

G20 FOOD SECURITY AND NUTRITION FRAMEWORK



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INTRODUCTION

Food security and nutrition requires an inclusive economic growth and development approach. The 2013 Group of Twenty (G20) Leaders' Declaration recognised "the importance of boosting agricultural productivity, investment and trade to strengthen the global food system to promote economic growth and job creation". Leaders also acknowledged that "food security and nutrition will remain a top priority in our agenda."

This G20 Food Security and Nutrition Framework (the FSN Framework) builds on previous work of international organisations and the broader G20 agenda. It responds to the *Review of Opportunities for Economic Growth and Job Creation in relation to Food Security and Nutrition* (the Review) requested by Leaders in 2013 and prepared for the G20 by the Food and Agriculture Organization (FAO) and Organization for Economic Cooperation and Development (OECD) in 2014, with support from other international organisations. The Review concluded that food security and nutrition is highly relevant to the G20's core mandate. It describes the positive links between economic growth, job creation, food security and nutrition as follows:

G20 actions to foster faster economic growth are mutually reinforcing with efforts to improve global food security and nutrition. The growth, jobs and finance agenda is therefore closely linked to food security and nutrition... Productivity-enhancing investments and the integration of smallholders into markets not only improves food security and resilience to food price volatility but also improves incomes and creates jobs in agriculture and through strong multiplier effects in the rural sector, and in the broader context of structural transformation can be a foundation for growth and development more generally.

The FSN Framework provides the basis for the G20 to take a long-term, integrated and sustainable "food systems" approach that will guide future action on food security and nutrition. It recognises that actions within and beyond the agricultural sector are needed to maximise future opportunities and reduce the risk of future crises. It reflects that time is required for policy changes to influence markets, investment decisions and sustainably grow the global food supply. The FSN Framework also recognises that food security and nutrition is a global issue with significant implications for both G20 and lower income countries (LICs), which require actions in G20 countries, in LICs and at the global level. As such, the FSN Framework can support the post 2015 Sustainable Development Goals.

Specifically, the FSN Framework sets out **three Priority Objectives** which are intended to integrate work on food security and nutrition with the G20 core mandate and work streams and guide G20 efforts on food security and nutrition. The FSN Framework also includes a **process for implementation**.

The challenge

FAO estimates that approximately 805 million people (11.3 per cent of the global population or about one in every nine people) are unable to meet their basic dietary requirements, around half of them living in G20 countries¹. Food production will need to increase by 60 per cent to feed a world population expected to exceed nine billion by 2050, which has rapidly changing consumption patterns.

¹ FAO, IFAD and WFP, *The State of Food Insecurity in the World*, 2014

Important causes of food insecurity are poverty, rural underdevelopment, unemployment and household incomes that are too low to ensure adequate access to food. It is estimated that three quarters of the world's poor live in rural areas of developing countries. Improving productivity, enhancing incomes, and diversifying sources of revenue - including by developing the rural non-farm food system economy - are key components of addressing poverty, food and nutrition challenges. Global economic growth is also impeded because one in eight people are too hungry to work productively. Malnutrition and non-communicable diseases have high costs in lost GDP and higher budget outlays, with productivity losses from child malnutrition estimated at more than 10 per cent of lifetime earnings. An increasing number of developing countries, including G20 members, have a double burden of over and under-nutrition. Obesity rates have nearly doubled since 1980 and the number of overweight people in the world (approximately 1.4 billion adults, 500 million of whom are obese)² has already overtaken the number of people without enough to eat. Health problems related to excess weight impose substantial economic burdens on individuals, families and communities. In 2008, the estimated total annual cost of obesity to Australia, including health system costs, loss of productivity costs and carers' costs, was estimated at over USD58 billion³. It is estimated that obesity is responsible for 1-3% of total health expenditure in most countries.⁴

The opportunity

As outlined in the Review, G20 actions to foster inclusive economic growth are mutually reinforcing with efforts to improve global food security and nutrition, with close links between the G20's growth, jobs and finance agenda. G20 countries are well placed to drive the innovations needed to help the world sustainably grow much more food while lowering inputs and reducing pressure on land and water. Food security and resilience to food price volatility can be achieved by enhancing productivity and better integrating small and medium enterprises, including smallholders and family farms, into local, regional and global food value chains. This also improves incomes and creates jobs in the agriculture and food sector. Nutrition-sensitive agricultural growth has enormous potential to improve human productivity and economic growth.

