



**Global Panel**  
on Agriculture  
and Food Systems  
for Nutrition



**World Food  
Programme**

## Questions & Answers

Launch of the Global Panel Policy Brief:  
*'Strengthening Food Systems in Fragile Contexts'*

Q&A Session of a Webinar Co-Hosted by the Global Panel and the  
World Food Programme

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## Questions and Answers

### 1. Status Quo, Process and Approach

#### 1.1 Which regions/countries can be categorised as fragile contexts?

**Disrupted food systems are of frequent feature in fragile contexts**, whereby ‘fragility’ refers to a combination of conflict, political instability, dependence on humanitarian aid, weak governance, and environmental threats (Global Panel, 2020). Disrupted and broken food systems are often used as early indicators of humanitarian crises, defining the depth and extent of the crises, and signalling the locations and sizes of populations requiring assistance. In 2020, fragile contexts were home to almost a quarter of the world’s population (23%), and more than three quarters (76.5%) of those living in extreme poverty (OECD, 2020). Almost half (43%) of the global population which is expected to fall into extreme poverty as a result of COVID-19 by the end of 2020 are also located in these areas (OECD, 2020). From an analysis of 175 countries, 44 contain territories categorized as fragile,<sup>1</sup> with a further 13 defined as extremely fragile<sup>2</sup> (OECD, 2020). The majority of these are located in sub-Saharan Africa, followed by the Middle East and North Africa, Asia and Oceania and Latin America and the Caribbean.

##### Box 1: Examples of Disrupted Food Systems in Fragile Contexts

In **Afghanistan** food systems have been marked by decades of conflict, political instability, and recurring drought. Over 80% of the population spends more than half of their total budget on food. In **Venezuela**, deteriorating economic and political conditions, including weak governance and sanctions, have contributed to food system fragility. Hyperinflation has severely reduced the purchasing power of households – thus further limiting access to food.

In **Somalia**, and **South Sudan**, drought, political instability and poorly planned development efforts have contributed to population displacement, famine and communal conflicts. In other parts of East Africa, the evolving climate crisis is disrupting weather patterns and affecting harvests, and contributing to other shocks, such as the current severe outbreak of locusts – attributed in part to unusually wet conditions in the Horn of Africa. Finally, in **Syria** and **Yemen**, institutional constraints, weak governance and continuing conflict have each contributed to perpetuating fragility, and failures in the food system.

(Source: Global Panel, 2020)

#### 1.2 How can food systems be used as accelerators to boost local economies in fragile contexts?

**Building/strengthening the different elements of food systems can have a positive effect on local economies (Box 2)**, including in fragile contexts. For example, developing and investing in infrastructure – including roads, energy, markets, water, and post-harvest storage - results in more robust value chains, including non-food market and trade systems. A more robust food supply chain can increase resilience to prevent/manage fragility, to generate jobs, and promote increased access to credit. In addition, by increasing communities’ ability to access safe, healthy diets, strengthened food systems can promote health and wellbeing, and reduce health costs. Food systems which enable smallholder farmers to access healthy diets can also promote increased productivity and income.

Therefore, making food systems more resilient across various contexts, including in fragile settings, is key to accelerating progress towards the Sustainable Development Goals (SDGs). With a strong food system in place,

<sup>1</sup> **Fragile Contexts:** Mali, Venezuela, Zimbabwe, Equatorial Guinea, Libya, Cameroon, Uganda, Democratic People’s Republic of Korea, Pakistan, Eritrea, Nigeria, Mozambique, Madagascar, Kenya, Ethiopia, Guinea-Bissau, Guinea, Bangladesh; Papua Nuova Guinea; Mauritania, Honduras, Liberia, West Bank and Gaza Strip, Nicaragua, Guatemala, Zambia, Comoros, Niger, Tajikistan, Sierra Leone, Lao People’s Democratic Republic, Angola, Burkina Faso, Eswatini, Lesotho, Togo, Tanzania, Myanmar, Cote d’Ivoire, Solomon Islands, Iran, Djibouti, Cambodia, Gambia.

<sup>2</sup> **Extremely Fragile Contexts:** Yemen, South Sudan, Somalia, Central African Republic, Democratic Republic of the Congo, Syrian Arab Republic, Chad, Afghanistan, Haiti, Burundi, Iraq, Sudan, Congo.

food insecurity and malnutrition are less likely to themselves exacerbate fragility and spark civil unrest and displacement.

