

**Global Expert Meeting on  
Agriculture and Agro-industries Development towards Sustainable and Resilient Food Systems  
to inform the 2017 ECOSOC Special Meeting on  
*Innovations for Infrastructure Development and Promoting Sustainable Industrialization*  
24-26 April 2017  
Concept Note**

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## 1. Background

Overcoming food insecurity and malnutrition as set in *SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture* is a shared priority of the international development system. In addition, one of the potential pathways to address vulnerabilities linked to food insecurity and malnutrition is to pursue sustainable development goal (SDG) 9 “build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation”. This pathway will also foster economic transformation through agro-industrialization which includes agri-businesses, value chains, and multiple sectors (support services, energy, etc.).

Facilitating the pursuit of SDG9, ECOSOC will convene a Special Meeting on “Innovations for Infrastructure Development and Promoting Sustainable Industrialization” at UN Headquarters in May 2017. Two preparatory meetings will precede the Special Meeting, including the preparatory meeting on “Agriculture and Agro-industries Development towards Sustainable and Resilient Food Systems” presented in this document. FAO and UNIDO will jointly lead this meeting, planned to take place in Victoria Falls, Zimbabwe, on 24-26 April 2017.

Food systems around the world are undergoing a process of significant structural transformations. While different countries are going through this process in different ways and at different speeds, the process has historically been characterized by migration from rural to urban areas, a shrinking share of agriculture in GDP, changing food consumption patterns including changing demand for agricultural products from urban populations, urban poverty, a shift from subsistence farming to farming that is more commercial, increased value-creation in the agri-food industry. This transformation is changing the way in which rural and urban development, poverty and hunger challenges need to be addressed and the way rural-urban linkages need to be strengthened as part of national and regional urban systems. The need to reduce post-harvest losses is also a key element of this transformation process. Furthermore, natural resource constraints and climate change will require, for environmental sustainability reasons, even deeper changes in agriculture and agro-industries. The needed transformation of agriculture, agro-industry and food systems also needs clear policies that include the poor as small family farmers, wage-earners, entrepreneurs and

consumers, allowing them to develop their full potential, and that contribute to healthy and nutritious diets.

Although the contribution of agriculture to GDP is declining in most parts of the world, agricultural production has increased to unprecedented levels. Agriculture and agro-industry sectors contribute from 20% to 30% of GDP in most least-developed countries (LDCs). Changing food systems generate vast new opportunities for entrepreneurs to create and grow businesses at each stage of the food value chain, from production to retailing and waste management, with many of these economic activities taking place in cities. Agro-industry firms have strong multiplier-effects as they simultaneously generate jobs, profits and value-added food products, and create new markets for the raw materials that feed into them from mainly rural areas where most of the poor live. In this structural transformation process, small-scale agro-industries and, especially, informal agro-industries in LDCs play an important role. They are responsible for 15-20%<sup>1</sup> of value-added food products, yet national and regional policies often overlook them. Agro-industrial development also allows countries to shift from exporting unprocessed agricultural commodities to exporting value-added food products that not only generate more (foreign currency) income but also reduce the country's exposure to the excessive volatility of international agricultural prices.

It is clear that the successful development of agro-industry and the promotion of inclusive, sustainable and resilient food systems<sup>2</sup> can offer developing countries, in particular LDCs, a strong driver for longer-term inclusive economic growth and food security and nutrition. The 2016 G20 Summit identified, as a priority, the need to support agriculture and agribusiness development and their linkages with other sectors, and increase resilience to shocks<sup>3</sup> Agriculture and agro-industry are sectors that can generate large numbers of jobs, markets and entrepreneurship opportunities, especially for the increasing number of young people and women entering the work place. Growth in agro-industry spurs growth in agriculture, which has been shown to have twice as big an impact on poverty reduction than investment in any other sector<sup>4</sup>.

Challenges faced by developing countries in general, and African countries and countries in special situations in particular, in realizing the above potential are daunting<sup>5</sup>. Studies have extensively documented these challenges. They include:

- Lack of integrated and competitive value chains and clusters;
- Unreliable information and analysis to value chain stakeholders and policymakers;
- Lack of incentives for responsible private sector investment in agribusiness;
- Weak industrial capacities and capabilities, including technological;

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<sup>1</sup> UN webpages, Sustainable development Goal 9

<sup>2</sup> Agriculture and food systems encompass the entire range of activities involved in the production, processing, marketing, retailing, consumption, and disposal of goods that originate from agriculture, including food and non-food products, livestock, pastoralism, fisheries including aquaculture, and forestry; and the inputs needed and the outputs generated at each of these steps. Food systems also involve a wide range of stakeholders, people and institutions, as well as the socio-political, economic, technological and natural environment in which these activities take place. – CFS PRAI - <http://www.fao.org/3/a-au866e.pdf>

<sup>3</sup> G20 Leaders' Communique Hangzhou Summit:  
[http://www.g20chn.org/English/Dynamic/201609/t20160906\\_3396.html](http://www.g20chn.org/English/Dynamic/201609/t20160906_3396.html)

<sup>4</sup> World Development Report 2008. Agriculture for development.

