

# Policy Action Agenda for Transition to Sustainable Food & Agriculture

## Through Repurposing Public Policies and Support & Scaling Innovation

*In 2021, the COP 26 Presidency, the World Bank, and Just Rural Transition worked with dozens of countries and civil society organisations to build support for a Policy Action Agenda for a Just Transition to Sustainable Food and Agriculture. The Policy Action Agenda identifies a range of concrete actions that both state and non-state actors can take to repurpose public support to agriculture.*

Providing nutritious, affordable food for a growing global population while protecting the vital natural systems that sustain life is a critical challenge for the coming decade. Current public support to food and agriculture has helped to rapidly increase production but has failed to address growing challenges linked to climate change, environmental degradation of soils and water, biodiversity loss, food and nutrition security, and pandemic risks. In many cases, public policies and support exacerbate these risks.

Time is running out to address these challenges. Urgent transition is needed towards sustainable agriculture that delivers healthy diets and resilient livelihoods, that takes place within environmental boundaries, maintains, protects, or restores natural eco-systems, and helps keep the world on track to within 1.5 degrees of global warming.

This **Policy Action Agenda** sets out pathways and actions that countries can take to repurpose public policies and support to food and agriculture, to deliver these outcomes and enable a just rural transition<sup>1</sup>. It also sets out actions and opportunities for other stakeholders (international organisations, food producers, financial entities, researchers, civil society and others) to channel their expertise, knowledge and resources in support of this agenda.

**In endorsing this Policy Action Agenda, we undertake to progress a just transition to sustainable agriculture through appropriate policies, investments and support, taking action according to our respective context and mandate, namely: to deliver healthy diets and resilient livelihoods and economies including for vulnerable communities, whilst progressing toward net zero emissions, maintaining/protecting or restoring natural eco-systems and halting or restoring biodiversity loss.**

[See a list of Endorsers, Knowledge Partners and Supporters](#)

**Section A** sets out a working level definition of ‘sustainable agriculture’; **Section B** proposes recommended steps to take; **Section C** provides illustrative policy options to aid decision-makers; **Section D** proposes channels for on-going policy dialogue, collaboration and peer support; building on existing commitments fora and initiatives. The case for repurposing public policies and support is briefly stated in the **Background**.

## SECTION A: WORKING LEVEL DEFINITION OF ‘SUSTAINABLE AGRICULTURE’

There are many definitions of sustainable agriculture. For purposes of this Policy Action Agenda, the following 7 principles are considered important elements of a sustainable approach.

### Sustainable agriculture:

1. Supports the generation of better economic livelihoods and incomes for farmers and rural communities, leading in turn to poverty alleviation, food and nutrition security, resilience, and livelihood security.
2. Avoids deterioration of the environment and natural resource base and reverses this trend by reducing agriculture’s environmental footprint.
3. Uses inputs and resources efficiently and can thus reduce use of synthetic (non-renewable) inputs and resources that have harmful impacts on climate and environment; thereby also helping to maintain and/or restore soil fertility as the basis for sustainable production (noting the importance of maintaining and restoring soil fertility and agronomic productivity in order to ensure economic, social, and environmental sustainability).
4. Includes overall benefits for ecosystem integrity and inhibits further expansion of agricultural land into other ecosystems, and/or environmental degradation caused by agriculture, including deforestation, land degradation, and desertification.
5. Promotes agricultural practices that sequester or minimize greenhouse gas emissions.
6. Protects air and water from pollution and enhances the resilience of agri-food systems to pests, diseases, climate, and other exogenous shocks.
7. Contributes to greater food and nutrition security and local resilience, in part through the sustainable production and increased availability of affordable and nutritious food.

## SECTION B: ACTIONS TO ACCELERATE THE TRANSITION TO SUSTAINABLE FOOD AND AGRICULTURE

### Actions that Governments can take:

1. **Collect and analyse data** on current policies, programmes, subsidies, financial and non-financial incentives, and other forms of current public support to assess their impacts on land use, climate mitigation, biodiversity and eco-systems services, food security, nutrition, and livelihoods. Evaluate consistency, trade-offs, policy gaps, and

opportunities for enabling sustainable agriculture that meets food, climate, and environmental goals.

2. **Identify policies and programmes that can be (re)purposed** to improve outcomes and minimize trade-offs across these areas and accelerate the transformation of food systems to deliver a healthier planet (nature and climate), healthier economies (livelihoods and jobs), and healthier people (food security and nutrition). This would include, among others:
  - **Integrate appropriate incentives into policy re/design** to encourage sustainable agriculture, e.g., reward farmers for adopting sustainable practices such as contribution to lower emissions, carbon positivity, climate resilient, restore and maintain biodiversity
  - **Adjust pricing and support mechanisms** to incentivize and reward more efficient use of resources such as land, water and energy
  - **Phase out policies** including those subsidies and market price support mechanisms that incentivize practices with harmful impacts on climate and environment, such as conversion of forests, peatlands and other fragile ecosystems for mono-crop agriculture and or other practices that lead to the degradation of natural resources measures (thereby increasing climate risk and undermining production)
  - **Link agricultural policies and programmes to forest and ecosystem protection** to ensure that food production goals are not achieved at the expense of ecosystems
  - **Develop policies and/or fiscal instruments that facilitate and incentivize private investment** toward low emissions/ carbon positive, climate resilient and sustainable agriculture that maintains\protects or restores natural ecosystems.
  
