



The role of the private sector in building equitable and resilient food systems

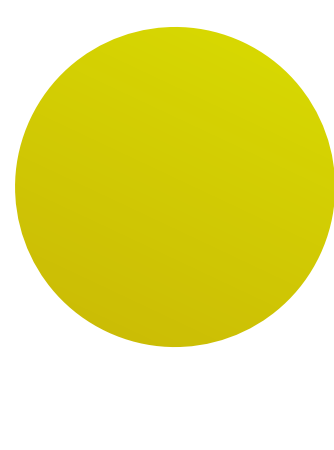
Inclusive markets and finance in fragile and conflict-affected settings

October 2026

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Acknowledgement

We would like to thank all those who contributed to the consultations and thematic workshop for their insights, reflections and constructive contributions. We hope this paper provides a useful basis for further deliberation, dialogue and joint action among NFP partners and other actors committed to strengthening resilient and inclusive food systems in FCAS.

The paper draws on consultations with NFP partners and on the experience and perspectives shared during the thematic workshop. The following provides an overview of the organisations that contributed to this process.

- Government/donors: Ministry of Foreign Affairs departments of International Green Growth (IGG) and Department for Stabilisation and Humanitarian Aid (DSH), and; Netherlands Enterprise Agency (RVO).
- Knowledge organisations: the Hague Centre for Strategic Studies (HCSS); Royal Tropical Institute (KIT); Clingendael; Wageningen University & Research (WUR), and; GlocalShift.
- Private sector: Netherlands-African Business Council (NABC); East West Seed; HSH-Yemen; Signature Agriculture.
- NGOs and civil society: the Hunger Project; CORDAID; ZOA; the Dutch relief Alliance (DRA), and; IDH - the Sustainable Trade Initiative.
- International organisations: The Global Alliance against Hunger and Poverty; G7+, and; the UN Food Systems Co-ordination Hub.

Special thanks are due to Clingendael, CORDAID, East West Seed and the Netherlands-African Business Council (NABC) for their critical review of the draft paper and their constructive feedback.



We further acknowledge the support of the Netherlands–CGIAR Research Programme (file number INT.1723.24.012) under the Senior Expert Programme II, financed by the Dutch Research Council (NWO), which contributed to the consultations and the development of the final documents.

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Executive summary

This paper explores how responsible private-sector engagement can contribute to more resilient and inclusive food systems in fragile and conflict-affected settings (FCAS), focusing on three questions: when such engagement is viable, what barriers constrain it, and how de-risking and partnerships can enable it. The answers draw on consultations with NFP partners and a subsequent thematic workshop that explored the role and potential of private-sector engagement in FCAS.

Private-sector engagement can be viable in FCAS where business models are adapted to local political, economic, market and conflict realities. This requires understanding how markets actually function, working with diverse local and regional private-sector actors, ensuring commercial viability, and ensuring that investments are conflict-sensitive, inclusive and contribute to resilient food systems. Commercial viability and responsible engagement are therefore closely linked.

Engagement is constrained by disrupted markets and business networks, unsuitable conventional business and financing models, and short-term approaches that undermine trust, local presence and sustained engagement. Overcoming these barriers requires rebuilding market connections, adapting business and financing models, and developing longer-term, locally anchored partnerships that strengthen inclusive and fair market practices rather than simply reinforcing existing market actors or structures.

Effective de-risking should address specific constraints to otherwise viable investments through appropriately targeted financial and non-financial support, combined with genuine partnerships, learning and adaptive approaches. The longer-term objective should be to strengthen local markets and private-sector capacity so that food systems can increasingly sustain food access, livelihoods and resilience.

The findings suggest an important role for NFP's Stability Partnership in capturing and sharing learning, convening and connecting relevant actors, and facilitating action-oriented guidance and partnerships.



1. Introduction

1.1 The role of the private sector in FCAS

Achieving food systems transformation requires sustained investment, innovation and market development. In Fragile and Conflict-Affected Settings (FCAS), however, high levels of risk and weak enabling conditions limit private-sector engagement and investment, constraining progress towards resilient and inclusive food systems.

What do we mean by private sector?

In this paper, private sector refers broadly to the businesses and market actors involved in food systems, ranging from informal enterprises and local traders to domestic and international companies, including processors, aggregators, financial institutions and other service providers. Private-sector engagement refers to the ways in which these actors participate in, contribute to, and shape food systems, including through investment, trade, service provision, innovation and partnerships. These actors differ considerably in their size, formality, capabilities, risk exposure and commercial interests. The paper therefore does not equate private-sector engagement with attracting large-scale external investment.

Markets and private-sector actors continue to operate even in highly fragile settings. Farmers, traders, processors, aggregators, financial institutions and entrepreneurs continue to produce, trade, provide services and adapt to changing circumstances, often through informal networks and relationships. At the same time, the way markets function in FCAS is shaped by insecurity, weak institutions, disrupted infrastructure and unequal access to resources and opportunities. The challenge is therefore not simply to attract more private investment, but to understand how markets function, where responsible private-sector engagement can contribute to resilient and inclusive food systems, and what conditions are needed to make such engagement viable and sustainable.

Consultations with NFP partners highlighted the importance of responsible private-sector engagement in FCAS because it can:

- Strengthen existing market functions and unlock finance for food system transformation, by supporting local businesses and market networks that continue to operate and adapt despite conflict and fragility.
- Contribute to food security, better diets and resilience, by strengthening food production, trade, services and access to markets and finance, while recognising the need to ensure that engagement is inclusive and benefits vulnerable groups.
- Build on experience and emerging evidence to identify what works and under what conditions, helping to develop context-specific approaches to private-sector engagement that are commercially viable, responsible and capable of contributing to more resilient food systems in FCAS.

1.2 Consultations: key findings and insights

The consultations with NFP partners highlighted three broad findings that shaped the subsequent thematic workshop and this paper:

1. Understand how markets function and who shapes them

Markets and private-sector actors remain critical to resilient food systems in FCAS, but the fact that markets continue to function does not mean that they function fairly or inclusively. Markets may operate outside formal regulatory systems and under the influence of armed actors, with scarcity, price volatility and unequal bargaining power creating opportunities for both legitimate and exploitative practices. Understanding how markets function, which actors shape them, and which market practices contribute to fair and resilient food systems is therefore essential to determining where and how to intervene.

2. Adapt business models, finance and partnerships to FCAS

Responsible private-sector engagement requires context-appropriate finance, business models and risk-sharing, as well as collaboration beyond the private sector. Conventional investment and financing approaches often do not fit FCAS conditions. More flexible business models, appropriate financial instruments and targeted de-risking can help make commercially viable opportunities investable. However, achieving wider food system benefits cannot be expected from private actors alone. Public, development and knowledge partners may need to co-design and support interventions to address wider systemic constraints and ensure that commercial activity contributes to broader food system objectives.

