



Shared Prosperity Dignified Life



WORLD BANK GROUP



Food and Agriculture
Organization of the
United Nations



World Food
Programme



Sweden
Sverige

Regional Forum on Accelerating Food Systems Transformation in the Arab Region

Amman, Jordan, 30-31 October, 2024



Financing Food Systems Transformation in the Arab Region

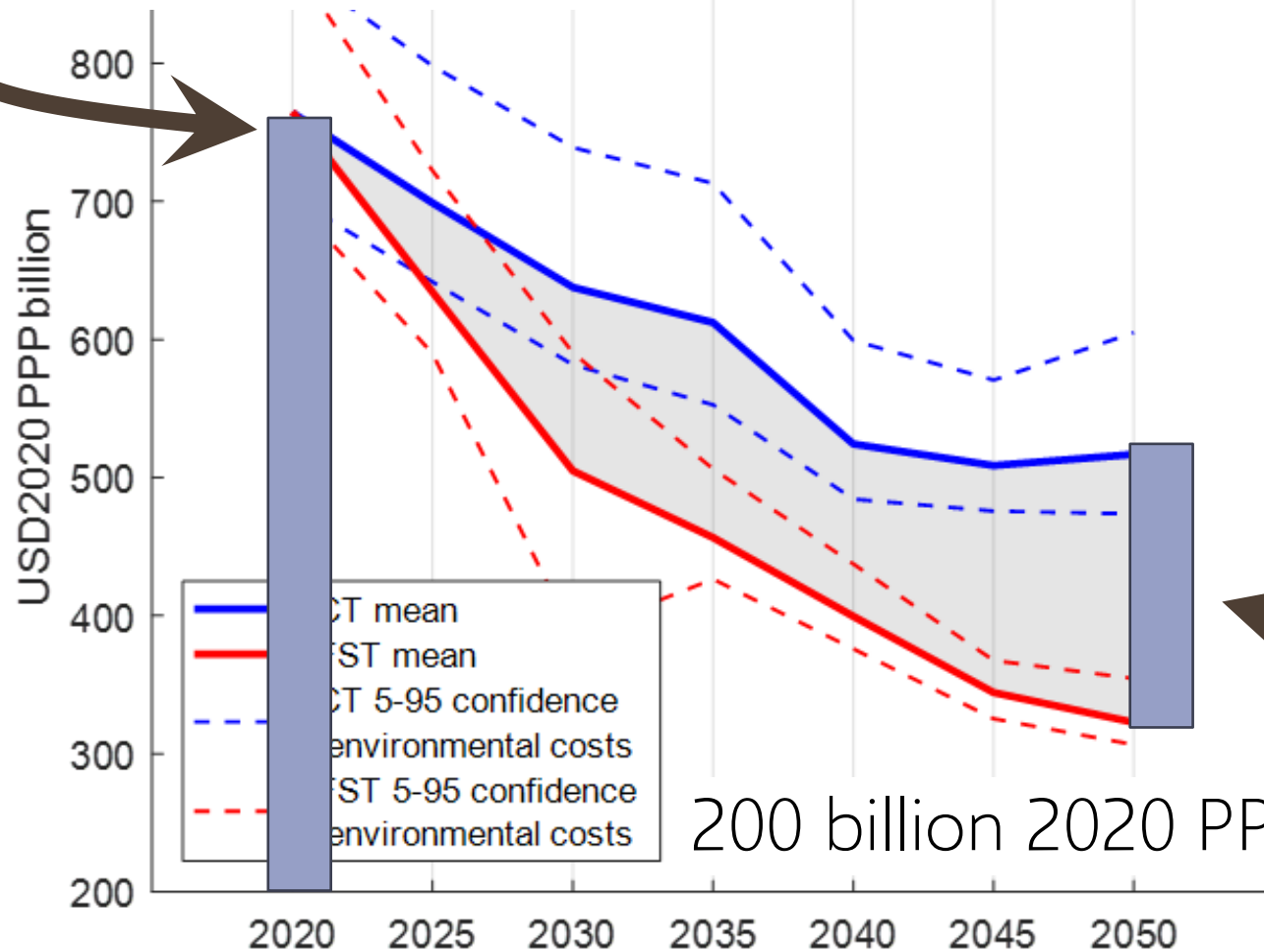
Economic benefits of transforming food systems and implications for public and private investment