### Box 2: What is a Food System?

Food systems are defined as the **production, marketing, transformation and purchase of food**, and the **consumer practices, resources and institutions involved in these processes**. **High-performing food systems** are those food systems that are able to support the core functions of food production, transformation and consumption, **efficiently and predictably**. They deliver sufficient, safe and nutritious food to well-informed consumers, with minimum delay and spoilage and provide adequate incentives and returns to food producers, processors and distributors. High-performing food systems also **support inclusive structural transformation** of economies, boosting productivity and incomes that contribute to the prevention of poverty and hunger.

A wide **range of food systems can exist** or co-exist at local, national, regional and global levels:

- **Traditional food systems**, whereby consumers rely on minimally processed seasonal foods, collected or produced for self-consumption or sold mainly through informal markets. Food supply chains are short and local, and access to perishable foods (animal source foods, fruits and vegetables) can be limited or seasonal.
- **Mixed food systems**, whereby highly-processed and packaged foods are more accessible, physically and economically, while nutrient-rich foods are more expensive. Frequent branding and advertising accompany everyday activities. Food safety and quality standards exist but may not always be followed by producers.
- **Modern food systems**, characterized by more diverse food options all year long, and by processing and packaging to extend the shelf life of foods. Consumers' access to detailed information on food labels, store shelves, and menus is highly promoted. Food safety is monitored and enforced, and storage and transport infrastructures are generally prevalent and reliable.

**Each food system faces its own challenges.** "Modern" food systems should not be seen as the end goal. Traditional food systems, and their associated knowledge systems, have inherent value and can be a source of inspiration for policy-makers. These three types of food systems all need adapted improvements to deliver healthier diets and enhance food and nutrition security for all.

(Source: Global Panel, 2020; HLPE, 2017)

### 1.3 *Is it appropriate to worry about overweight, obesity, and non-communicable diseases (NCDs) even in fragile contexts and in countries where undernutrition rates are quite high?*

**Yes, it is appropriate** as all forms of malnutrition undermine and impair people's ability and opportunity to live healthy and productive lives while impeding the growth of economies and societies as a whole. **The prevalence of overweight, obesity and non-communicable diseases has grown in the past decades**, not only in high-income countries and more stable contexts, but also in low- and middle-income countries, including in fragile contexts and countries where undernutrition rates are quite high.

**Strengthening food systems and their capacity to withstand shocks and deliver healthy diets to all is an important goal in all environments.** In fact, suboptimal diets can underpin all forms of malnutrition - in various ways and regardless of the context. Focusing on strengthening food systems to ensure these can deliver healthy diets, in the right quantity and quality, will contribute to the prevention of all forms of malnutrition.

### 1.4 *How can we ensure political will to strengthen food systems?*

**Leveraging the available empirical evidence** is one important entry point for building the political will to strengthen food systems. Effective knowledge management, and South-to-South Cooperation can be useful tools and approaches to promote knowledge and evidence dissemination.

In addition, it is also important to **foster an environment that can ensure political commitment is maintained across time**. For this to happen, effective policy measures need to be introduced according to context-specific needs and objectives. In addition, it is important to build and enable governance structures that can sustain some of the improvements made.



## 2. Interventions

### 2.1 What are some of the key interventions that can help strengthen food systems in fragile contexts?

In fragile contexts, there is a critical need for nutrition-sensitive interventions that **link humanitarian responses with longer-term strategies to improve food and nutrition security**. This means broadening the focus beyond immediate relief, via the provision of food and nutrition support, to actions that aim to rebuild and support agriculture, livelihoods and health in the longer term.

Example interventions include (Global Panel, 2020):

- **Address the underlying causes of fragility** - for example, supporting initiatives which tackle conflict and unrest - while ensuring physical security to enable movement of people, products and goods, facilitating their access to markets.
- **Build the capacity of smallholder farmers/pastoralists and small businesses** to cope financially during stress and to rebuild stock following a crisis through improved access to credit, knowledge, technologies and information, enabling farmers and businesses to produce, move and sell their goods.
- **Increase the purchasing power of consumers** through, for example, Cash and Voucher Assistance. This can enable investments and economically empower people to support local markets through increased demand for goods and services.
- **Provide safety nets through social protection programmes**, including transfers to poor or vulnerable households or individuals - in cash or in kind - and entitlements to reduced expenditure - for example targeted subsidies.
- **Invest in infrastructure to enable effective functioning of food systems** - especially in remote areas. Infrastructure development of all types (roads, energy, water supply) is essential to improve access to markets, encourage agricultural production, restore trade, and support the development of new markets, thus making food systems in fragile contexts resilient to shocks. Transaction costs need to be minimised to facilitate the exchange of food.
- **Reduce post-harvest losses** by improving the development of, and the access to, food storage technologies (i.e. drying, milling), investing in the development of food processing and packaging, and facilitating access to reliable energy supplies (including solar power). This will enable smallholders to market higher value products, both nutritionally and financially.