3. Build long-term, locally rooted engagement

A long-term perspective and sustained engagement are essential for responsible private-sector investment in FCAS. Not all private-sector actors have the same appetite or capacity to engage over the longer term, yet sustained engagement is often critical to building viable businesses, strengthening local market systems and generating lasting development impact. This makes national and locally rooted private-sector actors particularly important, as they may have stronger incentives and greater capacity to remain engaged over time. A long-term perspective requires more than reducing financial and security risks: it depends on trusted business relationships, locally anchored partnerships, functioning market systems and public action that strengthens rather than displaces existing market functions.

These findings provided the starting point for the thematic workshop and the three learning questions explored in this paper.

1.3 This paper

This paper reflects on findings from consultations with NFP partners on the role of the private sector in FCAS and documents the main findings of a subsequent thematic workshop. The workshop brought together NFP partners to explore how responsible private-sector engagement can help mobilise finance, strengthen markets and contribute to resilient and inclusive food systems in FCAS.

Following this introduction, the paper is structured around three key learning questions:

1. Under what conditions can responsible private-sector engagement contribute to resilient and inclusive food systems in FCAS? This explores the viability of private-sector engagement in fragile and conflict-affected settings.
2. What barriers constrain responsible private-sector engagement in food system transformation, and how can these barriers be overcome?
3. Which de-risking strategies are most effective, and what is needed from food system actors to enable and support responsible private-sector engagement in FCAS?

The paper concludes with recommendations and proposed ways forward for further dialogue and action, including a possible role for NFP in facilitating learning, connections and action among its partners.

2. Conditions for viable private-sector engagement in FCAS

This section examines the conditions under which private-sector engagement can be viable in contributing to resilient and inclusive food systems in FCAS. The consultations and workshop suggest that viability is not simply a question of whether commercial opportunities exist, but of whether business models can operate responsibly within the political, economic, social and environmental realities of fragility and conflict.

This requires attention to the full range of private-sector actors that make food systems function, from small local businesses and informal enterprises to larger domestic and international companies. Local agro-input retailers, traders, aggregators and transporters often play essential roles in connecting producers to inputs, markets and consumers. Strengthening these existing businesses and networks can be critical to food systems resilience and, in some contexts, may be more important than attracting larger-scale investors. At the same time, well-functioning local markets and business networks can create a more attractive and less risky environment for larger companies to invest.

Four interrelated conditions emerged as particularly important: first, understanding and accounting for the political-economy and conflict dynamics that shape markets and business opportunities; second, adapting engagement to local market realities, private-sector actors and risk profiles; third, ensuring that financial and macroeconomic conditions allow businesses to operate and manage systemic risks; and fourth, using strategic public action to address risks that private actors cannot reasonably absorb, while safeguarding existing market functions and wider public value.

2.1 Account for the drivers of fragility and conflict

Responsible private-sector engagement in FCAS starts with understanding the political, economic and conflict dynamics that shape markets, business opportunities and risks. In these settings, commercial success cannot be separated from the context in which businesses operate: investments can either help strengthen more resilient and inclusive food systems or inadvertently reinforce the drivers of fragility.

Political-economy and conflict analysis must inform business models

Business models need to explicitly account for the underlying drivers of fragility and conflict. Investments that rely on unsustainable extractive resource use, reinforce political elites or monopolies, exacerbate competition over scarce resources, or exclude marginalised groups may generate short-term returns for some but can undermine social cohesion, market development and the long-term resilience of food systems as a whole.

Changes in markets and business models can also create winners and losers. Political-economy and conflict analysis should therefore consider who may benefit and who may be disadvantaged by an intervention, and how this could affect conflict dynamics, market access and social cohesion. This is particularly important where interventions seek to change existing market structures or introduce new technologies, products or business models.

Political-economy and conflict analysis should therefore be treated as an ongoing process, with regular engagement with local actors to identify changing risks and opportunities and adapt business models and partnerships accordingly.

This analysis should go beyond providing general contextual understanding. It should directly inform the design and implementation of business models – including the selection of partners, sourcing and distribution arrangements, relationships with government and other power holders, and how risks and benefits are distributed among different groups.

Commercial viability and responsible engagement are mutually reinforcing in FCAS

In fragile and conflict-affected settings, responsible business practices are not simply an additional consideration alongside commercial viability. How a business operates can directly affect its ability to manage risk, maintain relationships, secure market access and sustain its operations over time. Conversely, commercially viable investments that deepen exclusion, reinforce monopolies or contribute to environmental degradation may undermine the conditions on which their own longer-term viability depends.

The challenge is therefore to identify business models that are both commercially viable and responsible in the context in which they operate. This requires looking beyond immediate financial returns to consider how investments interact with local power structures, conflict dynamics, resource pressures and inequalities - and how these interactions may affect both business performance and the resilience and inclusiveness of the wider food system.

2.2 Adapt engagement to local market realities

Effective private-sector engagement in FCAS starts with understanding how local markets and private-sector actors actually operate. This means recognising the diversity of actors and their different capacities and incentives, understanding how markets continue to function despite fragility and disruption, and adapting business models and technologies to local risks, opportunities and constraints.

Recognise the diversity of the private sector: Different actors require different strategies

Different types of private-sector actors - from multinational companies to local businesses and smaller enterprises, producer organisations and informal traders - operate under different incentives, capacities and risk profiles. Strategies should therefore differentiate between private-sector actors rather than treating 'the private sector' as a single category.

Large companies often have the financial resilience to absorb losses associated with operating in fragile environments, while local informal businesses possess the flexibility and local knowledge needed to continue operating during crises. The greatest investment gap is frequently found between these two groups, where medium-sized enterprises have the potential to drive local market transformation but face risks that are often too great to manage without targeted support and appropriate de-risking mechanisms.

Rather than asking how to support the private sector, the more relevant question is how different actors can complement one another in strengthening local markets, improving food security, better diets and nutrition, and contributing to more resilient and inclusive food systems.

Realise that markets and finance continue to work in FCAS: act upon and support market functions

Markets, private-sector actors and entrepreneurs continue to operate even in highly fragile and challenging environments. Food continues to be produced and traded; when borders close, traders may find alternative routes, while informal networks, personal relationships, regional intermediaries and alternative payment arrangements can keep food moving outside formal systems. In such contexts, a local trader with a truck may be more important for immediate food access than a formally registered company.

The persistence of trade, however, does not mean that markets are functioning well or equitably. Widespread hunger can coexist with active trade when food is unevenly distributed, inaccessible or unaffordable. The key implication is therefore not simply that markets persist, but that interventions need

to understand and, where appropriate, work with the market systems and private-sector networks through which food is already being produced, traded and accessed.