THE G20 VALUE-ADD

The G20 economies are major actors in the global food system. G20 countries produce up to 80 per cent of the world's cereals and account for a similar percentage of world agricultural exports. G20 domestic policies related to agriculture, trade, energy and investment can impact on global food security and nutrition. The actions G20 countries take to address their own food security concerns, for example to improve agricultural productivity, can have global spillover effects – both positive and negative.

The G20 has great convening and coordinating power over other international actors. Its membership includes emerging economies as well as the wealthiest developed countries across all continents, and its economic policy remit – embracing economic growth, employment, finance, trade and development – gives it a uniquely broad perspective on food security and nutrition issues. This brings a diversity of perspectives to analysis, policy dialogue and G20 commitments and actions. By using these strengths the G20 can make a difference to debates and action on global food security and nutrition.

² WHO, *Fact Sheet No. 311 on Obesity and Overweight*, updated August 2014.

<http://www.who.int/mediacentre/factsheets/fs311/en/>

³ Access Economics, 2008, *The Growing Cost of Obesity in 2008: Three Years On*, Diabetes Australia, Canberra, 2008

⁴ OECD, *Observer* No. 281, October 2010

http://www.oecdobserver.org/news/fullstory.php/aid/3339/Fighting_down_obesity.html

The G20 can add value to efforts for food security and nutrition by providing international leadership and encouraging international cooperation, supporting initiatives which have collective benefits beyond the G20, sharing knowledge, information and experience, coordinating domestic policy in G20 economies, and extending knowledge and practice to non-members, including LICs.

G20 actions on food security have already had an impact. In response to the food price crises beginning in 2008, the G20 showed leadership through a range of interventions designed largely as crisis or risk management responses. These interventions included the establishment of an Agricultural Market Information System (AMIS) and its Rapid Response Forum (RRF), a Global Agriculture and Food Security Program (GAFSP), the Global Agricultural Monitoring initiative (GEOGLAM), the Tropical Agriculture Platform (TAP), Platform for Agricultural Risk Management (PARM) and AgResults. AMIS can alert the G20 on potential food price crisis conditions that may require collective action by the G20. GAFSP has reached more than half a million food insecure people and, in some project areas, beneficiaries have increased yields by 200 per cent. The G20 has also commissioned a range of analyses from international organisations to inform its policy response to excessive food price volatility and for enhancing the productivity of small-scale family farms.

G20 PRIORITY OBJECTIVES FOR FOOD SECURITY AND NUTRITION

The following **three inter-related G20 Priority Objectives** build on the findings of the Review, focus on areas which bring together different elements of the G20's work in support of food security and nutrition, and link to the G20's focus on economic growth and job creation. They are outcomes-focused and long-term in nature. Linked to the Priority Objectives, there are a number of fundamental drivers of food security and nutrition that particularly concern the G20, and which relate to the work of the G20 in a number of areas⁵. Actions under the Priority Objectives will need to address a number of drivers simultaneously, both within and beyond the agricultural sector, to achieve outcomes for global food security and nutrition.

Actions under the Priority Objectives will need to complement initiatives of other institutions working on food security and nutrition, including international organisations, the Committee on World Food Security (CFS), and other international and regional initiatives. Alongside specific G20 actions on food security and nutrition, it is important for the G20 to support the overall work of international organisations in this area. Where there is a G20 value add, actions should also complement national and regional priorities and other initiatives in support of the Priority Objectives.