3. **Invest in agricultural, livestock, forestry and fishing research and development (R&D) and innovation** to accelerate the development and scaling up of sustainable technologies and practices, to transform food systems for people, nature and climate, and to promote agricultural extension processes, including through the sister Global Action Ag Agenda for Agriculture Innovation. Specifically:
  - **Investment in public R&D** to develop locally adapted technologies and practices with an emphasis on sustainable agriculture, livestock, and food systems and nutritious food that deliver for people, nature and climate
  - **Ensure that current investments in public R&D and innovation** are reoriented to deliver benefits for nature and climate, in addition food and nutrition security and improved livelihoods.
  - **Invest in technology transfer, agricultural extension and training** including pilots and demonstrations to test, solve problems and encourage adoption; whilst **ensuring equitable access** to information, technologies and tools for sustainable production and bringing those to scale

- **Invest in nature-based solutions for infrastructure** to support sustainable use of resources e.g., land and water management, and provision of ecosystems services (including climate mitigation and adaptation)
  - **Invest in agriculture research, extension and advisory systems** to develop national human resource capacity for R&D and innovation.
4. **Develop, foster and/or implement more inclusive agriculture and food systems transition strategies** and incorporate these into national strategies including, Nationally Determined Contributions, national biodiversity strategies (NBSAPs to the CBD), action plans to deliver the Sustainable Development Goals, inter alia:
- **Design inclusive consultation processes** on policies, strategies and programmes designed to shift investment to sustainable agriculture.
  - **Develop and/or agree, publicise and monitor standards, based on science**, for low emission, sustainable production and **set targets**. for lowering emissions and reducing degradation\restoring land.
  - **Develop communication strategies** to inform and ensure stakeholder dialogue on repurposing plans and implementation strategies, to facilitate buy-in and mitigate potential negative impacts or resistance to change.
  - **Utilise existing international processes and platforms** to promote dialogue and peer-to-peer learning between countries, and with other stakeholders, to promote evidence and experience sharing, collaboration and innovation.
5. **Scale proven approaches** that better target farm households and agricultural landscapes most in need, reorient public expenditure towards investments in public goods and innovation, ensures a fair income for primary producers, and minimise trade-offs between climate, nature, food security and nutrition and sustainable development goals.
- **Scale approaches based on context-specific evidence of success/efficacy**
  - **Utilise existing tools, programs, policies and investments including extension services, public research institutions, farmer organizations to catalyse/accelerate uptake at scale**

#### **Actions All Stakeholders Can Take:**

- 6. **Scale analytical and technical support** to collect and analyse data, policy frameworks and policy options and conduct cost-benefit analysis, as well as political economy assessment of the trade-offs and opportunities for repurposing public support to food and agriculture systems.
- 7. **Develop public-facing studies and policy briefs** on social, economic and environmental options, impacts and opportunities for repurposing, to share learning and experiences.

8. **Develop or scale programmes and activities** that support local food producers, women and youth groups, indigenous peoples' organisations and local civil society organisations to strengthen capacity and support their participation in consultation processes.
9. **Develop and or scale technologies and practices** that enable low emission, climate resilient and sustainable agriculture and food systems.
10. **Join multi-stakeholder platforms** that promote collaboration between countries, food producer organisations, research and implementation partners, financial entities and others – such as the Just Rural Transition initiative.

## SECTION C: ILLUSTRATIVE POLICY OPTIONS

The policy solutions to achieve transition to sustainable agriculture will be context specific and will differ according to each country and region. The following options set out potential pathways to sustainable agriculture that countries could undertake, as appropriate to their context:

1. **Develop or integrate cross-government approaches to achieve sustainable agriculture in line with Paris Agreement goals, net zero/negative emissions, protecting biodiversity and delivering nutritious food**, bringing together governmental agencies across finance, trade, agriculture, environment, and health, and take immediate steps to implement this plan by 2030 (and 2050).
2. **Direct significant public support to farmers, including smallholder farmers**, to incentivize and support uptake or continued use of sustainable agricultural practices and, or reward better outcomes for climate and biodiversity loss.
3. **Significantly increase investment in agricultural R&D for 'multiple-win innovations' and agricultural extensions** that support healthy diets, protect natural resources and biodiversity and help to mitigate climate change.
4. Channel public funds, including increased climate finance, to develop more equitable partnerships and supply chains and **support the just rural transition in developing countries**.
5. **Orient public policies to the achievement of nutrition and sustainability goals**, including (where appropriate) shifting diets.
6. **Create incentives, financial and non-financial, for greater flows of private sector finance** to the just rural transition, through guarantees, regulation, reducing credit restrictions, and provision of blended finance.