<sup>5</sup> It is important to note that, without adequate support, family farmers and small and medium-sized agro-enterprises in middle-income countries often face challenges similar to those seen in LDCs.

- Low level of entrepreneurship and institutional support;
- Inadequate energy, water management systems and other infrastructures;
- Incoherent, unsupportive or unpredictable policy environments;
- Supply-side constraints resulting in low labour and land productivity;
- Weak access to quality and affordable inputs for crops, livestock, fisheries, etc.;
- Weak access to suitable, reliable and affordable mechanization;
- Weak access to (customized) finance and risk management products;
- Lack of investment in agriculture and rural-urban linkages<sup>6</sup>;
- Excessive post-harvest losses;
- Urbanization processes displacing agricultural land

Overcoming these challenges to take advantage of emerging opportunities in a sustainable manner will require integrated solutions that are based on a sufficiently holistic analysis of the food system<sup>7</sup>. By tackling the root causes of underperformance and by intervening at the leverage points in the food system, impact at scale can be achieved.

Experiences from agro-industry support programmes in LDCs in Africa, Asia and the Small Island Developing States (SIDS) point to several core elements of successful agro-industrial development programs to address these challenges. These elements include:

- Enhance value chains skills, knowledge-sharing, and locally-adapted technologies by supporting specific promising industries and promoting integrated value chains and clusters;
- Strengthening buyers/suppliers integration and sustainable sourcing;
- Promote more efficient and sustainable technologies and practices in production, processing and distribution of agri-food products with reduced food loss and waste and increased climate-resilience;
- Implement enabling policies, provide more effective public goods and promote innovative public institutions and services;
- Provide reliable access to quality and affordable physical inputs (fertilizer, packaging materials, etc.), services (mechanization, transport, etc.) and utilities (water, ICT, energy, etc.);
- Upgrade financing and risk management mechanisms and enhance investment finance, both public and private to agriculture;
- Address and facilitate investment in market infrastructure, regional trade integration, trade regimes harmonization, and focus on regional corridors;
- Ensure stable macro conditions, such as foreign exchange rates, government policies and energy provision; and
- Promote the integration of measures for supporting agribusiness development (farms and firms) through entrepreneurship and decent employment generation with social protection and gender and youth programs.

In general, the recommended approach emerging from past experiences is to shift from fixed-duration project-based programmes of mainly public sector investment into agro-industries development to long-term partnership-based collaborative efforts of the public and private sectors. It is also vital to ensure that agro-industry is supported by a coherent set of policies, including on

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<sup>6</sup> UNCTAD, 2015. LDC Report 2015, Transforming Rural Economies and UNCTAD, 2016. African Continental Free Trade Area -Developing and strengthening Regional Value Chains in Agricultural Commodities and Processed Food Products.

<sup>7</sup> For example, see FAO's Sustainable Food Value Chain (SFVC) approach - <http://www.fao.org/3/a-i3953e.pdf>.

technology development, education, imports, taxation and subsidies, extension services, energy, information, communication and technology (ICT) infrastructure, irrigation, storage, food safety, health, access and titles to land, investment promotion, access to inputs, adaptation to climate change and so on.

Traditional approaches to agriculture and agro-industry development focused mainly on a narrowly defined, short-term economic efficiency in production with little consideration for the externalities generated (e.g., polluted rivers, greenhouse gas emissions, land degradation). Today's challenges related to climate-change urge us to go beyond these traditional agroindustry development approaches. This can be done by adapting and scaling up efforts to include the participation of a wide number of farmers and agribusiness in promoting the use of greener and cleaner technologies that can ensure productivity while preserving the environment and addressing climate change, and support healthy diets and adequate nutrition of the entire population. In addition, given that people migrate faster from rural areas and farming jobs to jobs in cities than these urban jobs can be created, appropriate consideration of the sequencing of technology adoption and transfer in agriculture and agro-industry is required.

