by the UN Economic Commission for Africa and the OECD, based on countries' own figures, concluded that 92% of funds had been disbursed by July 2015. However, a <u>lack</u> <u>of transparency and an inconsistent approach</u> to reporting means it is hard to know how much funding was actually delivered. Furthermore, development aid for agriculture and food security was <u>14.7% lower</u> than would have been expected had spending trends from 2002 to 2008 continued. In 2012, the <u>G8's Camp David Accountability</u> report concluded that despite

¹ The G7 was formerly the G8 until 2014, when Russia was suspended from the group

² Benin, Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Malawi, Mozambique, Nigeria, Senegal, and Tanzania

some progress, private finance was needed to fill the funding gap for agriculture investment plans.

There is no overarching quantitative data available on the L'Aquila Initiative's impact but some <u>case studies</u> suggest that it improved agricultural productivity and decreased food insecurity. The same case studies showed mixed results on stakeholder participation and country ownership. The <u>US Department of State</u> indicates that donors improved the coordination between themselves and took a more comprehensive approach to food security.

Food initiative name	Year	Focus	G7 funds committed
The Global Alliance for Food Security	2022	Free passage of Ukrainian grain Food security risk monitoring	USD 4.5 billion
New Alliance for Food Security and Nutrition	2012	Public-private partnerships to fund African agricultural development	USD 6.2 billion
L'Aquila Food Security Initiative	2009	Increasing production in developing countries	USD 22.24 billion

Conclusion

A review of the last three major G7 food initiatives shows that while there were some lofty goals, the outcomes were limited and difficult to assess due to a lack of transparency and available data. For example, while most initiatives tracked disbursement of funds, it is unclear in most cases exactly what these funds were used for or even if they constituted new sources of finance.

While each initiative was different, the analysis highlights three common problems which limited their success: (1) Lack of engagement of key stakeholders - such as small-scale producers and family farmers - from an early stage, (2) Failure to promote a transition towards more resilient, sustainable and just food systems, (3) Failure to get finance where it is most needed, including small-scale food producers.

If the Apuila Initiative is to deliver for Africa, Italy's Prime Minister Meloni and the other G7 leaders must ensure it does not make the same mistakes.