### 2.2 What are some of the key innovations in the food systems arena? Can these be leveraged to strengthen food systems in fragile contexts?

#### Box 3: Innovation in Food Systems

**Innovation** refers to the process by which individuals, communities or organizations **generate changes** in the design, production or recycling of goods and services, as well as changes in the surrounding institutional environment, that are new to their context and foster transitions towards food security and nutrition.

Innovation in food systems and agriculture includes changes in practices, norms, markets and institutional arrangements, which may foster new networks of food production, processing, distribution and consumption that may challenge the *status quo*.

(Source: HLPE, 2019)

**Innovation is a major feature of food system transformation (Box 3). In fragile contexts** - often characterized by traditional and disrupted food systems - innovative interventions in the food system arena generally aim at **improving the resilience and functionality of one or more elements of the food system**: 1) **agriculture and food production** - for example, through the increased production of locally available nutritious food crops; 2) **food supply chain** - for example through the development of infrastructure for food transportation or working to extend the supply and shelf-life of perishable products through sustainable technologies; 3) **food environment**; 4) **consumer behaviour**.

*Box 4* includes a few examples of innovative interventions implemented by the World Food Programme (WFP) in some of the fragile contexts where it operates: Ethiopia, Somalia, Kenya and Burundi.

#### Box 4: WFP's Innovative Interventions as it Relates to Food Systems in Fragile Contexts

- In **Ethiopia**, WFP - alongside other partners - is working with the local farmers and traders on an innovative *Fresh Food Voucher programme* to provide a **regular supply of fresh foods to vulnerable households**. The *food voucher* - or else, cash - is provided via mobile banking - leveraging the latest available technology - so that poor households can source fresh foods. In addition, since knowledge of good nutrition practices is one of the barriers to the consumption of nutritious foods, WFP promotes healthy eating messages through radio programmes, theatre, as well as during coffee ceremony conversations.
- In **Somalia**, WFP leverages innovative and low-cost technology to introduce cool storage solutions in the Puntland region. These solutions **extend the value chain of perishable foods** and ultimately provide options to bring higher quality and diversified food to local populations.
- In **Kenya**, the *Bamba Chakula* initiative **strengthens local supply chains** and linkages between producers, traders, and refugees to bring more diversity of choice to refugee household diets and to reinforce the domestic market linkages in northern Kenya.
- Similarly, in **Burundi**, WFP is working with the private sector and small-scale dairy producers to **bring milk into schools** throughout the country so that school children have access to a healthy meal and local producers have a sustained market demand.

### 2.3 *What role do humanitarian agencies have in supporting the strengthening of food systems across the humanitarian- development nexus and how is this reflected in terms of implementation of interventions at country level?*

Humanitarian agencies have long played a key role in addressing immediate needs through food and nutrition, based on the right for all people to have equal and unhindered access to this assistance. **Humanitarian aid has evolved** over recent decades and in 2016, the World Humanitarian Summit (WHS) included a call to shift 'from **delivering aid**' to '**ending need**'.

The humanitarian-development nexus agenda recognizes the key role that humanitarian agencies can play in combining key **emergency relief interventions - that save lives - with long-term strategies for sustainable development - that change lives**. This includes interventions aimed at strengthening food systems to improve their ability to withstand shocks and deliver healthy diets for all. Investing in food systems - while addressing the immediate humanitarian needs - means averting devastating famines/food crises today - while preventing malnutrition from occurring tomorrow.

Today the term '**food assistance**' is **used in place of 'food aid', or 'humanitarian aid'** and includes the implementation of a range of interventions, instruments, activities that strengthen food systems and empower communities to be able to access healthy diets in the long term. At country level, these include - amongst others - cash and voucher assistance programmes, school meal programmes and agricultural support.

### 2.4 *How are affected populations involved in the planning and implementation of interventions intended to strengthen food systems in fragile contexts?*

The **issue of people's participation in the planning and implementation of programmes and interventions has gained considerable momentum in the past decades** among governments, donor agencies and international organizations. Experience has shown that effective development and implementation of policies and programmes requires the creation of enabling environments, whereby governments have the political will to act in the interest of those who need it the most, and the affected populations are engaged in the planning and the implementation of the interventions through participatory approaches.