Steven Lord, Senior Researcher, University of Oxford

MENA avoided hidden costs under Food System Transformation scenario (FST v CT)

Global

750 billion 2020 PPP



- 20% of hidden costs avoided (shaded area)

33%

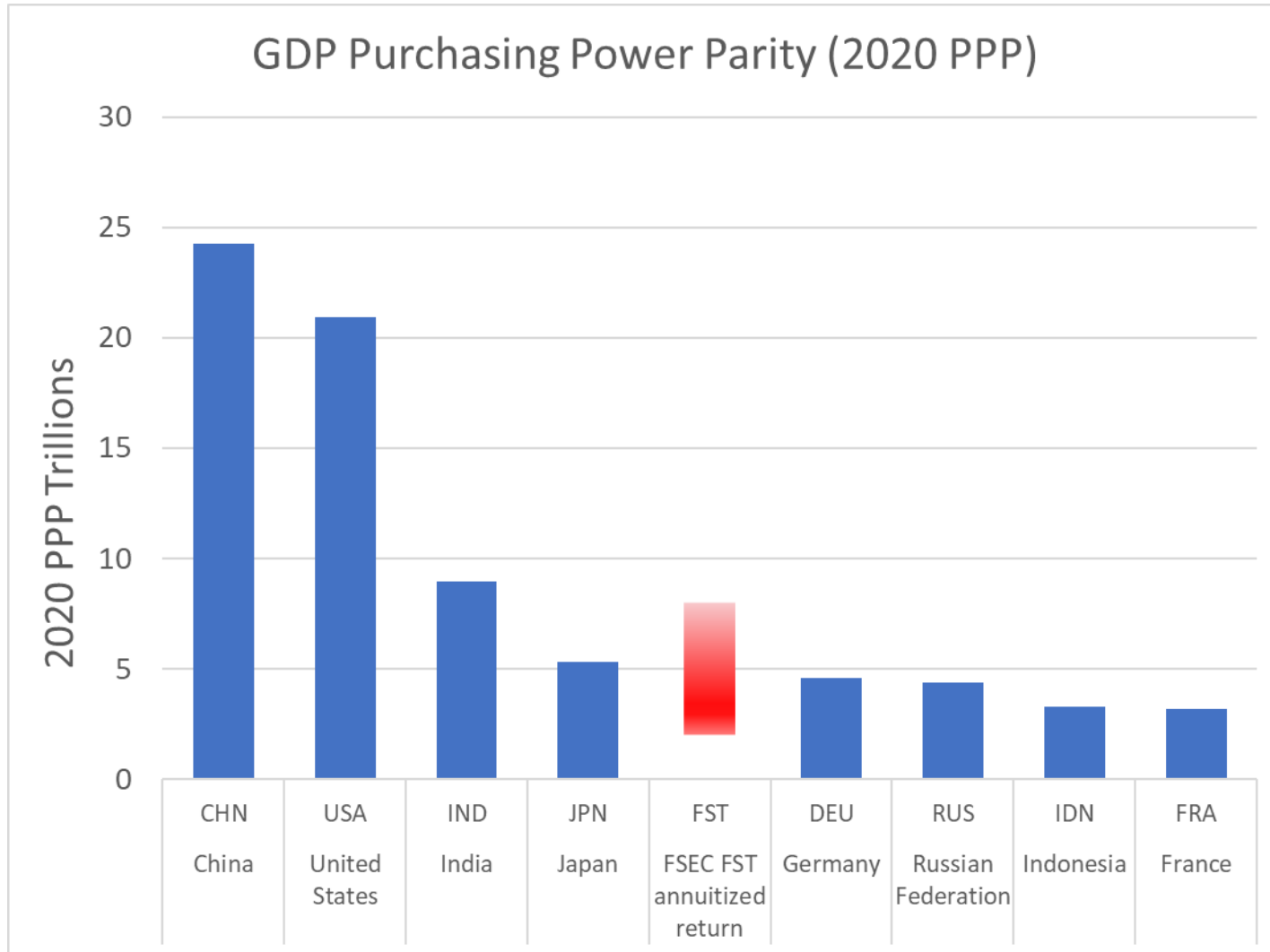
- Avoided costs of 200 billion 2020 PPP by 2050 (about 2.5% of MENA GDP PPP)