Workshop insight – markets and private-sector networks continue to function amid Sudan’s crisis

A workshop participant highlighted that, despite Sudan’s catastrophic crisis, markets and private-sector networks have continued to function and play an important role in sustaining food access. Food continues to be produced (in particular in more stable and safe parts of the country), imported and traded, often through local and informal networks that adapt to insecurity, disrupted infrastructure and changing access routes.

This does not mean that functioning markets prevent hunger—famine is spreading in parts of Sudan—but it does challenge the assumption that markets have ceased to operate in crisis settings. The key implication is that efforts to reduce hunger and strengthen food security need to understand how food is already moving through these market systems and, where possible, work with and support these functions rather than bypassing them.

Viable engagement begins with context-appropriate business models: business models must reflect the realities of FCAS

The fact that markets and private-sector actors continue to operate in FCAS does not mean that conventional business models will work. Private-sector actors are often aware of the additional risks associated with fragility and conflict, but how these risks are incorporated into business models and investment decisions varies considerably. Private-sector engagement therefore needs to be grounded in the realities of fragility, conflict and environmental stress and should, where possible, strengthen resilience rather than exacerbate existing vulnerabilities.

Workshop participants noted that both private-sector actors and development interventions supporting agrifood value-chain development need to account for the specific conditions in which businesses operate. These include insecurity, weak or unpredictable regulatory environments, environmental degradation, disrupted infrastructure, and highly unequal access to markets and finance. Responsible business models therefore need to be conflict-sensitive, context-specific and sufficiently adaptive to changing conditions, while identifying opportunities to contribute to more resilient food systems.

In Sudan, for example, this means considering how increasing rainfall variability, declining soil fertility and decades of extractive agricultural practices affect the viability of agricultural investments. Investments may generate short-term commercial returns, but their longer-term viability – and their contribution to food systems resilience – may be limited if they do not also address the environmental and structural factors that underpin vulnerability. The challenge is therefore to identify business models that are not only commercially viable under current conditions but can adapt as the context evolves while contributing to more resilient and sustainable food systems.

This also has implications for how success is assessed. In FCAS, conventional measures such as business survival or short-term financial returns may not capture the wider value or longer-term effects of private-sector engagement. Changes in business models, networks, skills, livelihoods and market access may also represent important outcomes, particularly where businesses adapt, change direction or cease operating as part of a broader process of resilience and adaptation.

Technology choices determine feasibility: technologies need to fit the context and risk profile

Context-appropriate business models also require context-appropriate technology choices. In FCAS, technologies need to be affordable, adaptable and maintainable under conditions of insecurity, weak infrastructure, limited access to finance and disrupted supply chains. The most sophisticated or capital-intensive technology is not necessarily the most viable – or the most resilient – option.

Workshop participants noted that technology choices can strongly influence the feasibility and scalability of private-sector engagement. Lower-cost and more easily scalable innovations, such as improved seed varieties and locally adapted seed systems, may offer greater opportunities for commercial investment than capital-intensive and relatively fixed technologies such as greenhouses. For businesses operating in high-risk environments, technologies that require less upfront capital, can be scaled incrementally and can be moved, adapted or maintained when circumstances change may offer a more realistic pathway to commercial viability and resilience.

The broader lesson is that technology should be assessed not only for its technical performance, but also for its affordability, adaptability, mobility and fit with the market, business model and risk environment in which it will be deployed.

2.3 Ensure the financial conditions for viable engagement

Even viable business models can struggle to operate in FCAS when financial systems are weak or macroeconomic risks are high. Two constraints are particularly important: access to reliable payment systems and exposure to currency and inflation risks.

Finance and payment systems matter: businesses need practical ways to transact

Weak banking systems, restrictions on international transfers and unreliable payment channels can make it difficult for businesses to operate within countries and across borders. Participants noted, for example, that businesses investing in Sudan may need to route payments through neighbouring countries such as Uganda to overcome banking and financial transfer restrictions. In some settings, businesses also face difficulties converting local-currency earnings into foreign currency and repatriating profits or invested capital. These constraints can tie up working capital, increase transaction costs and discourage investment.

This highlights the need for reliable and context-appropriate payment mechanisms that allow businesses to continue trading and investing despite constraints in formal financial systems.

Managing macroeconomic risks: businesses need to address inflation and currency volatility

High inflation and currency depreciation can quickly undermine otherwise viable investments by increasing input costs, disrupting business planning and eroding returns. Workshop participants cited the Seeds for Change programme in Nigeria, where rapid currency depreciation significantly increased investment costs and weakened the commercial viability of agrifood investments.

These risks highlight the importance of financial arrangements that help businesses manage exposure to inflation and exchange-rate volatility. However, where such risks are systemic, individual businesses may have limited capacity to manage them alone, making broader financial and policy measures important for sustaining private-sector engagement.

2.4 Use strategic public action to unlock responsible investment

Public action can help make responsible private-sector engagement viable in FCAS, but needs to be selective, market-aware and designed to strengthen rather than displace existing systems. Public actors have an important role in addressing risks that private-sector actors cannot reasonably absorb, while ensuring that public support generates wider food security, nutrition and resilience benefits. This requires a careful balance between de-risking investment, protecting existing market functions, and ensuring that humanitarian assistance and development initiatives support local markets in the short term while helping create the conditions for more sustainable market development over time.

Use strategic de-risking to unlock investment with wider public value

In FCAS, some investments may have significant public value but remain commercially unattractive because risks are too high for private actors to bear alone. Workshop participants therefore explored when and how public support can justifiably reduce or share these risks to unlock investments that would otherwise not take place.

This includes using financial and non-financial risk-sharing mechanisms, improving access to finance and tailoring support to different types of private-sector actors, from local businesses and smaller enterprises to larger agribusinesses. Partnerships, challenge funds, blended finance and other collaborative mechanisms can help mobilise private capital and encourage responsible investment, particularly where investments can contribute to food security, nutrition, livelihoods and longer-term resilience.

The key is strategic de-risking: public support should be targeted at investments with clear wider public value and designed to address specific constraints rather than simply protecting private returns.

Protect informal market functions to avoid doing no harm

Public action to strengthen private-sector engagement can also have unintended consequences if it prioritises formal markets while overlooking the informal systems on which many households depend. FCAS often have thin, fragmented and predominantly informal markets, where informal traders, farmer networks and other locally embedded businesses provide essential access to food, agricultural inputs and services. These conditions can also make it more difficult to identify suitable private-sector partners and develop commercially viable investments. The implication is that de-risking and market-development interventions need to understand existing market systems and assess how they may be affected.

Formalisation should not be an objective if it risks weakening market functions that are already providing resilience to vulnerable households. Where possible, public interventions should complement and strengthen effective informal markets and networks, while creating opportunities for viable businesses to develop and formalise where this adds value.