Engagement of civil society through Community-Based Participatory Planning (CBPP) approaches (*Box 5*) – involving people and communities in the design, implementation, monitoring and review of results - is key to **enable a sense of community agency and ownership** and **tailor programme responses to local needs** as affected populations contribute – through their knowledge, skills and resources - **to processes that influence their lives**. The participation and involvement of the most vulnerable and marginalized<sup>3</sup> should especially be promoted to ensure their perspectives are taken into account.

**Participation can take different forms:** from information sharing (in a one-way flow), to consultation (in at least a two-way flow of information), to collaboration (with shared control over decision-making), to empowerment (with the transfer of control over decisions and resources). In some emergency contexts, focus group discussions with the affected populations may be all that is feasible given time and security constraints; but even this can have marked effect on the success of the programme. On the other hand, stable contexts enable participants to become empowered decision-makers, increasingly controlling the use of resources, acquiring the skills and the confidence necessary to challenge the status quo and improve their social and economic status.

**Community participation in programmes aimed at strengthening food systems in fragile contexts is key** to promoting engagement and ownership, as well as increasing resilience and sustainable development. As much as possible, communities should be involved in setting programme objectives, identifying who will be targeted; identifying what is provided, where and for how long; what feedback mechanisms are in place to handle complaints; and the planned exit strategy.

#### Box 5: WFP and Community Based Participatory Planning (CBPP)

WFP applies **CBPP approaches** and brings together communities, partners, and local government to identify communities' needs and **tailor programme responses to local requirements**. The CBCC is used to depict an analysis of the livelihoods, vulnerability profiles, land use and landscapes, exposure to specific shocks, as well as an analysis of the main issues affecting local communities. The information generated through the CBPP is then used to define a **plan to address the underlying causes of food insecurity and malnutrition**, while strengthening resilience. Actions include, amongst others, working to increase production of nutrient-rich crops, enable and improve access to markets, reduce post-harvest losses, as well as actions aimed at generating demand for healthy diets – for example, through mother-to-mother support groups. The CBPP process is usually an exercise lasting 2 to 5 days, followed by additional visits and exchanges with the community. The process is adapted and adjusted according to the needs in different contexts and capacities, building on existing approaches available at the country level.

Examples of **WFP interventions that leverage CBPP approaches**, include, amongst others, the work conducted in the Sahel, for example in *Mali and Mauritania*:

- In **Mali**, WFP conducted and completed 36 CBPPs with the goal of reconciling community needs and aspirations. After one year, the results achieved contributed to improve food security and nutrition of the targeted communities. Activities included: (1) Food Assistance for Assets (FFA), through which agricultural and pastoral land was rehabilitated or treated to increase its productive potential; (2) asset creation, including irrigation systems, irrigated gardens, pastoral wells - ensuring that assets remained on ownership of - and relevance for - communities and households; (3) Smallholder Agriculture Market Support (SAMS) interventions, through which 41 local farmers organizations were assisted with trainings and asset creation or rehabilitation. CBPPs also ensured involvement and commitment of local administrations, such as the Ministry of Agriculture, and other technical and cooperating partners, and resulted in capacity strengthening for both communities and authorities.
- In **Mauritania** WFP conducted 35 CBPP exercises. These exercises were able to place the vulnerable communities at the center of the planning and resulted in the elaboration of community action plans to carry out activities, thus ensuring local ownership and securing access, usage and maintenance arrangements for shared assets. The planning exercises were also an important opportunity to train staff from governmental technical services and cooperating partners to guarantee follow-up and future management of these processes. The intervention included the building and rehabilitation of livelihood assets (including water runoff control, soil conservation measures, protection of cropping areas, gardening and other environmental protection measures) and resulted in improved agricultural production. In addition, seasonal social safety net (food/cash transfers) were activated to protect access to food and safeguard livelihoods.

<sup>3</sup> These includes, amongst others: adolescents, women – especially rural and marginalized women - indigenous groups, smallholder farmers, refugees and internally displaced people.

## 2.5 Smallholder farmers are key for the functioning of food systems. How are they being involved and supported, especially in fragile contexts?