The food systems approach that underpins the Framework recognises the critical role of good governance achieving results across the three objectives. The Framework also reflects a people-centred approach. In this respect, **human nutrition**, the engagement of **women, youth and smallholder farmers** are important cross-cutting elements in all three objectives; the impact on these elements will be assessed when the FSN Framework is reviewed.

⁵ In particular, these drivers relate to the G20 Investment and Infrastructure Working Group, the Taskforce on Employment, the Development Working Group, the Global Partnership for Financial Inclusion, the Meeting of Agricultural Chief Scientists and the Social Protection Inter-Agency Cooperation Board

Priority Objective 1: Increase responsible investment in food systems

Effective global food security and nutrition requires an inclusive economic growth and development approach, in partnership with the **private sector**. It is the private sector (including family farms, cooperatives, small and medium-sized food system enterprises and corporations) that produces, processes and distributes most of the food consumed in the world. Greater investment (estimated by FAO at \$83 billion per year for developing countries⁶) from the private sector – supported by public investment to encourage growth of agri-food enterprises – is essential if the world is going to meet future food demand. As businesses invest to meet growing demand for food and related services, jobs are created and economic activity increases, further stimulating demand. An enabling environment motivates food system enterprises to respond to emerging demands, invest, innovate, and grow. Investment in research, innovation, infrastructure and human capacity is needed to improve agricultural productivity and to **strengthen food system value chains** at national, regional and global scales. Investment in production, processing, storage, transport and logistics infrastructure expands markets and can enable countries to produce and distribute nutritious food to areas where it is not readily available, contributing to national nutrition policies.

Facilitating **responsible investment in agriculture and food systems** is important to optimise the food security and nutrition benefits of investments for the poor by reducing negative social or environmental spill-over effects. It can also encourage investment because it makes public expectations of business more transparent. Responsible investment in food value chains can assist small-scale food system enterprises (including small-scale family farmers) to access national, regional and global food value chains and help to improve the availability of diverse and nutritious food. As such, the CFS *Principles for Responsible Investment in Agriculture and Food Systems* (RAI Principles) are important to the G20.

Access to **inclusive financial services** (including for risk management) can enable women, youth and smallholder farmers to fully participate in food system opportunities. Access to finance and remittances helps small and medium food system enterprises to mobilise investment and take forward agro-industrial initiatives that develop food value chains and promote employment. Savings, credit, insurance⁷ and money transfer services need to be accessible to offer a balanced mix of services in rural areas. Besides financial systems development, recent technological innovations in financial inclusion and e-banking are creating opportunities for diverse financial services and long-term financing to grow food system enterprises.

Open, transparent and efficient **food and agriculture trade** that allows developing countries to consider their policy space, subject to WTO rules and obligations, can boost sustainable agricultural growth and increase the diversity and resilience of a country's food supply, while reducing the cost of food and excessive food price volatility. The G20 has already made an important contribution to commodity market transparency through AMIS.

Efficient food markets and agricultural investment require secure **land and resource tenure** and predictable regulations for responsible management, use and transfer of resources. In particular, good governance of arable land, water and natural resources, with an emphasis on securing access and tenure for smallholders and women, is necessary to promote increased levels of responsible investment. The *Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security* are an important vehicle for supporting farm investment and increasing productivity.

⁶ FAO, *How to Feed the World in 2050*, Discussion Paper on Investment for High Level Expert Forum, 12-13 October 2009. Prices are in 2009 US Dollars, http://www.fao.org/fileadmin/templates/wsfs/docs/Issues_papers/HLEF2050_Investment.pdf

⁷ Insurance and risk-management tools are being promoted by G20 through the Platform for Agricultural Risk Management.