Workshop insight – informal seed systems are critical to household resilience

A workshop example from South Sudan highlighted the importance of recognising the different roles of informal, intermediary and formal seed systems. Investments by external actors often focus on formal seed systems, including private-sector engagement, or on humanitarian seed provision, which forms part of the intermediary seed system. Yet participants noted that approximately eighty percent of seed used by smallholder farmers is sourced through informal, farmer-managed systems.

This does not imply a choice between these systems. They can be complementary, depending on the crop, context and needs of farmers. Farmer-saved and locally exchanged seed may be particularly important for staple crops, while commercial seed can provide specific traits, such as disease resistance, uniformity and marketable quality, which may be important for crops such as vegetables.

The key implication is that investments in formal and intermediary seed systems should build on and strengthen existing farmer-managed systems rather than displace them. This may mean supporting the networks farmers already rely on, while addressing gaps in seed quality, availability and distribution. High reliance on informal seed systems should not be interpreted as evidence that commercial seed is unnecessary; it may also reflect limited investment in viable commercial seed markets.

This is particularly important in fragile and conflict-affected settings, where farmer-managed seed systems are often a critical component of seed security and household resilience. Effective investment should therefore strengthen the complementary roles of different seed systems, rather than favouring one system over another.

Humanitarian action can create pathways to longer-term market development

Humanitarian assistance and longer-term private-sector engagement are often treated as separate spheres, but in protracted crises where markets retain some functionality, humanitarian programmes can sometimes create opportunities to strengthen local market systems when they are deliberately designed with longer-term considerations in mind. For example, humanitarian seed programmes could procure from and strengthen local seed producers and agro-dealers, helping meet immediate needs while supporting local production, distribution networks and future commercial investment.

However, this is not straightforward and is not appropriate in all contexts. Humanitarian programmes operate under immediate needs, procurement requirements and accountability constraints, while markets may be too thin, disrupted or distorted to support local sourcing without creating additional risks. The scope for linking humanitarian assistance with longer-term market development therefore needs to be assessed carefully against the strength and functioning of local markets and the specific crisis context.

The reverse is also possible: poorly designed humanitarian assistance can undermine emerging markets, displace local businesses and create longer-term dependency. The challenge is therefore not simply to make humanitarian assistance more market-based, but to identify where and how humanitarian action can meet immediate needs while, where feasible, reinforcing rather than weakening local market functions.

Workshop insight – poorly designed humanitarian assistance can undermine long-term market development

The workshop highlighted how free humanitarian seed distribution can undermine local seed markets. Drawing on experience with FAO tenders in Niger, South Sudan and elsewhere, participants noted that seeds are often procured primarily based on price and quantity and then distributed free to smallholder farmers. Local seed distributors may struggle to compete with free distribution, potentially discouraging the development of commercial seed markets.

However, humanitarian seed assistance does not necessarily prevent commercial markets from developing. Experience from South Kivu, for example, suggests that seed sales can be viable even in areas with substantial humanitarian seed distribution when appropriate marketing and distribution systems are in place. The impact therefore depends on how humanitarian seed assistance is designed and how it interacts with existing seed markets.

Participants also raised concerns about seed quality, the distribution of inappropriate or fake seed, lack of agronomic guidance and delays in delivery. Such problems can reduce farmers' trust in seed markets and further weaken existing seed systems. The broader lesson is that humanitarian seed assistance needs to consider its effects on existing market systems: meeting immediate needs should, where possible, be designed in ways that protect rather than undermine the foundations for longer-term food systems resilience and private-sector engagement

In summary

Taken together, these four conditions suggest that responsible private-sector engagement in FCAS can be viable, but rarely through conventional commercial approaches alone. It requires context-appropriate business models, the ability to navigate local markets and risks, and strategic public support that strengthens rather than displaces existing systems.

The question, then, is what prevents responsible private-sector engagement from taking place at the scale and in the forms needed. Section 3 examines the main barriers and considers how they might be overcome.

3. Barriers to responsible private-sector engagement: how can they be overcome?

Section 2 identified the conditions under which responsible private-sector engagement can be viable in FCAS. In practice, however, significant barriers continue to constrain businesses from investing and sustaining engagement over the longer term. These barriers relate not only to insecurity and financial risk, but also to disrupted markets and business networks, the limitations of conventional business and financing models, and the difficulty of sustaining locally embedded engagement.

The consultations and workshop suggest that overcoming these barriers requires more than simply reducing risk. It requires adapting how private-sector engagement is designed and supported – by rebuilding market connections, developing business and financing models suited to FCAS, and creating the conditions for longer-term, locally anchored partnerships.

3.1 Disrupted markets and business networks – rebuild connections and strengthen market foundations

Conflict and protracted crises can fragment the business networks, market linkages and infrastructure on which private-sector engagement depends. They can also make already small and fragmented markets even ‘thinner’, limiting opportunities for businesses to achieve sufficient scale.

Strengthening markets in FCAS therefore requires more than rebuilding individual markets: it means rebuilding trusted business relationships, taking a broader regional and market perspective, and strengthening the physical infrastructure and other foundations that enable markets to function.

Conflict disrupts business networks – rebuild trusted business relationships

Conflict and protracted crises often weaken or fragment the business networks that are essential for private-sector investment. Although there is strong demand for private-sector engagement to strengthen food systems and markets in FCAS, identifying and connecting with reliable businesses, entrepreneurs and local partners can become increasingly difficult. Participants cited Sudan as an example, where conflict has displaced many business owners and key market actors, making it challenging for investors and development organisations to identify trustworthy partners and rebuild commercial relationships.

Responsible private-sector engagement should therefore seek to maintain and invest in trusted business networks, rebuilding them where necessary by working through credible local partners, strengthening local business associations, and creating opportunities for businesses to reconnect with markets and value chains.

Markets become fragmented during crises – take a broader regional and market perspective

Conflict frequently disrupts domestic markets, increasing transaction costs and making agrifood supply chains less reliable. Where national markets are small, fragmented or severely disrupted, businesses may need to consider opportunities across a wider geographic market, including neighbouring countries and regional trade corridors. Participants noted that such a perspective can help businesses maintain access to suppliers, customers and inputs even when particular domestic markets are constrained.

Trade corridors may remain operational even when domestic markets are disrupted, providing alternative routes for trade, investment and market access. A regional perspective can therefore help businesses

spread risk, reach a larger customer base and maintain commercial activity while contributing to stronger market connections across borders.

Workshop insight – a regional perspective is essential for effective private-sector engagement in the Sahel

The presentation by the Netherlands Africa Business Council (NABC) highlighted the importance of adopting a regional perspective for Dutch private-sector engagement in the Sahel. Neighbouring markets can provide more stable and commercially viable entry points for investment and trade than focusing on a single, often fragile, country. Understanding these regional market linkages can therefore help identify opportunities that may not be visible when markets are considered within national boundaries.

