



OFFICE OF THE SPECIAL ENVOY
OF THE SECRETARY-GENERAL
FOR THE UNITED NATIONS FOOD SYSTEMS SUMMIT

**Remarks by the Special Envoy at the 1st Session of the
Preparatory Committee for the 5th United Nations Conference
on Least Developed Countries (LDC V):
Panel Discussion on
“Structural Transformation as a Driver of Prosperity”
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(As Prepared)**

Agriculture is the backbone of the Least Developed Countries (LDCs) **economies**, contributing to their **food security, export earnings and rural development**.

Agriculture is also **crucial to economic growth**: in **2018**, it accounted for **4 percent of global gross domestic product (GDP)** and in some **developing countries, it can account for more than 25% of GDP**. (World Bank)

Therefore, the **opportunities for structural transformation** essential for the **economic development of any country** and in many **Least Developed Countries** continue to lie in the **agricultural and food sector**.

The most effective way to **improve the lives of millions in poverty** is to **support agriculture in developing countries**. Most of the **world’s poor are farmers**, and those who are not **spend much of their income on food**.

The **poor performance of agriculture** in the LDCs is related to the many **challenges** they face. Their challenges could be **low productivity, rigid production and trade structures, a limited skills base, short life expectancy and low educational qualifications, poor infrastructure, and inadequate institutional and policy frameworks**. At the same time, with the **growing integration of markets from globalisation and trade liberalisation**, their economies have to operate in an **increasingly competitive external environment** (FAO).

Reversing this decline and integrating the LDCs into the world economy calls for our **renewed focus on agricultural transformation and rural development**.



Transforming a country's agriculture sector can create jobs, raise incomes, reduce malnutrition, and kick-start the economy on a path to middle-income growth. In fact, almost every **developed nation began its economic ascent with an agricultural transformation.** Recent examples include Brazil, China, and Vietnam, each of which at least doubled the value of its agriculture sector within 20 years of starting its transformation. Many other countries in Africa, Asia, and Latin America are earlier on the path of transformation.

Indeed, as the seminal work of Peter Timmer has demonstrated, **historically, improvements in agricultural productivity** have been a **pre-condition for structural and rural transformation**, as this allowed agriculture **to produce the surpluses** needed to feed urban workers released from farm labour, supplied raw materials to support agro-industries, increased exports to pay for technological investments, and enhanced the domestic market for processed goods.

"Almost no country in the world has successfully transformed its economy to one with low poverty rates without sustained growth in agricultural productivity (Timmer, 2014)".

Of course, we know now that these patterns of transformation have had, and continue to have, unintended and **unforeseen consequences for human, societal and environmental health** and although such a revolution will still need to be underpinned by the **transformation of the agricultural sectors in many LDCs**, we need to revisit our approach.

Taking a **food systems lens** provides us with the opportunity to do that. Indeed, as the **Global Report on Sustainable Development stated in 2019**, food systems provide one of the few entry points for helping us to **accelerate action** towards the achievement of the **Sustainable Development Goals**

We can't just focus on initiatives to increase productivity without addressing the **urgent transformations in our economies** that are needed towards **carbon neutrality or in promoting more sustainable consumption and production.** Equally, we need to design these transformations in a way that **no one is left behind.**

Many LDCs still **export large volumes of unprocessed raw agricultural products** that are exposed to volatile price swings. At the same time, they import large volumes of processed foods. This **food import dependency** is exacerbated by a **rapidly growing population.**

But these trends create an **opportunity to add value through processing domestically**, for example:

- We can export fresh-cut fruits in retail ready packaging rather than bulk fruits.
- We can process and brand coffee instead of exporting bulk green coffee.
- We can make competitive nutritious food products fit for the rapidly growing supermarkets across our regions rather than relying on lower quality imported processed product.



For the **agricultural and food systems**, transformative opportunities generally lie in the middle part of **agri-food value chains**, for example in **modern pack house operations and processing facilities**. These **agribusinesses** are where most of the **value addition in the food system** takes place and they are essential in **linking farmers to rewarding markets**.

In Africa for example, **two thirds of all food consumed is handled by the millions of Small and Medium-sized Enterprises**. Focusing more attention on this sector can create **huge employment opportunities, especially for youth**. The opportunities for improved food systems are almost limitless.

The **UN Food Systems Summit** provides us with the opportunity to **build a momentum for changes** in the way that we approach the **development challenges** that we face.

The process towards the Summit is providing an **opportunity for countries to redefine their pathways to more sustainable food systems**. **123 countries** are already taking that opportunity, and **many of these countries are LDCs**.

The process of **national dialogue** is essential in ensuring that the **new approaches and coalitions** that are starting to surface through the work of the Summit Action Tracks are **contextualized** and are relevant to the **needs and objectives of nations** at **different stages of structural transformation** and facing very **different challenges and opportunities**

Thank you!
