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FAO REGIONAL CONFERENCE FOR NEAR EAST REGION

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Statement by the Spokesperson of the Private Sector

Excellencies,

Distinguished Ministers,

Heads of Delegation,

Ladies and Gentlemen,

Let me first welcome you all today on behalf of the private sector actors in the region, who convened on 30 January 2024 for a dialogue meeting, co-organized by FAO in collaboration with the Islamic Development Bank (IsDB), the Islamic Corporation for the Development of the Private Sector (ICD) and the Group Business Forum – THIQAH.

1. The dialogue meeting gathered up to 220 diverse stakeholders from small, medium and large enterprises; regional organizations supporting the private sector, such as the Union of Arab Chambers, the Islamic Chamber of Commerce, Industry and Agriculture; as well as regional financial institutions, such as the Arab Gulf Programme for Development (AGFUND), the International Fund for Agricultural Development (IFAD), the International Finance Corporation (IFC), and the Islamic Corporation for the Development of the Private Sector (ICD) to discuss and strategize collaborative efforts that will drive sustainable progress and accelerate the achievement of the Sustainable Development Goals (SDGs) within the region.

2. Today, allow me to share with you, findings and facts confirming the pivotal role of the private sector in driving the transformation of agrifood systems, particularly in regions like the Near East and North Africa; where private enterprises, ranging from small businesses to large firms, play a crucial role in introducing innovation, technology and efficient practices throughout the entire agrifood value chain, fostering the creation of value-added products.

3. By leveraging their resources, expertise and market-driven approaches, the private sector actors in our region are able to contribute significantly to increasing productivity, enhancing the resilience of farming communities and ensuring sustainable agricultural development.

4. In the preparation for the Regional Conference, FAO and partners planned and designed the dialogue across three thematic sessions. Distinguished moderators and panellists excellently facilitated the deliberations, resulting in the following findings.

5. **The first session** on “Enhancing Finance and Investment to accelerate Agrifood Systems Transformation for a Better Life” addressed key challenges hindering investment finance in the

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agriculture sector in the region, such as limited access to capital, inadequate financial infrastructure, and policy and regulatory barriers. Various stakeholders emphasized the importance of empowering smallholder farmers, leveraging private sector investment and creating enabling environments.

6. Let me share with you today the key solutions and strategies proposed to the Esteemed Delegates and FAO for an enhanced finance and investment for a *better life*:

- a. Empower small-scale farmers by integrating them into financial inclusion efforts and providing tailored financial products and credit access.
- b. Promote blended finance such as combining various financial instruments to attract diverse investors and address the capital-intensive nature of agriculture.
- c. Foster collaboration with local and international private sector investors and create dedicated agricultural funds and partnerships with financial institutions.
- d. Advocate for Policy Reforms through streamlining bureaucratic processes and addressing regulatory barriers and provide incentives for private sector engagement in agriculture.
- e. Establish and adopt de-risking strategies and implement strategies to mitigate perceived risks associated with agriculture investments and enhance the attractiveness of agriculture investments to financiers.
- f. Promote youth entrepreneurship in agriculture and build resilience in the sector through the involvement of young entrepreneurs.
- g. Highlight the profitability potential of agricultural investments and utilize data and innovative financial products to change the perception of the sector.
- h. Recognize and quantify the environmental and social benefits of agriculture and create a stronger business case for investments in sustainable farming practices.

7. **The second session** discussed the private sector leadership in resilient and inclusive agrifood systems transformation for a *better life*. Discussants presented successful initiatives on providing access to markets, finance and technology for traditionally underserved groups, thereby contributing to a more equitable distribution of benefits within agrifood systems.

8. Yet, participants in the discussion highlighted key trends and obstacles encountered by leaders in the private sector as they navigate the transformation towards resilient and inclusive agrifood systems. Some of these include:

- a. The dichotomy between financial security and food security emphasizes the need for income in addition to food availability.
- b. The debate on sustainable farming versus maximizing agricultural productivity raises concerns about balancing ecological sustainability and food production.
- c. The private sector's role in agrifood systems transformation extends beyond primary farming activities, emphasizing the need for collaboration with organizations like FAO.
- d. The food industry's pivotal role in agricultural innovation highlights the interconnectedness of primary agriculture, food processing, manufacturing and distribution.
- e. Holistic solutions are required for agrifood systems transformation, extending collaboration beyond agriculture to address issues like infrastructure, technology transfer and supply chain integration.

