



# Generating new forms of investment

## Investing in national agricultural innovation systems to deliver to the SDGs

*A Collective Action within Key Focus Area (KFA) 4: Demonstrating Impact and Improving Investments*

It is widely recognized that agricultural research and innovation systems are greatly under-resourced to deliver their required role in meeting the SDGs. Currently, three quarters of public expenditure in agricultural research is in the G20 nations, while most African and Central Asian countries are re-investing in research and innovation at levels well below the FAO-recommended 1% of agricultural GDP.

Compounding the inadequate investment is the fragmented state of investment and capacity in the sector, with individual institutions and projects often duplicative, incoherent and leaving key gaps and bottlenecks in the required integrated systems of agri-food innovation, preventing the flow and uptake of knowledge and innovations into use.

This is further exacerbated by differences in approach and investment between public and private sectors and by a lack of consistent national commitments to the long-term reality of the processes involved. Funding systems contribute to these problems, with short-term investments in long-term processes and often with a lack of integration between different funding sources, resulting in numerous blockages in the complex webs of innovation required.

As the common platform for all involved in agri-food innovation, GFAR is recognized by its Partners as a key mechanism to articulate the needs of the resource-poor and more widely to give collective voice, on behalf of all sectors for the need for greater



and smarter investment in integrated agricultural innovation systems. GFAR national innovation platforms will enable this collective voice, through diverse voices speaking for the whole sector and its needs, and the integration of innovation into large-scale development investments and loans, exploring new mechanisms for doing so. A joined-up approach is required, with expression of community needs linked to subsequent national innovation platform investments and capacity development, with international supporting capabilities mobilized as may be required.

### Advocacy

National investment requires evidence, for Agriculture Ministries and policy makers to convince Finance Ministries, and other policy makers, of the value of investing in the sector. This will require

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*The Partners in GFAR promote an integrated and multi-stakeholder approach that embeds innovation in development, and is driven by, and responsible to, the countries concerned.*



strategic papers, policy briefs, case studies and policy papers, as well as wider use of media and social media to build the case for better, and integrated, investment in agricultural innovation systems across their multiple dimensions. Common advocacy is envisaged via national innovation platforms, for integrated programmes and with a strategic medium-term view and structure.

### **New funding mechanisms**

Agricultural research and innovation systems and their governance have often become dissociated from resource-poor smallholders, the ultimate clients of their work. While farmers are represented in some investment decision-making bodies, there is often a lack of real accountability to the smallholder clients of these systems. Through case studies, Partners in GFAR aim to explore different models for client engagement in investment decisions, with different approaches, including the use of direct management of funds or fund components by farmer organizations, co-financing mechanisms and innovative public-private-producer partnerships. New metrics are required for this and are already being explored by a number of funding agencies. There is also need to measure partnership quality and connect this quality to impact

### **Enabling environment**

As well as the investment needed in innovation processes and technologies, it is essential to create linkage to wider investments such as micro-finance and micro-insurance, to enable farmers to manage risks in changing practices and accessing required inputs. Linking investment in innovation with wider rural development investments holds considerable promise for ensuring and enhancing impact from innovations. Mechanisms are also needed to enable public investments to reduce the external risks to private sector investments that presently constrain development of the sector. This approach is presently being explored with several funding agencies – EU, FAO/IFAD and GAFSP, together with bilateral agencies, private foundations and the countries concerned, to establish the cross-linkages required.

### **Upstream science**

Investment in advanced science that can benefit smallholders is a further dimension requiring attention. With most public and private investment occurring in G20 nations, there is need to ensure the spill-over benefits from advanced science benefit

resource-poor smallholders and tackle intransigent problems such as drought, antimicrobial resistance, invasive alien species, declining phosphate, reducing inorganic fertilizer use, food contamination etc. GFAR Partners will mobilize increased cross-linkage, at policy and practical levels, between investment advanced science and recalcitrant problems affecting smallholders, pursuing equitable and integrated approaches throughout.

### **Integrating innovation from communities and science**

Recognizing that success requires innovation from farmers and communities themselves, as well as from science, new funding models will be explored to directly integrate the two and co-create solutions to the challenges concerned. Following on the models pioneered by earlier GFAR collective actions (DURAS & ProLINNOVA), funding agencies will be encouraged to support new funding models that integrate different dimensions of innovation.

#### **The expected results from this Collective Action are:**

- Innovation cycles shortened; greater efficiency; greater investment to benefit all needed dimensions
- Greater funding, better investment
- Farmers and poor consumers empowered to determine their own required innovations and to 'own' the products of innovation

#### **These changes are expected to be seen in:**

- Measures of investment
- Leveraging of funding
- Changes in investment mechanisms
- Transparency/accountability of processes

Likely partners are: funding agencies, national partners, G20, CFS and policy bodies, foundations, regional development banks, finance Ministries, GDPRD, IFAD, GAFSP, CSR funding

Those expressing their commitment were:

Advanced research, local advisory services, Latin America, Youth, Asia-Pacific, Central Asia/Caucasus, Near East North Africa

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