NABC illustrated this with the example of Dutch seed entering the region through distributors in Abidjan or Dakar, moving into markets such as Burkina Faso, Mali and Niger, and eventually contributing to the production of vegetables that return to coastal markets as tomatoes and onions. The example demonstrates how agricultural value chains cross national boundaries and how interventions in one country can have important effects across the wider region.

The discussion also highlighted how interventions in different parts of a regional food system can work against each other. One example was a policy contradiction in which one programme supported vegetable exports from the Sahel while another sought to reduce a coastal country's dependence on those same imports. This illustrates the importance of understanding regional market dynamics and policy interactions when designing private-sector engagement, rather than focusing on individual countries or value chains in isolation.

Weak infrastructure undermines markets – strengthen the foundations

Conflict and protracted crises can damage or disrupt the infrastructure on which markets depend, including roads, energy, water, storage and market facilities. Insecurity can also make their provision and maintenance commercially unattractive, increasing operating costs and limiting private investment. Strengthening markets therefore requires clarity on who can provide, finance, maintain and protect critical infrastructure, with governments and development partners playing an important role where public or development funding is needed to reduce risks and make private investment viable.

3.2 Conventional business and financing models are often unsuitable in FCAS – adapt models and incentives

The risks, market conditions and investment horizons in FCAS often make conventional business and financing models difficult to apply. Overcoming this barrier requires greater flexibility in how businesses are financed, how value is generated and how commercial objectives are balanced with wider food system outcomes.

Conventional financing models are often unsuitable for FCAS - explore innovative financing and business models

Where insecurity and high risks make conventional investment models commercially unattractive, alternative forms of private-sector engagement may provide more viable pathways.

Workshop participants highlighted opportunities to work through local savings groups, provide technical assistance and business development services, or offer small grants and other catalytic support to help local enterprises grow. In contexts such as Somalia, service-oriented business models may offer more sustainable returns than direct capital investments. Participants also noted that while blended finance has considerable potential, it remains difficult to operationalise in the highest-risk contexts because of donor restrictions and limited access to suitable financing.

This points to the need to explore financing and business models that are better adapted to FCAS conditions and can generate sustainable commercial returns, while using public or concessional support selectively and avoiding long-term dependence on subsidies.

Private-sector incentives do not always align with wider food system outcomes – build purposeful partnerships

Private-sector actors bring important commercial skills, market knowledge and incentives, but these do not always align with wider food system or systemic objectives. Businesses may have limited incentives or capacity to invest the additional time and resources needed to fine-tune their models or operations to generate wider benefits beyond their immediate commercial interests.

This creates a role for NGOs, knowledge institutions and other development partners to work with private-sector actors to identify shared interests, address wider systemic constraints and develop business models that combine commercial viability with broader food system benefits. In FCAS, where the costs and risks of such collaboration are particularly high, strong incentives and clear roles are needed to bring these different capabilities together.

Commercial and development objectives can involve trade-offs – use public policy to manage them

Responsible private-sector engagement also requires recognising that commercially attractive opportunities do not always generate the desired food-security or wider food system outcomes. Workshop participants highlighted situations in which investments that benefit local food systems may compete with existing commercial interests. For example, developing and marketing a locally adapted onion variety for the rainy season could increase year-round domestic production and farmer incomes, while reducing demand for imported Dutch onions.

Public policy therefore has an important role in identifying where commercial and development objectives are mutually reinforcing, and in managing trade-offs where they are not. This may require public support for investments that generate significant food system benefits – particularly in terms of food security, healthier diets and nutrition, or resilience – but do not yet align with the commercial interests or risk appetite of Dutch or other private-sector actors. It may also require public action to create the conditions under which such investments can become commercially viable over time.

3.3 Structural constraints limit sustained engagement – create conditions for long-term engagement

Private-sector engagement in FCAS often requires a longer time horizon than conventional projects and funding cycles allow. At the same time, uncertainty and insecurity can lead international investors to limit their exposure or favour investments that offer quicker returns and greater flexibility to withdraw.

Short-term engagement may generate individual investments, but is less likely to build the relationships, market knowledge, trust and local presence needed to sustain commercial activity and contribute to longer-term food systems resilience.

A company may remain active in a country for many years, but this does not necessarily strengthen the wider food system if commercial activity remains concentrated in the easiest markets, locations or customer segments. Long-term engagement becomes more valuable when companies can also invest in areas that may take longer to generate returns – for example, by strengthening farmer capabilities, developing distribution networks that extend into underserved areas, building local partnerships and gradually expanding market access. Such investments can strengthen the wider market system while also creating the conditions for more sustainable commercial activity.

Short-term incentives limit long-term impact – create conditions for long-term engagement

Short project cycles and intermittent engagement can reduce the willingness and ability of businesses to invest in FCAS, while weakening the relationships, market knowledge and local presence needed for sustained engagement. Creating the conditions for longer-term engagement therefore requires a longer-term vision and strategy, combined with incentives and partnerships that allow businesses to remain engaged while adapting to changing conditions.

As businesses from countries such as China and India expand their commercial engagement through different investment models, there is also a need to consider what sustained Dutch private-sector engagement can contribute to FCAS – including expertise, technology, responsible business practices and locally anchored partnerships that strengthen resilient and inclusive food systems.

Workshop participants argued for a longer-term approach that combines commercial engagement with contributions to local economic development, food security and resilient food systems. Such an approach requires sustained engagement, locally embedded partnerships, responsible business practices and investment in long-term market development.

The workshop also highlighted how the scale and resilience of some larger firms can enable them to remain engaged through successive shocks. The experience of HSA in Yemen provides an illustration.

Workshop insight – HSA's long-term engagement in Yemen illustrates both the value and limits of large private-sector actors

HSA's experience in Yemen illustrates how a large, locally embedded company can help maintain food supplies during major shocks. Its long-standing presence, extensive import and distribution networks, and broader regional operations enabled it to respond to the wheat-price and supply shock following Russia's invasion of Ukraine. IFC financing, including an FMO loan, helped HSA secure wheat and other essential food inputs, maintain inventories and sustain supplies and pricing in the Yemeni market.

The case highlights the potential public value of large firms in fragile settings. Companies with substantial balance sheets, established supply chains and geographic diversification may be better placed than smaller businesses to absorb shocks, maintain strategic stocks and continue investing when markets are under stress. However, this model cannot simply be replicated across smaller firms: HSA's capacity reflects decades of investment, scale and accumulated assets.