Examples of possible actions include:

- ▶ promote infrastructure investment by public-private partnerships for food value chains, increase development finance and overcome agricultural market failure in developing countries, including through G20 initiatives such as GAFSP and AgResults
- ▶ support the CFS negotiations towards the RAI Principles and how they would be implemented once agreed, and continue to support AMIS, including its Rapid Response Forum
- ▶ increase the value and decrease the cost of remittances reaching rural areas

Priority Objective 2: Increase incomes and quality employment in food systems

An important part of the agricultural transformation is the changing nature of the labour market. Investment in food value chains and development of **labour market policies** can increase incomes and quality employment in food systems and stimulate economic growth and employment in rural areas. A key part of this process is to develop proactive **human resource development** programs, in particular **vocational training**, to allow youth, smallholder farmers, producer organisations and women to acquire the skills necessary to participate in emerging food systems work opportunities and so earn the incomes necessary to meet their food security and nutrition needs.

Modernising and improving the performance and market-orientation of smallholders and family farms will help increase incomes and develop on and off-farm economic and employment opportunities, particularly in rural areas. This modernisation can be enabled through technical advice, increased market access, more inclusive financial services (including risk management), provision of infrastructure that links rural and urban regions, and human resource development. Such improvements, along with coherent employment policies, can facilitate the **transition from the informal economy to the formal economy**, particularly for women farmers, and allow workers in food production systems to access services and earn a decent income.

Better **nutrition**, evidenced by reduced stunting and obesity rates, is necessary for populations to reach their full potential in the labour force and to optimise the productivity of food system enterprises. Effective **social protection policies and programs** focusing on human capital investment, livelihoods and productive capacity of the poor can build the food security and nutrition resilience of vulnerable groups and make working age populations more capable of staying connected with the labour market and taking up employment when it becomes available. A comprehensive social protection floor can help influence the productive capacity of households facing food insecurity or inadequate nutrition, for example by helping them improve nutrition, invest in education, retain productive assets and mitigate risk. When social protection policies are found wanting during localised food crises, **effective humanitarian interventions** are necessary to ensure nutritional gains are not lost.

The G20 already supports actions relevant to this modernisation process; for example the Taskforce on Employment has coordinated G20 member action plans to address employment challenges through labour market programs, social protection, skills development and policies to address labour market disadvantage. Some of the steps being taken aim to provide development opportunities for women working in informal, rural sector jobs in order to increase female workforce participation, with positive spillovers for food security and nutrition. The Global Partnership for Financial Inclusion (GPII) and actions on human resource development such as the international database on skills indicators are also contributing to inclusive economic growth and job creation through the agricultural modernisation process.



Examples of possible actions include:

- ▶ share experience in labour market planning and programs in the context of rural and agricultural modernisation and in addressing malnutrition in all its forms
- ▶ support human resource development to increase participation of women, youth and smallholder farmers in income generation and quality, formal employment
- ▶ confirm a social protection floor and access to risk management services for groups vulnerable to shocks which would impact on their food security and nutrition, and share policy and programming experiences between G20 countries and with LICs

Priority Objective 3: Increase productivity sustainably to expand the food supply

There are many opportunities to enhance the **efficiency and resilience of agricultural production, processing and distribution** in food value chains to expand and diversify the food supply in G20 and LICs. Achieving a sustainable food system that can meet future demands will require substantial levels of **research, development, innovation and technology transfer** as mutually agreed to increase production sustainably, make more efficient use of inputs and reduce food waste and loss. Investments in global public good research, linked with private food enterprise research, development and innovation will be required to meet the innovation challenge and improve the resilience of food systems. As small-scale family farmers are very significant contributors to the global food system, research and development efforts need to fully engage smaller scale farm enterprises to ensure that innovations are appropriate and can be adopted in practice. Global public good research and innovation investments need to particularly focus on market access and productivity for small-scale agriculture to underpin a transition to higher levels of commercialisation and value adding that can increase yields, incomes and employment opportunities in rural areas.

G20 countries are the world's largest investors in agricultural research, development and innovation (through their domestic public research institutions, universities and private corporations based in G20 countries, and as contributors to the CGIAR system) and have considerable scope to share experiences and provide support domestically. Furthermore, measures that help secure the **conservation of plant, animal and micro-organism biodiversity** can speed up research, development and innovation and make the global food system more resilient, sustainable and productive. G20 countries are also developing their understanding of how to address under and over-nutrition through multi-sectoral domestic policy initiatives. The global food system could benefit greatly from G20 countries more extensively sharing experiences of sustainable agricultural productivity improvements and **nutrition policy initiatives** with each other and with lower-income countries.

