# A substantial funding gap of up to USD 350 billion per year by 2030 exists for transforming food systems to achieve climate mitigation and adaptation targets, and to meet other SDGs.[1]

Public financial resources, including multilateral development assistance, are not sufficient.

**Private finance is therefore essential to fill the funding gap to support the rapidly needed transition of food systems.**

## Through a series of steps, private financiers can drive significant capital flows toward implementation:

- Identify significant impacts of financing activites and operations across impact areas;
- Assess and measure performance;
- Set targets;
- Monitor and disclose impacts;
- Continuously adjust the course of action.


1. International Food Policy Research Institute (IFPRI) (2022). 2022 Global food policy report: Climate change and food systems. Washington, DC: International Food Policy Research Institute.

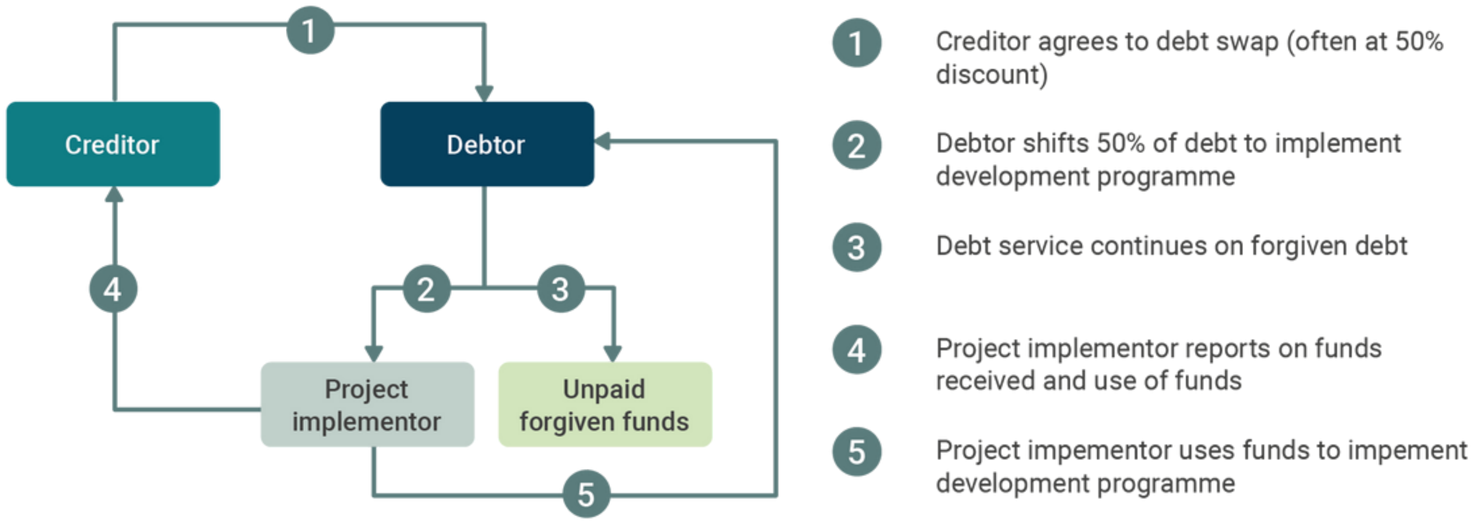
# The Opportunity:

## OPPORTUNITY: PUBLIC FINANCE

### Featured debt instrument: Debt-Swap

Debt swaps bring an obvious financial advantage to the beneficiary country, which experiences a reduced debt burden, and simultaneously needs less additional resources to finance these projects or programmes.

**Figure IX:** Structure of a debt swap



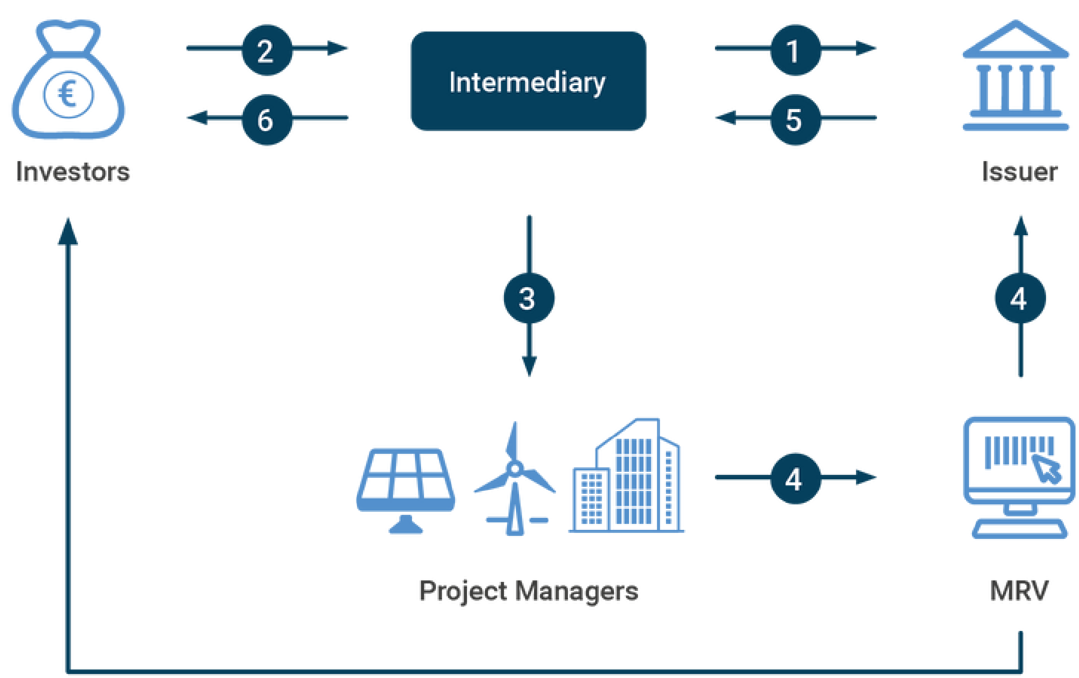

## OPPORTUNITY: PRIVATE FINANCE

**New debt instruments** offer alternative financing mechanisms, including sustainability linked loans and bonds, environmental impact bonds, use of proceeds bonds, and diverse securitisation techniques.

### Featured debt instrument: Impact Bond

Impact bonds are an innovative type of multi-stakeholder contract that aim to redistribute both risk and benefits from investments to generate impact in multiple areas.

**Figure V:** Structure of an impact bond




*For more information, access the full report Driving Finance for Sustainable Food Systems*