### Box 6: Who are the Smallholder Farmers?

The definition of a smallholder farmer is **country specific** as there is no unambiguous global definition. Often, farm size or area of cultivation is used to classify farmers. For example, smallholders are often characterized as farming less than a threshold size of 2 hectares (World Bank 2003). However, in most cases multiple factors characterize farming, and other parameters can be used, including volume of production, source and volume of labor, capital and inputs.

### Smallholder farmers (Box 6) are a key actor in food systems – they produce most of the world’s food:

There are about 500 million smallholder farms worldwide, and more than 80% of the food consumed in sub-Saharan Africa and Asia is produced by smallholder farmers (IFAD 2011). Nevertheless, due to their physical, economic, social, and political marginalization, **millions of smallholder farmers are chronically food insecure and vulnerable to shocks**. Often smallholders lack access to productive inputs and financing, while post-harvest management, including storage, is often inadequate – with crops being exposed to mould, rot and pests.

In addition, **smallholder farmers are particularly impacted by the transformation of food systems** - as they need to adapt to changes in consumer demand and buyer requirements, especially for safety, quality and reliability, and may not be in the position to compete effectively. Increasingly extreme weather events add to the challenge: often reliant on rain-fed agriculture, smallholders are powerless in the face of climate hazards. As a result, many smallholders pursue low productivity and subsistence-oriented livelihoods – some being unable to produce enough to last through the lean season, with others generating a small surplus but struggling to make a profit.

**Investing in smallholder farmers** -making them competitive actors in the food systems and strengthening their resilience and adaptive capacity – **is key to building more resilient food systems**, promoting food security and nutrition, and enabling healthy diets, while promoting sustainable and inclusive economies. The goal is to boost smallholder farmers’ resilience - ensuring a decent income and a sustainable livelihood - while supporting increased production of a diverse range of nutritious crops and food - through sustainable production practices – that will contribute to healthy diets.

**Key programmes and interventions aimed at involving and supporting smallholder farmers include**, amongst others, helping smallholder farmers to produce marketable surpluses and overcome challenges in accessing markets by, for example, strengthening agribusiness value chains, while contributing to the adoption of sustainable production practices and to the diversification of food production for the promotion of healthy diets. **With specific reference to humanitarian contexts, interventions should aim at addressing the underlying factors that undermine resilience**. At the same time food assistance and livelihood programmes might also be implemented to foster the ability of smallholders and/or family farmers to access resources to bolster production and markets, thus supporting economic recovery and development, and strengthening sustainable local food systems.





### Box 7: WFP's Programmes to Involve and Support Smallholder Farmers

The **WFP is well placed to support smallholder farmers** and over the past years, has developed models that combine partnerships, innovative solutions and context-specific support for small-holders and their national governments to target fundamental challenges faced by both men and women farmers, with systemic impact in value chains and broader food systems.

The WFP integrated approach aims to **assist smallholder farmers in advancing from a condition of food insecurity and vulnerability to shocks** – often being the recipient of food assistance - **to become tomorrow's food suppliers**, with increased income and food security, reduced risk and vulnerability to shocks, increased agricultural productivity, increased investment and storage capacity, and increased access to markets.

Although **the use of different programmes and activities highly depends on the context**, WFP works to connect smallholder farmers to markets in over 40 countries, strengthening and sustaining their ability to do business in different ways, while supporting governments' capacity to design policies with their interests in mind.

Some of the programmes used to support smallholder farmers include, amongst others:

1. **Purchase for Progress (P4P)**, a programme that encourages investments that connect smallholders to markets, help diversify their crops and broaden their business prospects;
2. **Farm to Market Alliance (FtMA)**, a project based on a global partnership with large private companies which aims to boost smallholder incomes through formal long-term contracts backed by facilitation of key value chain services.
3. **Home-Grown School Feeding (HGSF)**, an initiative that connects smallholder farmers to school meal programmes with the goal of sourcing the food for national school meal systems from domestic smallholder production.
4. The **Post-Harvest Loss (PHL)** initiative, which promotes affordable post-harvest management technologies and practices that cut post-harvest losses.

These programmes complement the WFP established forms of support to the most vulnerable and food-insecure farming communities – including food assistance, training and asset building.

## 2.6 *What is the role of food fortification in promoting healthy diets and improving nutrition – especially among the most vulnerable groups?*

Food fortification is the practice of deliberately increasing the content of essential micronutrient (vitamins and minerals) in commonly eaten foods, to improve the nutritional quality of the food<sup>4</sup> and provide a public health benefit with minimal risks to health. It is regarded as a **cost-effective public health intervention to improve nutrition and contributes to the prevention, and reduction, of micronutrient deficiencies**<sup>5</sup>, a form of malnutrition which can affect the individual's ability to grow, develop, and thrive. In addition, when fortification is conducted regionally, or – when feasible – locally, it can promote economic benefits for all the partners and stakeholders involved, contributing to improving community livelihood, boosting private sector capacity, and increasing productivity.

