1.01 Establish a cross-Action Track "2030 End Hunger Fund"

The Solution: The establishment of a cross-AT "2030 End Hunger Fund" that focuses on channelling private sector resources to investments to end hunger by 2030. The aim is to generate USD 4-5 billion (0.2030% of all corporate profits is about USD 10 billion) a year. The Fund would catalyse government and donor investments through a matching mechanism, at a ratio to be determined, and allocate them to fund actions that could achieve the goal of ending hunger.

Source(s) of the Solution: The solution was inspired first by the Ceres2030 Report, which calls for an extra USD 33 billion a year for 10 years to be invested in efforts to end hunger and identifies high-impact sustainable actions that such money could fund, as well as the PARI (2020) report, which also provides useful investment suggestions.[1] Second, it draws on existing examples of channelling private investments for good: Amazon Smile, for example, provides an example of what one corporation can achieve (USD 215m raised for charities to date). India's 2% of profit corporate social responsibility (CSR) legislation has channelled CSR into more meaningful investments. Finally, it responds to global calls to redirect financial resources, where possible, to achieve common good. The Pope called for such a fund on World Food Day in October 2020 (based on reducing defence spending). The South Korean President Moon Jae-in has called for COVID-19 companies that are 'winners' to help struggling companies. The Chair of AT1 suggests building on these efforts with the proposed Fund.

Problem addressed within food systems: This solution addresses the funding gap needing to be closed to achieve zero hunger. Even prior to the COVID-19 pandemic, hunger was on the rise. With COVID-19, the estimates are that hunger number could rise by an extra 135 million. And yet recent reports tell us that ending hunger is within our grasp. Government and donor budgets will be depleted by the COVID-19 response. Many businesses and HNW individuals have done very well financially during the COVID-19 pandemic. Even the IMF has felt compelled to speak out on this. COVID-19 has emphasized the essential nature of food systems, and the vulnerability of all societies to hunger, even wealthier nations such as the UK.

How this solution will address that problem: The Fund will provide the additional investment required to accelerate efforts to achieve zero hunger. It will also bring together different stakeholders, fostering public-private partnerships to work towards a common global goal and overcoming the financial barriers that led to unequal progress in ending hunger.

Solution's alignment to the 'game changing and systemic solution' criteria: The Fund would focus company giving and make it more *impactful at scale*. It would invest USD 1 per USD 500 of company profits towards hunger reduction in a clear, accountable way. The fund would be *actionable* in that it would repurpose company CSR efforts. With continuous support and commitment from companies, we can ensure the *sustainability* of the fund until 2030. Food companies do particularly poorly on rankings of responsible companies. Only four of the top 100 of America's most responsible companies are food companies (General Mills 6th, Tyson, 29th, Keurig 45th, Campbell Soup 58th)—yet they can do much more. If they supported the Fund, they could be a more significant part of the solution. They would also benefit from increased employee identity. For example, , in 1962, John F Kennedy asked a NASA janitor what he was doing, the janitor responded, "I'm helping put a man on the moon." Employees of companies

[1] https://ceres2030.org/wp-content/uploads/2020/11/ceres2030_launch-summary-report.pdf
https://www.zef.de/fileadmin/downloads/ZEF_Akademiya2063.pdf

supporting the 2030 End Hunger Fund would be similarly inspired: "I'm ending hunger by working for (say) Ikea." That would be a gamechanger.

The Fund would focus on efforts to end hunger but would also support other Summit goals. At least half of the investment areas would directly benefit the other Summit AT goals, and the others would do so indirectly.[2] A strong independent M&E mechanism would also have to be put in place.

Existing evidence: A strong set of high-impact investments have already been identified and costed by the Ceres2030 and PARI (2020) reports (see Annex). If the funds can be raised, and the governance and institutional arrangements worked out, and appropriate investments in line with these recommendations identified, then the solution will work.

Current/likely political support: To date (Feb 5, 2021), big food companies have, with one exception, poured cold water on this idea. They say companies would view it as a tax, think CSR is 'in the past,' would rather move their business models to a more sustainable and healthier outcome space, or worry about what control they would have over what the Fund is spent on. In response, (1) the Fund would be voluntary, not a tax, (2) CSR is not the past: the Fortune 500 companies spend USD 15 billion a year on it[3], (3) the Fund investments can help companies to move into a more sustainable and healthy space by growing markets and de-risking key elements of their transition, and (4) governance arrangements to be developed could give companies some control over the investments made—in line with the evidence-based recommendations noted above.

Support for a fund idea has been expressed, directly and indirectly, by: the Pope (for a public fund); David Beasley (focusing on high-net-worth individuals); the President of South Korea (advocating for a company fund to support struggling companies); the Chair of the Summit Science Group; Paul Polman, CEO of Imagine; and Save the Children.

Were a single 'keystone' big business (e.g., Sodexo) to express interest in helping to develop this solution, it will take off because it would be very good for businesses. Evidence suggests that companies that are brave enough to back this Fund would derive immense benefit from doing so. Companies with a strong social purpose attract more motivated, productive, and loyal employees, which also has an economic return. In addition, economic growth in low-income settings will be catalysed, because the USD 33 billion is an investment in productive capacity (capital, labour, land), which can help grow markets that can be entered. There is no easy immediate return on this: it is not an initiative that can be marketized in the short run. However, while companies that run CSR programmes do suffer in terms of return on assets in the first 3-4 years, they enter into net positive territory after 4 years.

Contexts where this is well/not well suited: It is probably less well suited to contexts where hunger is generated by conflict, but even in such settings there may be ways to invest in humanitarian responses that build assets necessary for sustainable development.

[2] AT1 analysis of PARI/ZEF/Akademiya2063 recommendations. Available on request.

[3] https://www.ft.com/content/95239a6e-4fe0-11e4-a0a4-00144feab7de