5 trillion 2020 PPP (about 3%)

- Average avoided cost per year 120 billion 2020 PPP

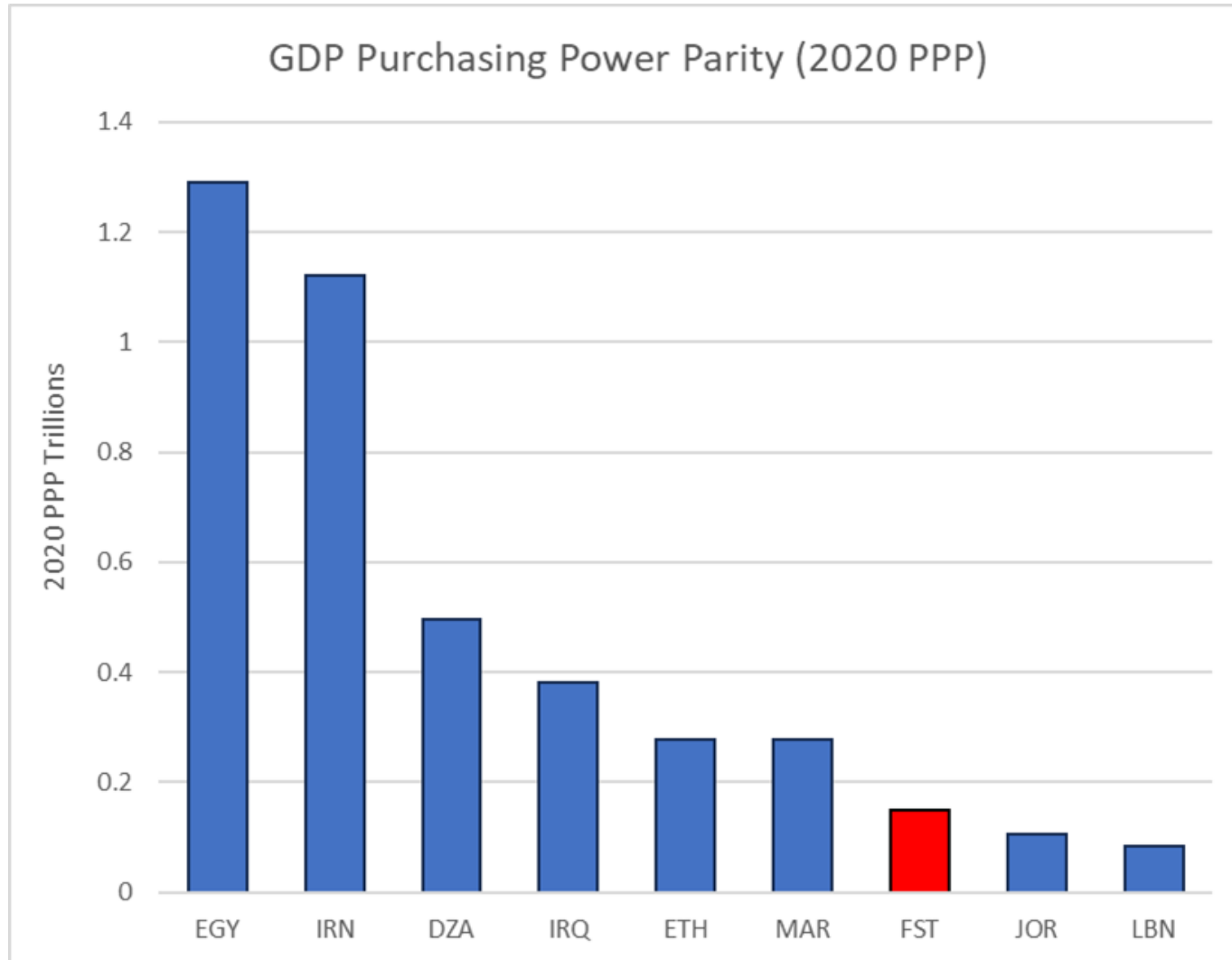
3.5 trillion 2020 PPP