The case also points to important risks. Public support to large firms can reinforce market concentration, protect incumbent interests or contribute to elite capture. Such support therefore needs to be accompanied by transparency, competition and inclusion safeguards. More broadly, HSA's long-term

commitment to Yemen suggests that scale, local embeddedness and the willingness to remain engaged through successive crises can themselves be important assets in fragile markets.

Partnerships need to be locally anchored – adapt the Dutch Diamond to FCAS realities

Long-term engagement also depends on partnerships that are rooted in local institutions and relationships rather than primarily driven from outside. Externally designed multi-stakeholder partnerships may bring valuable resources and expertise, but can struggle to build ownership, trust and continuity when local actors have limited influence or when external partners change.

Participants proposed adapting the Dutch Diamond into a more locally anchored model, in which government, businesses, knowledge institutions and civil society are represented by local actors with a sustained presence and commitment. Such partnerships could build trust, strengthen local ownership and ensure that interventions respond to local priorities, while creating more durable foundations for responsible private-sector engagement.

In summary

Taken together, these barriers help explain why private-sector engagement that appears viable in principle often remains limited in practice. Some risks are inherent to fragile and conflict-affected settings and cannot be fully eliminated. The challenge is therefore to identify which risks and constraints can be reduced, shared or managed, and where collaboration between different actors can make responsible engagement more feasible and sustainable.

The question, then, is how de-risking approaches and partnership models can bridge the gap between potential and actual investment. Section 4 explores financial and non-financial approaches, including risk-sharing mechanisms and different forms of partnership, that can address specific barriers while safeguarding public value, local market functions and responsible business practice.

4. De-risking strategies and partnership models to enable responsible private-sector engagement in FCAS

Section 3 highlighted that many of the barriers to private-sector engagement in FCAS cannot simply be removed. Some risks are inherent to fragility and conflict, while others arise from weak markets, financial systems and institutional constraints. The challenge is therefore to identify which risks can be reduced or shared, which actors are best placed to manage them, and how partnerships can make responsible investment more feasible.

The consultations and workshop highlighted four complementary areas for action: understanding markets before intervening; designing smarter and more targeted de-risking strategies; using partnerships to learn, innovate and adapt; and creating the conditions for longer-term market development and scale. Together, these approaches can help bridge the gap between commercially viable opportunities and investments that generate wider food-security, nutrition and resilience benefits.

4.1 Understand markets before intervening – where and how to invest

Effective de-risking starts with understanding where markets already function, where constraints prevent them from functioning effectively, and which private-sector actors are best positioned to address those constraints. This requires looking beyond formal markets and individual businesses to understand trade flows, informal networks, existing commercial opportunities and the specific constraints that prevent investment from taking place. It also requires a political-economy perspective to understand how power, vested interests and relationships influence market access, business opportunities and the distribution of risks and benefits.

Understand local trade flows and how market systems function

Effective engagement requires a sound understanding of both formal and informal markets, trade flows and local business networks. Participants emphasised that local private-sector actors often provide the critical connections needed to operate in fragile contexts. They also noted that informal markets are a dominant feature of many FCAS and cannot simply be ignored, even though they may involve legal, regulatory and governance challenges. De-risking strategies should therefore be grounded in a realistic understanding of how markets function in practice, including the informal networks and relationships through which goods, finance and information move.

Understand private-sector actors and shape incentives

De-risking requires understanding which private-sector actors are positioned to address specific market constraints, but this is not simply a matter of identifying the 'right' or 'wrong' actors. Businesses in FCAS operate within complex political, economic and conflict environments, and may sometimes need to engage with actors or structures that external partners would prefer to avoid. The focus should therefore be on understanding the incentives, capabilities and relationships of different businesses, and on structuring support in ways that encourage constructive engagement while limiting opportunities for predatory behaviour, elite capture or market concentration.

A workshop example from Sudan illustrated how the design of external support can help shape these incentives. Smaller-scale support and thorough, iterative due diligence can make externally supported programmes less attractive to predatory actors. Requiring businesses to work with or alongside

competitors can also help identify whether they are willing to contribute to wider market development and public-good objectives, rather than using external support solely to advance their own commercial interests.

De-risking strategies should therefore be tailored not only to the risks and capacities of different businesses, but also to their incentives and behaviour. The objective is not to find a single category of 'responsible' actors, but to create conditions that encourage constructive private-sector engagement while reducing the scope for external support to reinforce existing inequalities, monopolies or conflict-related interests.

Build on existing market opportunities

Participants recommended starting with what is already viable and functioning, rather than introducing entirely new business models. This requires identifying existing market opportunities, understanding why they work, and exploring how responsible private-sector engagement can strengthen, scale or replicate them.

It can also be useful to examine business models, innovations or investments that have not worked, and understand why they failed and how approaches could be adapted. Where national markets are particularly thin or disrupted, this analysis may also need to consider regional actors, business models, technologies and trade opportunities.

Identify and act upon commercial opportunities rather than well-intended 'development ideas'

Workshop participants stressed that private-sector engagement in FCAS needs to be grounded in concrete commercial opportunities rather than abstract concepts for which a market has yet to be established. Interventions should respond to existing or realistically developable demand, offering products and services that are genuinely affordable to potential clients.

Public support can legitimately help a viable business proposition overcome specific barriers – for example, by helping establish distribution channels, reach underserved markets or cross a threshold into financial viability. It should not, however, be used to sustain a business whose underlying cost structure is incompatible with local markets and purchasing power. Support should therefore address a clearly defined, time-bound constraint, have a credible pathway towards reduced public support, and be accompanied by evidence of progress towards long-term commercial sustainability.

Workshop insight – a framework for navigating private-sector engagement in FCAS

Workshop participants explored a sequential framework for assessing whether and how private-sector investments can generate wider public value in FCAS. The framework starts with commercial viability, then considers food system value, additionality of public support, and responsible engagement. Together, these four dimensions provide a basis for assessing whether an investment should be supported, and under what conditions.

Element	Core Questions
1. Commercial Viability	▪ Is there real demand and affordability? ▪ Can the business sustain itself without permanent subsidies? ▪ Are distribution, maintenance, and after-sales support feasible? ▪ Is the regulatory environment conducive to the investment, and is there scope to influence regulatory barriers where needed?
2. Food System Value	▪ Does it improve food availability, affordability, and contribute to access to healthy diets? ▪ Does it increase incomes and livelihood opportunities, particularly for smallholders and other local actors? ▪ Does it boost smallholder participation in food system markets? ▪ Does it contribute to inclusive and resilient food systems in the face of likely shocks and stressors?
3. Additionality	▪ Does public support enable an investment that otherwise would not happen? ▪ Is public support strictly limited to overcoming particular and well-defined constraints?
4. Responsible Engagement	▪ Can conflict, environmental, inclusion, and political risks be managed? ▪ Who benefits and who may lose, and can potential negative impacts be mitigated? ▪ Could the intervention deepen local grievances and how can conflict sensitivity and 'do-no-harm' be assured?

