

Private sector is key to tackle hunger

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EBRD and FAO call on agribusiness to step up investment from the Black Sea to the Mediterranean

At the high-level conference in Istanbul, focused on promoting private agricultural investment and trade from the Black Sea to the Mediterranean, a vast area with high potential for increased food production, but with serious food security challenges too, the EBRD and FAO called on the private sector, both domestic and foreign, to massively invest responsibly in agriculture, key to solve long-term food security issues.

Furthermore, the two organizations called on governments to create an enabling policy environment that fosters private-sector investment.

"It is probably the largest private sector gathering ever organized to discuss about food security, we were impressed by the positive response by all the companies that were invited," the President of the EBRD, Sir Suma Chakrabarti, told leaders in agribusiness and top level policy-makers, adding: "It shows that the private sector is concerned about food security. This meeting is another step forward to helping the private sector to enhance production and employment, using the expertise of the EBRD and FAO in the food and agricultural sectors."

"There can be no freedom from hunger – there can be no food security - without the active participation of all sectors of society, including the private sector," said FAO's Director-General José Graziano da Silva at the conference.

He added that apart from important investments, financial and in-kind contributions, the private sector can make another important valuable contribution, which "is not easy to quantify, but that is crucial: the political support that the private sector can give to food security. We need to build consensus and mobilize all stakeholders towards this goal. With the private sector on board, national and international efforts to fight hunger have added legitimacy."

Integration

The conference explored ways to improve the trade conditions between transition countries and the Southern and Eastern rim of the Mediterranean.

Furthermore, with a view to develop farming and maximize the efficiency of food chains, different models of vertical integration were discussed. Agricultural cooperatives were singled out as one of the models to support more inclusive food systems.

And as the involvement of the private sector strongly depends on agricultural policies, much attention was given to ways of fostering private-public dialogue, to ensure that key partners can make their voices heard in policy-making processes and, eventually, enrich the policies themselves, bearing in mind the special interest of millions of small farmers.

Food chain

Earlier this year, the EBRD and FAO stepped up their efforts to promote private sector investment in agribusiness in EBRD's Southern and Eastern Mediterranean region (SEMED), reflecting the two organizations' push for strengthened links with the private sector and civil society to fight hunger and promote sustainable development.

The EBRD and FAO are providing and mobilizing investment in infrastructure and equipment and improving farmers' access to finance thanks to the secured-transactions reform that will allow them to pledge crops and equipment as collateral.

The EBRD and FAO also encourage efficient use of resources, which means "more food per drop" of water and fertilizer.

Since the start of their partnership in 1994, FAO and the EBRD have implemented over 90 technical assistance projects for a total value of about USD 12 million. These projects have helped to address institutional and regulatory bottlenecks, as well as improve transparency and efficiency along the whole food value-chain in EBRD's countries of operation.

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