Avoided damage to future GDP in comparison with 2020 GDP in PPP



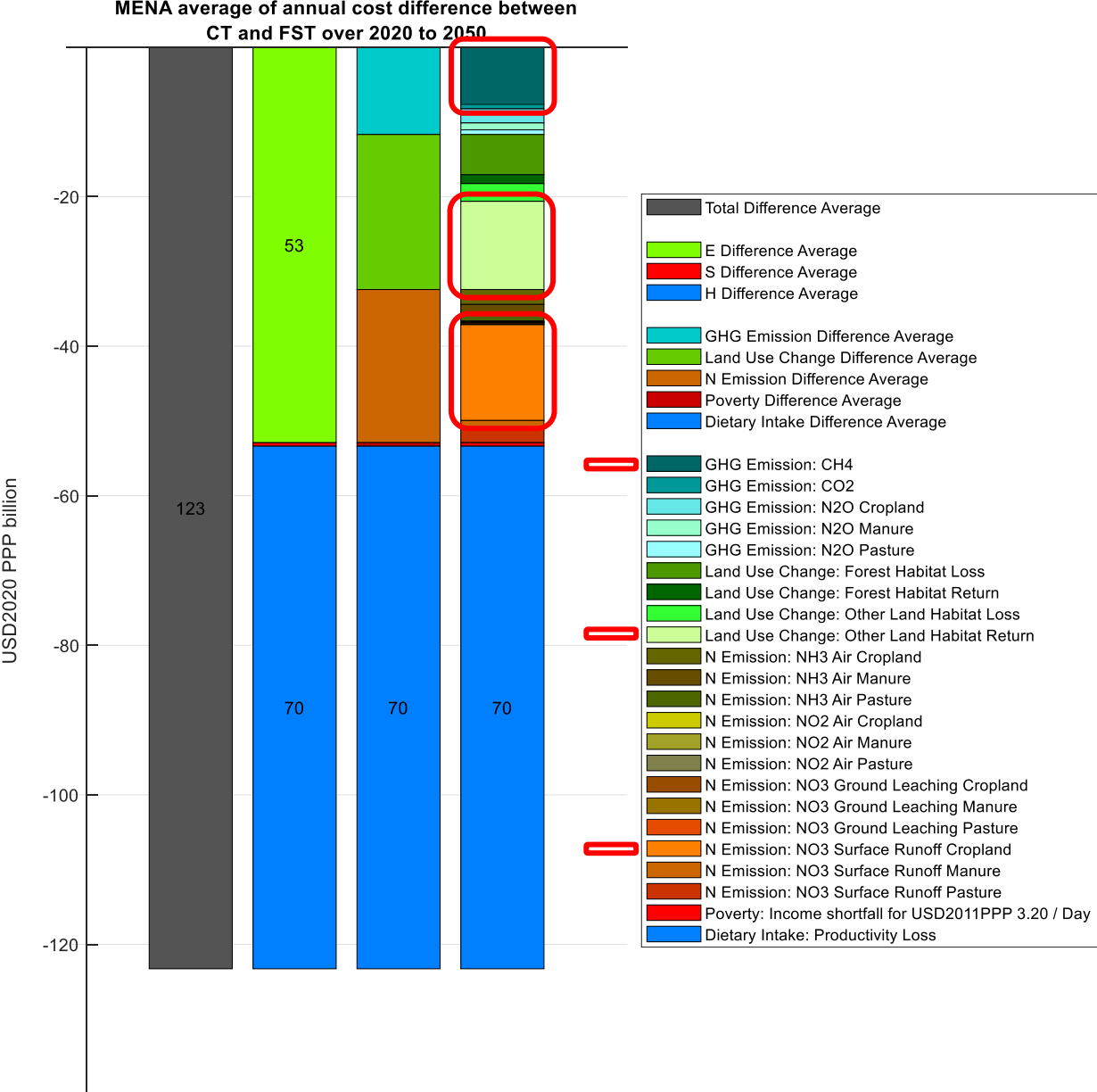
- Average avoided loss to product would be the 5th largest economy on the planet