If further developed, this framework could provide a practical screening tool for designing and monitoring risk-aware private-sector interventions in FCAS. Importantly, it could help distinguish between investments that are commercially viable in their own right, investments that require targeted de-risking to become viable, and investments that may generate important public value but are unlikely to become commercially sustainable.

4.2 Design smarter de-risking strategies – address specific constraints to investment and market development

Effective de-risking should address specific constraints that prevent markets and businesses from functioning, rather than simply transferring risk from private to public actors. This includes not only reducing risks for businesses, but also reducing the perceived risk for farmers of adopting new products, inputs or production practices. Participants highlighted the importance of combining financial and non-financial support, tailoring instruments to different actors and contexts, and building partnerships around clearly defined constraints and shared interests.

Reduce farmers' perceived risk of investing in change

Farmers in FCAS may be particularly cautious about investing scarce resources in new inputs or production practices when returns are uncertain. Demonstrations under local conditions can help reduce this perceived

risk by allowing farmers to see both the agronomic results and the economic benefits before committing their own resources. Such approaches can stimulate knowledge-based demand for better products and services and, where conditions allow, reduce the need for continuing subsidies.

Combine financial and non-financial de-risking

De-risking should go beyond financial risk-sharing. Instruments such as pre-financing, technical assistance, support for innovation and incentives for responsible investment can help businesses overcome specific constraints, for example in developing distribution channels, reaching underserved markets or testing new products and services. The aim should be to address a clearly defined barrier while keeping the underlying commercial proposition at the centre.

Build locally rooted and flexible public-private partnerships

Public-private partnerships (PPPs) can help enable responsible private-sector engagement in FCAS by combining complementary capabilities, networks and resources and sharing specific risks. Their value, however, depends on having a clear purpose and locally rooted partners, rather than creating partnerships for their own sake.

Private-sector actors should be involved from the outset in identifying constraints and shaping solutions, while governments, knowledge institutions, civil society, development partners and capable local organisations can contribute complementary expertise, relationships and implementation capacity. Effective PPPs may require flexible financing, pre-financing where appropriate, technical support and arrangements that allow businesses to manage risks and engage over the longer term.

Because conditions in FCAS can change rapidly, PPPs and their financing arrangements also need sufficient flexibility to adapt, while maintaining a clear focus on commercial viability and food system objectives.

Reduce supply-chain risks through anticipatory action

Anticipating periods of increased fragility or conflict and strategically pre-positioning essential goods and agricultural inputs can reduce supply disruptions and help markets continue functioning during crises. This can lower the commercial risk associated with disrupted supply chains while enabling businesses and other market actors to maintain operations and respond more quickly to emerging food-security needs.

4.3 Learn & innovate through multi-stakeholder partnerships – exploring better ways of engagement

FCAS are highly uncertain environments, and there is limited evidence on which private-sector models can achieve both commercial viability and wider food system outcomes. Partnerships therefore need to create space for experimentation, learning and adaptation, rather than assuming that approaches that work in more stable markets can simply be transferred to FCAS. This also requires accepting that some approaches will not work as expected and creating mechanisms to learn from both successes and failures.

Use challenge programmes to stimulate innovation

Participants recognised that there is still limited evidence on how responsible private-sector engagement can best contribute to food system transformation in protracted crises. They therefore recommended flexible challenge programmes or funds to test and, where evidence supports it, scale innovative business models that strengthen food security and healthy diets.

Co-creation with private-sector partners can help ensure that models are both commercially viable and responsive to wider food system needs, while a portfolio approach can help manage the risks inherent in testing new approaches in FCAS.

Workshop insight – the potential of de-risking and pre-positioning agricultural inputs as a more cost-effective complement to food assistance in protracted crises.

A participant described a project that de-risked the delivery of agricultural inputs into Sudan and estimated that the cost of generating one tonne of additional food was only around 1% of the cost of providing an equivalent amount of food assistance. While such comparisons should be treated with caution, the example illustrates the potentially significant returns from enabling farmers to maintain or restore production during crises.

The discussion also recalled an earlier proposal to pre-position agricultural inputs in Sudan ahead of a predictable famine. Despite the logic of acting before the crisis peaked, the proposal encountered institutional resistance because it did not fit existing strategies and ways of working. This illustrates a broader challenge: effective anticipatory action may require organisations to invest in agricultural production and market systems before a crisis becomes acute—often before there is a clear humanitarian mandate or funding window to do so. Creating space to test such approaches is therefore an important part of learning how private-sector and market-based responses can complement humanitarian action.

Foster innovation through collaborative partnerships

Knowledge institutions, governments, private-sector actors and civil society bring complementary capabilities to this process. Knowledge organisations can help generate evidence and convene actors; businesses can bring commercial knowledge and market access; governments can address regulatory and infrastructure constraints; and civil society can contribute local knowledge and accountability

Workshop participants also emphasised the need for joint learning and creative experimentation to develop innovative business models that can contribute to food systems transformation while recognising that new approaches may challenge existing interests and market structures.

In this context, participants questioned whether Dutch private-sector actors should focus primarily on supplying complete solutions or increasingly contribute to local innovation ecosystems, for example through innovation hubs and partnerships that support locally driven innovation.

4.4 Scale and sustain market transformation – achieving lasting impact

De-risking should ultimately be judged not only by whether it mobilises an individual investment, but by whether it contributes to sustainable market development and reduces the need for continued public support. In FCAS, this requires sustained engagement and a focus on strengthening local market systems rather than creating isolated projects.

Invest in long-term market development

Transforming food systems in FCAS requires long-term engagement that builds on a sound understanding of local private-sector dynamics. Participants emphasised the importance of providing sustained support that enables local businesses to grow, while creating opportunities for responsible engagement by Dutch private-sector actors as long-term partners. Rather than seeking rapid results, programmes should

strengthen market systems incrementally, allow partnerships to evolve organically and encourage healthy competition among a diverse range of market actors to stimulate innovation and resilience.

Strengthen local markets to reduce the cost of food assistance

Responsible private-sector engagement can help reduce the cost and improve the effectiveness of food assistance by strengthening the markets through which food and agricultural inputs are produced, traded and distributed. Participants highlighted opportunities to increase the availability of agricultural inputs that stimulate local production while activating local markets to improve the supply and distribution of food. Where markets can function effectively, such approaches can help meet immediate food needs while also strengthening the foundations for longer-term food systems resilience.

In summary

Taken together, these approaches suggest that effective de-risking is not about eliminating the risks of investing in FCAS, but about understanding and selectively managing them in ways that create wider public value. This requires combining appropriate financial and non-financial support with locally anchored partnerships, learning and longer-term market development.