The implementation of **food fortification programmes should always be context-specific and based on population's needs**. These will define: (1) the type of food or combination of foods to be fortified; (2) the type and amount of fortificant (micronutrient/s) used to fortify; (3) the delivery channel used to distribute fortified food. In order to be effective in improving nutrition - and especially in reaching those who need it the most - the right food to be fortified should be the one that has the potential to reach the largest number of people at risk for micronutrient deficiencies<sup>6</sup>. For example, globally, the fortification of rice, wheat flour and maize flour is suggested as they account for 94% of the total cereal consumption.

<sup>4</sup> The process of food fortification directly enhances the nutrient composition of different foods by adding the vitamins or minerals (i.e. single micronutrients or pre-mixes of micronutrients, for example including iron, vitamin A, folic acid, iodine) to the foods, during the processing phase.

<sup>5</sup> Micronutrient deficiencies – also referred to as *hidden hunger*, currently affect over two billion people around the world and are usually the result of inadequate or insufficient food intake, low nutritional quality of the diet, and/or low bioavailability of micronutrients, among other factors.

<sup>6</sup> It is generally not advisable to rely on a single food vehicle to eradicate deficiencies of all micronutrients. A range of foods should be fortified with different types and levels of micronutrients.



### Box 8: Delivery Channels for Food Fortification

Across the world there are **different approaches to the implementation and regulation of food fortification programmes**, mostly depending on national circumstances, and public health needs and goals – including the population nutritional needs and the availability and accessibility of food. Within the legal context, fortification can be mandatory – whereby governments oblige food producers (of both domestic and of imported food) to fortify particular foods with specific micronutrients - or voluntary - when food manufacturers choose to add one or more micronutrients to certain foods.

**Mandatory fortification** is more likely to deliver a sustained public health benefit and should be implemented when the majority of the population has a significant public health need - or is at risk becoming deficient in specific micronutrients. On the other hand, **voluntary fortification** relies on consumer interest and demand for fortified foods; as such, complementary nutrition education programmes and Social and Behaviour Change Communication (SBCC) programmes should be considered in order for voluntary fortification to be effective.

In addition, the distribution of fortified foods can occur through **social safety nets and protection programmes**. These can be implemented in parallel with mandatory and voluntary food fortification and allow better targeting of those who are most vulnerable to micronutrient deficiencies.

### 3.1 *What the is the role of private sector actors in strengthening food systems in fragile contexts?*

**Food systems in fragile settings are prone to failure in multiple ways**, from damaged roads and markets, distorted food prices, and low levels of farm productivity, to destroyed food stores, limited investment by public or private sector entities, and severely constrained household purchasing power. Of course, adequately addressing these challenges entails resources and capacities well beyond the reach of any individual organization. All actors, from the public to the private sector, have a role to play.

**The role of business is core to all food system domains, given its ability to influence patterns of food availability, access and consumer choice.** For example, the private sector can work to ensure nutritious foods are available on the market as well as in retail settings and are able to reach the most vulnerable – including refugees camps - via increased production and promotion across the supply chain. The private sector - mostly made up of small and medium enterprises - produces much of the food consumed by the population; for example, 64% of food consumed in Africa is handled by small and medium enterprises. In addition, in times of crises – including the current COVID-19 crisis - the private sector can also support the continuous flow of food supply by working with the humanitarian clusters to provide logistical support to the organization of the emergency response.

Nevertheless, provided that nutritious foods are available and accessible - at the supply level - adequate demand for the same products and services is a necessary condition for local businesses to thrive and develop in a sustainable way. The private sector can contribute to building demand for nutritious foods by promoting healthier food environments, and the affordability of nutritious food items - in local as well as global markets. This is especially important in contexts where, as a result of fragility, businesses might be weak, in particular with regards to technical capacity and access to finance.

Through the [SUN Business Network \(or SBN\)](#) platform, WFP is playing a key role -in both fragile as well as more stable contexts - in promoting policies, practices and technologies that protect or add nutritional value along the food chains, strengthen the food environments and support consumers' behaviour change. This includes, among others, working with food companies to: 1) reformulate products to make them more nutritious; 2) produce new nutritious foods targeting specific target groups.