## SECTION D: CHANNELS FOR ON-GOING COLLABORATION AND SUPPORT

Building on existing international collaboration, commitments and initiatives, there are a range of fora that may 1) provide a platform for continued dialogue, learning, peer pressure, and support, and 2) provide support for countries and other stakeholders to collaborate on redirecting policies and support to sustainable agriculture. Amongst others, these include:

1. **UNFCCC COP Presidency** – platform for on-going dialogue and to review progress against the commitments to action that different stakeholders make at COP26.
2. **Koronivia Joint Work on Agriculture under UNFCCC** – Negotiations and Workshops mandated in a decision at COP 23.
3. **The Global Forum for Food and Agriculture (GFFA) hosted by Germany. GFFA is the main international annual gathering of Agriculture Ministers.** In 2021 76 countries endorsed the GFFA communique committing to ‘do our part to form domestic policies on agriculture, to promote and steer investment towards sustainable agriculture practices that support climate change, mitigation and adaptation’ further stressing that climate change and biodiversity loss must be addressed in coherent manner for sustainable production and resilient food systems.
4. **The World Bank Group** – annual meetings, practice meetings and policy support, support for peer-to-peer dialogues, technical assistance for upstream diagnostics and assessing trade-offs associated with repurposing policies and support, capacity building, and mobilizing finance to support the implementation of identified priority actions
5. **Just Rural Transition initiative & JRT Policy Action Coalition** – multi-stakeholder platform and ‘community of purpose’ to share knowledge, learning and expertise on Repurposing Public Support to Food and Agriculture
6. **G7, G20 and Leaders Pledge for Nature** – maintain and follow up commitments to transition to sustainable agriculture. Specifically taking forward actions as they relate to bullet #4 of the Leaders Pledge for Nature to ‘transition to sustainable patterns of production and consumption and sustainable food systems that meet people’s needs while remaining within planetary boundaries’. The G20 Agriculture Meeting on 16-18 September 2021 set out commitments to ‘achieve food security and nutrition for all, and to ensure sustainable and resilient food systems, leaving no one behind’, including adherence to the CFS – Principles for Responsible Investment in Agriculture and Food Systems and taking a no-one-size-fits-all, cross-sectoral approach.
7. **Regional Intergovernmental Platforms, (OECD, CAADP, European Commission, inter alia)** – Assess progress towards repurposing subsidies, provide peer-to-peer learning opportunities, commission studies, etc.
8. **International Finance Institutions** – integrate principles and mechanisms for transition to sustainable agriculture in policy, programmes, and finance.
9. **United Nations Agencies** – research, knowledge exchange, and development support.
10. **The Committee on World Food Security** – inclusive international and intergovernmental platform for all stakeholders to work together to ensure food security and nutrition for all.
11. **The Good Food Finance Network** – public private network of finance leaders raising ambition and driving action on finance for food systems transformation.

## BACKGROUND

According to the Organisation for Economic Co-operation and Development (OECD), 54 countries producing two-thirds of the world's food provided USD 720 billion per year of transfers to their agricultural and food sector through direct subsidies, price supports, tariffs, import quotas, and other policy measures (2018-2020 figures). Nearly 75 percent of this support is directed towards individual producers, and about 14 percent is directed to public services like research, environment, or food safety.

According to World Bank analysis, only 5% of direct public support for agriculture explicitly targets conservation and other public goods, and only 6% supports research, extension and technical assistance.<sup>[1]</sup> A few countries also tax their agricultural sectors which also affects producer incomes.<sup>[2]</sup>

Of the support directed at producers (\$540 billion), over 60 percent is through “potentially most distorting” instruments, namely market price support (through policies that distort market prices) and payments linked to output or the unconstrained use of inputs (subsidies). Such policies and support are intended to improve food security in the short term by increasing yield and production. However, by encouraging farmers to over-use agricultural inputs, like fertiliser or water, they can induce negative environmental and health impacts. When countries have attempted to reform such policies, they have often encountered challenges either because efforts have not been comprehensive enough or have not adequately addressed the challenges. More holistic approaches to policymaking, better targeting, and suitable repurposing of current policies and support to realign public incentives can help ensure sustainable food systems for the future.

Farmers are also looking for sustainable solutions which can be scaled up or replicated with the right policy environment and incentives. Food producers face growing risks from unsustainable production and climate impacts. Repurposing public support offers an important opportunity to recognise and value the contribution of food producers and to empower all food chain actors, from producers to consumers to be positive agents of change. Building trust and shared purpose through inclusive consultation approaches can overcome political economy challenges for the repurposing agenda.

<sup>[1]</sup> Searchinger, Timothy D., Chris Malins, Patrice Dumas, David Baldock, Joe Glauber, Thomas Jayne, Jikun Huang, and Paswel Marennya. 2020. “Revising Public Agricultural Support to Mitigate Climate Change.” *Development Knowledge and Learning*. World Bank, Washington, DC. License: Creative Commons Attribution CC BY 3.0 IGO.

<sup>[2]</sup> The OECD figures do not capture the public policies in many developing economies, nor do they count other forms of support that may be outside the strict definition of food and agriculture, but that can exacerbate climate, environmental and nutritional challenges.