The longer-term objective is not simply to mobilise private investment, but to strengthen local market systems and private-sector capacity so that they can increasingly sustain food access, livelihoods and resilient food systems with less reliance on external support. Achieving this requires sustained engagement, adaptive approaches and partnerships that evolve as markets and local capacities develop.

The final chapter draws on these findings to set out recommendations and practical ways forward for NFP partners and other actors seeking to strengthen responsible private-sector engagement in FCAS.

5. Key findings and recommendations

The consultations and thematic workshop highlighted both the potential and the challenges of responsible private-sector engagement in fragile and conflict-affected settings (FCAS). Private-sector actors continue to operate and invest in these environments, but the conditions under which engagement can be commercially viable and contribute to wider food system outcomes are different from those in more stable settings.

The findings point towards approaches that are context-specific, commercially grounded and responsible, combining appropriate risk-sharing with longer-term, locally anchored partnerships. They also highlight the need for complementary roles for private-sector, public, development and knowledge actors where wider food system outcomes cannot be achieved through commercial engagement alone.

Key insight: responsible private-sector engagement requires more than de-risking investment

Responsible private-sector engagement in FCAS is possible, but it cannot be achieved simply by reducing risk or attracting investment. The consultations and workshop point to a central challenge: creating conditions in which commercially viable private-sector activity can contribute to stronger, more inclusive and resilient food systems.

This requires understanding how markets and businesses function in specific contexts, recognising the diversity of private-sector actors and their incentives, building on existing local market systems, and using public and development support selectively to address constraints that businesses cannot overcome alone. It also requires longer-term engagement, purposeful partnerships and continued learning and adaptation.

Four key findings

1. Private-sector engagement remains possible in FCAS – but under specific conditions.

Markets and private-sector actors continue to operate even in highly fragile environments. Engagement needs, however, to reflect local political, economic, market and conflict dynamics. Commercial viability, regulatory and financial conditions, appropriate technology and the ability to manage risk all influence whether private-sector engagement can be sustained.

2. Commercial viability and wider food system value need to go hand in hand.

Business models need to be commercially viable while also considering conflict sensitivity, inclusion, environmental sustainability and their wider contribution to resilient food systems. Responsible business practices and commercial viability can be mutually reinforcing, but private-sector actors cannot be expected to deliver wider systemic food system change on their own. Complementary roles for public, development and knowledge actors are often needed.

3. De-risking should strengthen markets and local actors rather than simply transfer risk.

De-risking needs to be selective and context-specific. The objective should not be to remove risk or transfer it wholesale to the public sector, but to identify which risks can be reduced, shared or managed, and where public support can generate wider food system value. Existing markets and local actors should be the starting point. Sustainable engagement is more likely where interventions build on functioning markets, local businesses and entrepreneurs, farmers, traders and other local networks, rather than seeking to replace them. The design of support also matters: incentives, due diligence and partnership arrangements can help encourage constructive engagement while reducing the risk of reinforcing existing inequalities, monopolies or conflict-related interests.

4. Long-term, locally anchored partnerships and learning are essential.

Trust, local knowledge and sustained relationships are important assets in FCAS, while short-term projects and externally driven partnerships can limit impact and continuity. Long-term presence alone, however, is not sufficient: businesses need incentives and partnerships that encourage investment in local capabilities, market infrastructure and underserved markets. Evidence on what works remains limited. This calls for challenge-based approaches, adaptive partnerships and mechanisms to capture, share and apply learning, including from approaches that do not work as expected.

Recommendations: three priorities for action

The consultations and workshop point to three complementary priorities for strengthening responsible private-sector engagement in FCAS.

1. Capture and share learning on what works

Document and share evidence on viable and responsible private-sector engagement models in FCAS, including approaches that mobilise finance, strengthen local markets and contribute to food security, healthier diets and resilient food systems. Learning should focus on what works, where, for whom and under what conditions, including the role of different forms of de-risking and partnership.

Learning should also capture approaches that have not worked as expected, including unintended effects, so that experience can inform future engagement and reduce the risk of repeatedly applying models that are poorly suited to FCAS.

2. Convene and connect actors around practical opportunities

Facilitate practical collaboration between local, national, regional and international actors – including businesses and entrepreneurs, governments, financiers, knowledge institutions and civil society – to identify market opportunities, address specific constraints and develop context-specific partnerships.

Particular attention should be given to connecting actors who already operate in, or have a strong understanding of, FCAS with those seeking to engage. Partnerships should be grounded in and shaped by local actors and existing relationships, rather than being created from the outside.

3. Develop practical guidance and fit-for-purpose instruments

Develop practical guidance and tools to support responsible, conflict-sensitive and risk-aware private-sector engagement. This could include approaches for assessing commercial viability alongside wider food system value and additionality, as well as guidance on selecting and combining appropriate financial and non-financial de-risking mechanisms.

This should be complemented by fit-for-purpose instruments for private-sector development in FCAS, including mechanisms that can support local businesses and smaller enterprises, as well as commercially viable investments beyond export-oriented value chains. Such instruments should combine appropriate risk-sharing with flexible approaches to business development and market-system development, while recognising that different types of private-sector actors require different forms of support.

Action-oriented partnerships around specific market opportunities and food system challenges can help bring together complementary capabilities where this adds value.

From findings to action

Taken together, the findings point to responsible private-sector engagement as a potentially important contribution to stronger, more inclusive and resilient food systems in fragile and conflict-affected settings. Realising this potential requires more than attracting investment or transferring risk to the public sector. It requires context-specific business models, appropriate incentives, locally grounded market development and longer-term engagement, supported by complementary roles for public, development and knowledge actors.

Potential role for NFP and its Stability Partnership

The Netherlands Food Partnership and its Stability Partnership are well placed to connect actors and perspectives, support shared learning on responsible private-sector engagement in FCAS, and create spaces where businesses, governments, knowledge institutions, civil society and locally rooted actors can develop and test practical approaches together.

NFP could support evidence generation and exchange through relevant knowledge partners, help translate experience into practical guidance, and facilitate connections between Dutch actors and local, national and regional private-sector actors operating in fragile and conflict-affected settings. Such knowledge partnerships can bring together complementary expertise on food systems, markets, conflict and political economy, finance and risk.

Advancing responsible private-sector engagement in FCAS

Moving from promising examples towards more sustained and responsible private-sector engagement will require continued experimentation, evidence and learning, supported by locally anchored partnerships and an enabling policy and funding environment. Particular attention is needed to develop fit-for-purpose financing and de-risking instruments that respond to the diversity of private-sector actors and the specific conditions of FCAS.

The priority is not simply to increase private investment, but to create the conditions in which commercially viable engagement can also strengthen local markets, livelihoods, food security and resilient and inclusive food systems in fragile and conflict-affected settings.