The SBN Network **supports small and medium enterprises and national companies by providing technical assistance through a business to business model**, bringing local businesses together with other stakeholders and investors, and ensuring business and government dialogue. The goal is to support and enable the private sector to positively contribute to strengthen the food system and ensure food and nutrition security - as based on the country's needs and in a way that is feasible for the business. [Box 9](#) provides an example of how SBN is contributing to strengthen food systems in Zambia.

### Box 9: The SUN Business Network (SBN), A Country Example

In **Zambia**, the government has worked with the SUN Business Network in developing the **“Good Food Logo”** front-of-pack certification mark for nutritious foods. The project aims at increasing the availability of healthier food options/products through reformulation by the private sector, while the logo promotes knowledge of - and increased demand for - nutritious foods among consumers. At the same time, WFP works with retailers to support consumers’ behaviour change, helping them to make the choice of purchasing nutritious foods, through retail-based approaches, including – among others – through on the shelf product placement, reduced prices/promotions, and outdoor advertising.

## 3. Funding Food Systems Interventions

### 3.2 *COVID-19 is affecting all economies, including those of donor countries. Moving forward, what are the prospects in terms of funding to assist countries?*

The 2020 total funding for the **Global Humanitarian Overview (GHO)**, including the UN Global Humanitarian Response Plan (GHRP) for COVID-19, was approximately **\$3.01 billion higher this year than at the same time in 2019** (UNOCHA 2020). Despite this high level of funding in absolute terms, requirements have grown significantly, with **current requirements set as \$13.62 billion greater than at the same time last year**. Funding towards the GHRP, and the broader humanitarian response to the pandemic, has been generous, yet insufficient to meet the needs of the most vulnerable people who live in countries facing a humanitarian crisis. Swift donor action at the onset of the pandemic resulted in large amounts of funding in March and April. The current \$10.3 billion GHRP requirements to support 63 vulnerable countries and cover the global support services remain severely underfunded. As of 1 September, the GHRP is funded at \$2.37 billion, equivalent to 23%. Reports on new funding have also slowed significantly, despite the increased requirements and alarming evolution of the pandemic, especially in the world’s poorest and most fragile countries.

The global humanitarian appeals, which includes the GHRP, with a requirement of \$40.2 billion, is funded at 28% or \$11.2 billion. The UN’s humanitarian pooled funds, namely the Central Emergency Response Fund (CERF) and country-based pooled funds, are an important source of flexible and rapid funding. The CERF has allocated over \$620 million in 2020 alone, as donors have invested heavily in the fund over recent years. Nearly one quarter of this funding has been allocated toward food assistance.

**The overall funding picture remains mixed with a wide gap between funding requirements and donor funding.** More funding for the COVID response is being discussed in various donor capitals, both in the form of supplementary budgets or reallocation of unspent funds. As the 2021 Humanitarian Programme Cycle gets underway, OCHA and its partners will present coherent and credible global humanitarian requirements (including for COVID) to counterbalance the effects of an uncertain funding landscape due to global economic downturn and possible reductions in Official Development Assistance (ODA).

Alongside assistance from humanitarian agencies, others, in particular the **international financial institutions (IFIs), have an important role to play in helping the most vulnerable countries cope through the crisis.** While the G20 and OECD countries have, rightly, adopted domestic economic stimulus measures amounting to more than \$10 trillion (or 10% of global income) to protect their own populations from the worst effects of the pandemic and lockdown, low income and fragile countries do not have the resources, capacity or access to markets to do the same. They are reliant on support from elsewhere, especially the IFIs. IFIs, however, have not committed enough. Low levels of support to such countries increases the likelihood of the pandemic generating dangerous long-term consequences.

As the Emergency Relief Coordinator, Mr. Mark Lowcock, told the UN Security Council on 9 September 2020: **there is little dispute about what ought to be done**, and recent experience - such as the response to the 2008/9 global financial crisis - has shown that it can work. The costs to taxpayers are minimal, because the resources can largely be generated off the international financial institutions’ own balance sheets. **The more generous, prompt and effective the help**, the most vulnerable countries get from the IMF, the World Bank and similar institutions, **the more people in crisis can be cushioned from the worst effects of the economic crunch, and the more the risks to instability and fragility can be avoided.**

### 3.3 *With regards to the need to strengthen the Humanitarian-Development-Peace Nexus, what can be done to resolve the divide between humanitarian and development funding?*

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Addressing and reducing acute food and nutrition insecurity, and humanitarian need more widely, requires investments in addressing the risks and the vulnerabilities that continue to drive humanitarian need. Therefore, **it is critical that humanitarian, development and peace efforts** – also referred to as the *Humanitarian-Development-Peace Nexus* – **complement each other to contribute to the collective ambition of ending hunger and malnutrition in all its forms** – while contributing toward ending humanitarian need.