Production and resource-use efficiencies can benefit consumers and enterprises, with improvements resulting in new jobs, higher incomes, and sustainably maintained ecosystems. A range of economy wide policies can drive major increases in agricultural output, such as those for infrastructure, competition and labour markets. Better **rural infrastructure** (including transportation, irrigation, electrification and communications) and rural-urban linkages are important to support sustainable productivity increases in the agricultural, processing and food transportation sectors. Increased productivity is supported by investment in infrastructure, human resource development, access to finance, access to markets and a business enabling environment. Business decisions by private enterprises (including small and medium-sized food system enterprises, family farmers, cooperatives and corporations) are central to lifting agricultural productivity, and governments have a crucial role to foster a policy and institutional environment that enables growth and rewards innovation, within WTO rules and obligations.

Examples of possible actions include:

- ▶ continue meetings of G20 agricultural chief scientists (MACS) and encourage international collaboration in research, development and innovation to increase global agricultural productivity
- ▶ take forward the G20 Commissioned Framework on Agricultural Productivity, developed by OECD, and adapt it to the needs of developing countries, including through considering sustainable agriculture
- ▶ conserve and sustainably use biodiversity in order to increase the resilience and nutritional value of crops and food species

IMPLEMENTING THE FSN FRAMEWORK

Recognising that the G20 cannot and should not act on all aspects of food security and nutrition, the G20 Development Working Group (DWG) will select actions by **applying the following six filters**, all of which need to be satisfied for an action to proceed.

1. Is the commitment consistent with the G20 development principles agreed in Seoul in 2010?
2. Does the commitment advance the mandate and objectives of the G20?
3. Does the commitment draw on the G20's comparative advantage? In other words, does it involve one or more of the following types of action:
 - a. **Providing G20 leadership and political support** for advancing important and innovative global and regional initiatives in other fora
 - b. **Encouraging domestic and external policy coherence** by G20 countries, acting individually or collectively
 - c. **Encouraging more effective cooperation** between international organisations
 - d. **Extending knowledge and practice to non-members**, including through South-South and triangular cooperation.
4. Are there other organisations or fora that are better placed than the G20 to address this issue and/or to undertake the proposed action?
5. Are there any current constraints that will limit the potential of this commitment to result in substantial net food security and nutrition benefits for non-G20 developing countries?
6. Is it clear when the commitment should be completed and what will constitute completion, even if ongoing action is required by others?

How the FSN Framework will be implemented, updated and overseen

To take an integrated and sustainable “food systems” approach, the DWG will develop practical ways to advance coherence and coordination with other relevant G20 work streams as appropriate.

To ensure accountability and continued relevance of the FSN Framework, the DWG will be responsible for its implementation, reporting to sherpas. Its responsibilities in doing so will be:

- ▶ to ensure ongoing implementation and follow-up of any agreed multi-year actions;
- ▶ to support each presidency to deliver concrete and measurable contributions to food security and nutrition that are integrated across G20 work streams and complement the work of international organisations;



- ▶ to commission, as necessary, reports of opportunities and risks to the global food system, drawn from the on-going work of international organisations;
- ▶ to provide an annual update on implementation of the FSN Framework to sherpas, incorporating progress on existing initiatives and including confirmation that the FSN Framework reflects contemporary issues in the global food system and recommending necessary changes to priority objectives;
- ▶ consistent with broader DWG accountability processes, to review (periodically) progress against the FSN Framework, impacts of G20 actions on global food security and nutrition, and changes in context; and
- ▶ to arrange meetings with other G20 work streams to integrate food security and nutrition as appropriate.

The G20 presidency will play an important role in placing emphasis on particular priority objectives within this FSN Framework, and proposing new actions.