This holistic triple-bottom line view (economic, social, environmental) calls for the adoption of a sustainable food systems approach. Such an approach would have to be in line with the goals set in the 2030 Agenda for Sustainable Development, in particular SDG2 (hunger, malnutrition and sustainable agriculture), SDG 8 (decent work and economic growth), SDG 9 (infrastructure, industrialization and innovation), SDG11 (cities and human settlements) SDG13 (climate change), SDG14 (oceans), SDG15 (land) and SDG17 (means of implementation, including investment).

By applying a “**Sustainable Food Systems**” approach to the development of national and regional development plans and national urban policies, policy makers will be able to ensure impact on food insecurity, poverty and malnutrition in rural and urban areas simultaneously. Such an approach will also acknowledge the “social and environmental price” of food and thus ensure that the right incentives are in place for nutrition and environmental-sensitivity in food value chains development.

## 2. Objectives (focus)

The overall objective of the preparatory meeting is to identify potential pathways (incentives and initiatives) to realizing the SDGs through agriculture and agro-industry development, i.e., having impact at scale (moving the needle on the SDG indicators). Such identified pathways could be presented to ECOSOC as recommendations and initiatives for Member States that can be implemented or facilitated by the wide range of organizations participating in the preparatory meeting and other partners. The operational objectives (steps in the process) for the meeting include the following:

- Strengthen the dialogue between UN system organizations, Member States and the private sector on concrete actions needed to support sustainable agro-industrialization with due attention to micro industrialization as well, improving food security and the right to food<sup>8</sup>;

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<sup>8</sup> This includes engagement of actors and knowledge networks and facilitation of sharing experiences, lessons learned and expertise between different countries for agriculture and agro-industry development considering the consumers' needs (food quality and accessibility) and plurality in the food systems as a pathway towards integrated economic development, with a special focus on Africa and the countries in special situations.

- Provide an important input to guide the international community's efforts aimed at accelerating the implementation of existing policy commitments;
- Review relevant outcomes from different initiatives, conferences, workshops and in country implementation, addressing gaps and facilitate system-wide collaboration in order to help achieve a wide range of goals. These include: (1) the SDGs, notably SDG 2 and SDG 9; (2) the goals of the African Union Agenda 2063 and the commitments of the Malabo Declaration; (3) the Addis Ababa Action Agenda (AAAA) paragraph 13; (4) the UN Decade of Action on Nutrition (based on ICN 2); (5) the New Urban Agenda; and the 3<sup>rd</sup> Industrial Development Decade for Africa (IDDA III). This will allow for a better alignment of partner contributions, including on statistics.
- Generate consensus on necessary enhanced value chain skills, knowledge and technologies, innovative public institution and services, financial, investment, and risk management, enhance public and private investment increase to agriculture, enabling policies and public goods, regional coordination, strengthening resilience of livelihoods and production systems to climate variability, enabling trade and international environment and other tools which ECOSOC could promote to support innovations in the development of agriculture and agro-industry for a sustainable and resilient food system, particularly in Africa and countries in special situations, including by promoting public-private partnerships and actions inclusive for small producers, processors and informal sector;
- Identify opportunities for ECOSOC and the UN development system, with other partners, to support inclusive, sustainable and resilient agriculture and agro-industry development including linked to urban systems, hence the generation of decent productive employment for youth and women (which is linked to SDG-8 on decent work and economy growth);
- Propose strategies for upscaling and expanding good practices and areas of coverage.

### 3. Format and participation

Participants representing a wide range of stakeholders (public and private sector) and facilitators will be invited to this meeting. Participants will include representatives from a range of ministries, including those responsible for agriculture, industry, and trade and investment promotion. Participants are expected to include but not be limited to 20 African countries<sup>9</sup> and 10 countries in special situations<sup>10</sup> from other regions of the world, as well as other countries with relevant agriculture and agro-industry experiences to share. In addition, there will be 20 representatives from AU-recognized African Regional Economic Communities, civil society, academia and private sector organizations<sup>11</sup>, UN agencies<sup>12</sup>, donors<sup>13</sup> and other development partners<sup>14</sup>.

<sup>9</sup> Selection from following countries will be made: Angola, Benin, Burkina Faso, Burundi, CAR, Chad, Comoros, DRC, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome & Principe, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia.