However, what has emerged in the last years is that **fragmented funding systems continue to drive fragmented responses, which fall short in reducing need**. To reach the ambitious goals of ending hunger, malnutrition and humanitarian need, **there is a need for a flexible funding system that supports country-based and country-owned solutions** and outcomes that cross humanitarian, development and, where relevant, peace action.

The international community has advanced considerably in sharing analysis and setting common priorities across the UN, donors and NGOs, but more needs to be done to adequately support these efforts with the right flexible funding. Last year, the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) adopted a recommendation that strengthens its funding approaches across humanitarian, development and peace interventions, thereby representing a useful tool for donors to further advance this agenda. This is expected to build on a number of good examples at the country-level in advancing the flexible funding approaches, such as in Burkina Faso and the DRC.

It must not be forgotten, however, that **for any approach to work, programmes must be fully funded**. As it stands today, humanitarian requirements in the 2020 Global Humanitarian Overview (GHO) currently total \$40.1 billion, but only 28% has been fulfilled (as of 31 August). **Gaps in funding have a cost**: they can contribute to loss of life, increased costs in the future, and missed opportunities. As the Emergency Relief Coordinator, Mr. Mark Lowcock, told the UN Security Council on 9 September 2020, **woefully inadequate economic and political action will lead to greater instability and conflicts in the coming years**. The Security Council may well have more crises on its agenda as a result. While the world may have been surprised by the COVID-19 virus, the same cannot be said as it related to the security and humanitarian crises that most certainly lay ahead if the world doesn't change its course.

### 3.4 *How can the issuance of the Special Drawing Rights (SDRs) be influenced to benefit the economies and countries that need it the most? Could these be used to strengthen food systems?*

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**Special Drawing Rights (SDRs) are supplementary international reserve assets managed by the International Monetary Fund (IMF)**. A general allocation of US\$500 billion of SDRs would increase total international reserves by 4.5% compared to the end of 2019. An estimated US\$22 billion of this would go directly to low-income countries (equivalent to a 9% increase in international reserves).

Every country has the right to reallocate their SDRs to another country if deemed “free reserves”. To further benefit economies with the highest financial needs, members with excess SDRs could either (1) transfer their holdings directly to vulnerable countries, or (2) pool excess SDRs in international funds and facilities, such as the Poverty Reduction and Growth Trust (PRGT) – the International Monetary Fund (IMF's) concessional lending vehicle for providing zero-interest loans to low-income countries.

**A reallocation of pooled reserves based on a formulation of need would maximize global impact and transparency**. Countries could pledge to make these reallocations prior to a new general issuance of SDRs, which would increase confidence that the allocation would be reaching the most vulnerable. For instance, in March 2016 around 95 percent of the SDR distribution was pledged to the PRGT to subsidize lending to low-income countries. Reallocations could be made unconditional or tied to a particular need or policy, as assessed by the IMF. However, unconditional transfers are preferable insofar as these reallocations could be more rapidly disseminated in a time of crisis.



### Box 10: The role of the Special Drawing Rights (SDR)

**The SDR is an international reserve asset**, created by the IMF in 1969 - in the context of the Bretton Woods fixed exchange rate system - to supplement its member countries' official reserves. However, in 1973, the collapse of Bretton Woods system and the shift of major currencies to floating exchange rate regimes lessened the reliance on the SDR as a global reserve asset.

Nonetheless, **SDR allocations can play a role in providing liquidity and supplementing member countries' official reserves**, as was the case amid the global financial crisis. The SDR serves as the unit of account of the IMF and some other international organizations. The SDR is neither a currency nor a claim on the IMF. Rather, it is a potential claim on the freely usable currencies of IMF members. SDRs can be exchanged for these currencies.

**So far SDR 204.2 billion** (equivalent to about US\$281 billion) **have been allocated to members**, including SDR 182.6 billion allocated in 2009 in the wake of the global financial crisis. The value of the SDR is based on a basket of five currencies—the U.S. dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling.

More information on the SDR can be found at the IMF website, through this [link](#).

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