9. The synthesis of discussions during the second session affirms that the private sector, including corporations, financial institutions and industry organizations, are able to contribute to the creation of resilient agricultural systems that can withstand shocks, adapt to climate change and ensure food security. In addition to promoting resilience, private sector leadership is instrumental in fostering inclusivity within agrifood systems. Companies can actively engage with smallholder farmers, women-led enterprises and vulnerable communities, creating opportunities for economic empowerment and social inclusion.

10. Through collaboration with organizations like FAO, private sector leaders can align their strategies with global sustainability frameworks, ensuring that their transformative efforts contribute not only to corporate success but also to the well-being of communities and the overall improvement of life. Such collaboration between the private sector, FAO and the public sector can demonstrate a shared commitment to building resilient, inclusive and better agrifood systems for the benefit of all.

Therefore, we call the Esteemed Delegates and FAO to actively support our proposed solutions:

- a. Adopt holistic strategies that recognize the importance of income security alongside food security, such initiatives that address broader economic challenges faced by communities.
- b. Advocate for innovative techniques and technologies to boost productivity, while safeguarding the environment, and emphasize the importance of finding approaches that reconcile sustainability with increased yields.
- c. Foster collaboration between the private sector and international organizations to leverage resources, knowledge and expertise. Recognize the private sector's capacity for innovation as a significant asset in addressing complex agricultural challenges.
- d. Encourage innovations in food processing and post-production facilities to enhance overall agricultural performance. Recognize the food industry's contributions to competitiveness, food quality and safety in agrifood systems transformation.
- a) Acknowledge the dynamic nature of the agricultural sector and stay current with the latest advancements. Explore partnerships and knowledge exchange with other regional processors and industries to drive cross-sectoral collaboration and transformation.

11. **The third session** addressed the “Role of Technology and Innovation in Agrifood Systems Transformation”. The role of technology and innovation in agrifood systems transformation is paramount, particularly when collaborating with development organizations such as FAO. FAO's role here is promoting inclusive approaches, and ensuring that technology benefits all stakeholders, including smallholder farmers and marginalized communities.

12. The challenges delineated by participants revolved around technical details, social inclusivity and accessibility. Overcoming the technical challenges is crucial for enhancing productivity, sustainability and overall efficiency in the agricultural sector. Challenges associated with the inclusion of smallholder farmers and marginalized communities were underscored; addressing social inclusivity challenges is imperative. Discussants pointed out as well the difficulties faced by farmers, particularly smallholders, in accessing credit, technology and essential inputs.

- a. Traditional agricultural practices often rely on chemical inputs that can be harmful to the environment in the long term.
- b. Ensuring sustainable production and harvesting practices.
- c. Providing farmers with accessible and reliable advice.
- d. Supporting smallholders in adopting sustainable farming practices.
- e. Limited access to finance for small producers.
- f. Fostering an environment conducive to start-up success.
- g. Overcoming barriers to entry and growth for start-ups.

13. By fostering partnerships and providing capacity development for smallholder farmers, the agricultural sector can attract a new generation of innovators and entrepreneurs, driving forward agrifood systems transformation for better production and nutrition.

14. Discussants called for practical technical solutions by FAO and further advocacy support to encourage partnerships between private and public sector, development actors, research entities, to ensure the following:

- a. Promote and support the use of biotechnology to develop alternatives products, which enhances plant resilience to stress and reduces dependency on chemical fertilizers and pesticides.
 - b. Innovate biotechnological solutions like introducing receptors to plant roots to enhance resilience to stress and reduce dependency on chemical fertilizers.
 - c. Develop organic fertilizers, pesticides and post-harvest solutions using innovative technologies to extend the sustainability of agricultural products.
 - d. Establish an advice platform that offers tailored guidance to farmers on best practices, technology adoption and market insights.
 - e. Foster collaboration with government agencies and non-governmental organizations (NGOs) (like the United States Agency for International Development [USAID] and the United Nations Industrial Development Organization [UNIDO]) to implement programmes that facilitate knowledge transfer, training and resource access for smallholder farmers.
 - f. Forge partnerships with financial institutions to facilitate access to capital and financial services for small-scale producers, enabling them to invest in innovative technologies and sustainable practices.
 - g. Provide a conducive entrepreneurial ecosystem through financial support, mentorship, market access and connections with farmers and consumers.
 - h. Establish links between start-ups, private companies and research institutions, offer mentorship programmes, and help in understanding market needs and consumer preferences.
15. As I reach the conclusion of this statement, I want to extend my sincere thanks to the Food and Agriculture Organization of the United Nations (FAO) represented by its Regional Office for the Near East and North Africa for offering us the opportunity to gather here today, enabling us to plan, strategize and envision potential collaborations for the future.