<sup>10</sup> Selection from following countries will be made: Afghanistan, Bangladesh, Bhutan, Cambodia, Colombia, Chile, Haiti, Kiribati, Lao People's Democratic Republic, Myanmar, Nepal, Solomon Islands, Timor - Leste, Tuvalu, Vanuatu, Uruguay, Yemen,

<sup>11</sup> E.g., 3ADI, AAIN, AfDB, AGRA, AgriProfocus, AIC, AMU, ARSO, ASSCI (Association for regional commerce and Industry), AU, AMU, CCARDESA, CEN-SAD, CEPGL, COMESA Business council, COMESA, EAC, EACACI CCA,

These participants will engage with one another in an open and dynamic multi-stakeholder format, geared toward knowledge sharing, mutual learning and generating actionable recommendations. Several keynote speakers with insightful stories to tell on innovative agriculture and agro-industry development will present the perspectives from the different types of participants (small and large private sector players, public sector, intergovernmental organizations, and others) and from different geographic settings.

Breakout sessions will focus on discussing pre-assigned issues such as agropoles agro-food parks, transport corridors, regional trade agreements, investment and PPPs, and other agricultural and agro-industrial development mechanisms, identified in a technical background note that will be commissioned especially for the meeting. This technical background note will present experiences and articulate best practices, key messages and actionable recommendations to facilitate sustainable agribusiness and agro-industrial development.

The moderators of the various sessions will appropriately steer discussions towards extracting recommended innovative approaches and initiatives for realizing the developmental potential of agriculture and agro-industries development, with a particular focus in ensuring inclusion of rural as well as urban small holder farmers in the process.

The preparatory meeting is proposed to be hosted by Government of Zimbabwe in collaboration with FAO, UNIDO, and the UN Country Team, in Victoria Falls, Zimbabwe on 24-26 April 2017. Relevant institutional stakeholders, such as UNECA, OSAA, OHRLLS, UNCTAD, WIPO, UNDESA, UN-Habitat, the AU/NEPAD Planning and Coordinating Agency and the African Development Bank will be the key partners.

#### 4. Outcome (expected results)

Actionable proposals for support to agriculture and agro-industrial development will be extracted from the meeting and submitted for support or launch by ECOSOC. These could include proposals for scaling up existing initiatives that have delivered a proof of concept (such as 3ADI - the Accelerated Agribusiness and Agro-industry Development Initiative - or agribusiness incubators) and/or proposals for promoting just emerging or new initiatives (such as building a solid national statistics base on agro-industries, programmes in support of the SAMOA pathway, or the creation of a UN-wide platform to support agricultural and agro-industrial development). To implement these proposals, different UN organizations will, assisted by ECOSOC, bring together complementary sets

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EAGC (Grain Council) ECA, ECCAS, ECOWAS, FARA, ICRISAT-ABI, Industry and agriculture, International Union for Food Science and Technology, NPCA, CAADP, NEPAD Continental Business Network, PAN ACC, Pan African Business consortium, PAQI, PACCI, RESACS (knowledge support system, SAADP, SACAU, SADC chamber of commerce, SADC, SATUC, SCNGO (SADC Council of NGOs), UN VCD group, UNIBRAIN, Universities (SA University, UNI Zimbabwe, Harvard University), WB InfoDev, Consumer Good Forum (CGF)

<sup>12</sup> E.g., FAO, UNIDO, UNCTAD, UNDP, UNECA, UNIDO, UNDESA, OSAA, UNECA, OSESG-GL, WIPO, IFAD.

<sup>13</sup> China, South Korea, Italy, Japan, Switzerland (SECO), EU, AFD, DfID, USAID, Canada (CIDA) India, Russia, Brazil and Australia. Stanbic, Standard Chartered, United Bank of Africa, IFC (private sector loan financial corporation), Islamic Development Bank, the New Development Bank, ECOBANK, European Investment Bank-EIB.

<sup>14</sup> E.g., SNV, Technoserve, USAID, ACIDI-VOCA, the PRAI, FDI.

of expertise and other resources in a way that is coordinated through a strategy based on taking a food systems approach. These proposals, along with other recommendations and conclusions of the meeting, will be presented in a Chair's Summary that will feed into and inform the ECOSOC Special Meeting in May 2017 to be held at UN Headquarters. The relevant report will also feed into the 3<sup>rd</sup> Industrial Development Decade for Africa (IDDA III).

## 5. Potential Participants

The meeting will bring together three types of high-level representatives: (1) country-specific representatives from the private or public sector; (2) representatives from regional, sub-regional, intergovernmental, and civil society organizations; and (3) invited speakers with strong expertise in food systems and agro-industrial development (resources persons).