Avoided damage to future GDP in comparison with 2020 GDP in PPP



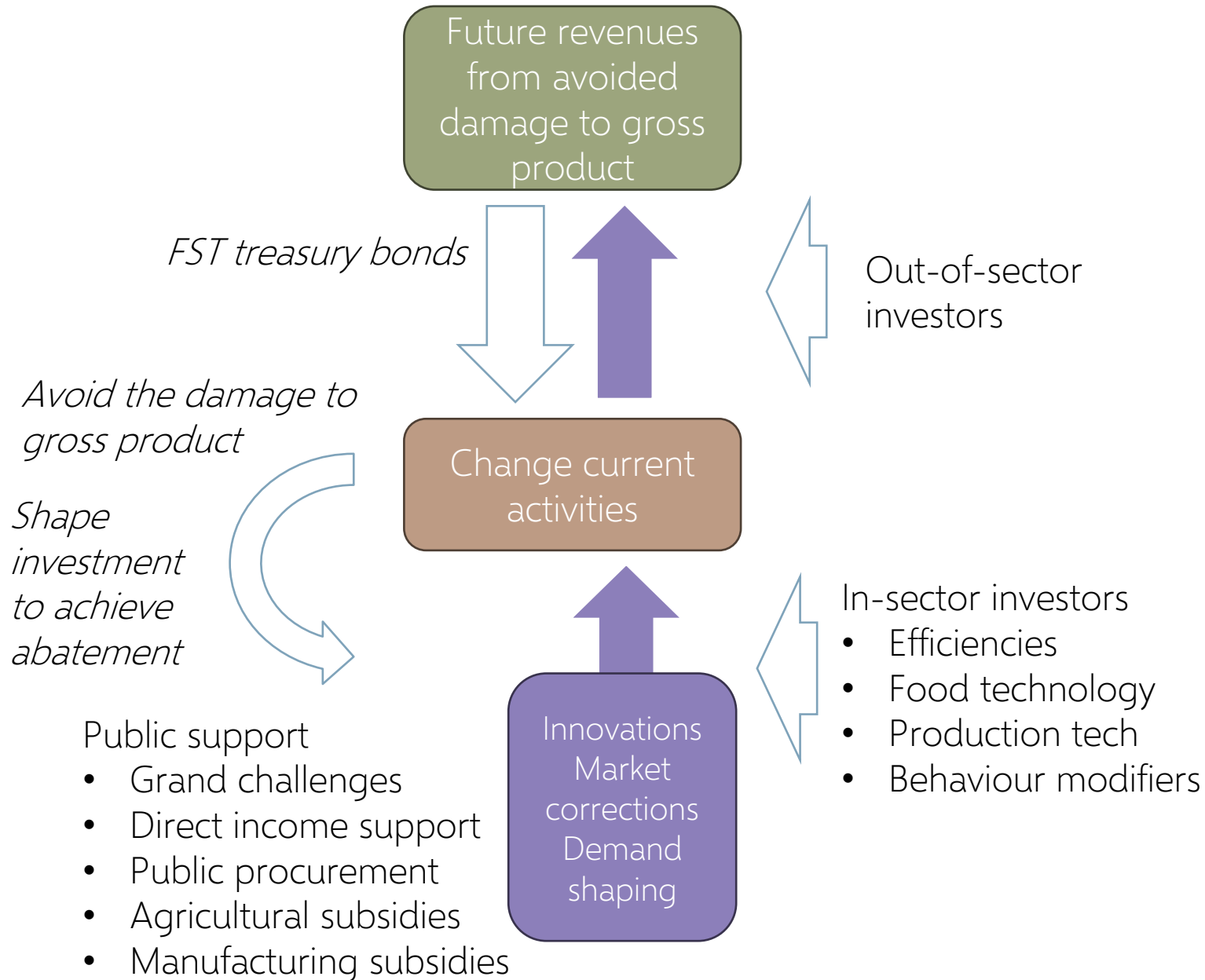
- MENA has many rich energy-based economies
- Different agricultural land-use

Breakdown of avoided costs



- Globally 70% of avoided costs affected by dietary change
- CH4 reduced livestock emissions
- More efficient land-use by producing direct plant-based calories and protein

Implications for public and private investment



- Broaden the investment base beyond the food and ag sector (which is typically a small sector)
- Public: investing for abatement (risk is not achieving abatement)
- Private: investing for returns in the corrected market (risk is not achieving returns)

Bottlenecks

- Lack of public mechanisms and structure to oversee public investment in food system transformation.
- Lack of understanding and national accounting of the potential economic gains: gains in public goods from reducing food system impacts outweighs the proportion of food and ag sector in gross product and its private value
- Financers disclose the cost-effectiveness of finance instruments to mitigate GHG emissions, N pollution, land clearing, etc.

The End

