# Territorial Food Systems for Sustainable Development: Issue Brief for UN Food Systems Summit

## Introduction

In recent years, territorial approaches to development have re-emerged among international organizations and among development partners. They are increasingly recognized as a powerful tool for improving development outcomes. People-centred, place-based approaches are considered particularly well suited to assess problems, develop a coherent and relevant understanding of challenges and historical trajectories, and design appropriate solutions. Multi-sector and multi-stakeholder governance approaches -- informed by territorial assessment and implemented at appropriate institutional and spatial levels – appear to provide more effective conceptual, analytical and operational frameworks for understanding and addressing complexity in a globalized and rapidly changing world. Furthermore, "spatially blind" policies and interventions are starting to raise concerns, since they tend to leave behind those places that require the most support to achieve the SDGs and related regional commitments such as the African Union Malabo Declaration.

Current food systems fail to make safe, affordable and healthy diets accessible to everyone, impacting health and contributing to the rapid increase of non-communicable diseases. Prior to COVID-19 pandemic, there were more than 750 million food insecure people, over 2 billion overweight or obese, and more than 3 billion people who cannot afford a healthy diet. This situation has since deteriorated significantly with the pandemic.

Up to 37% of human GHG emissions are linked directly to the global food system, which also contributes to substantial biodiversity loss, increased land degradation and water scarcity. Food waste alone contributes 8.2% to GHG emissions.

Transformation towards sustainable and inclusive food systems can help address hunger, food insecurity and malnutrition and improve health by addressing diet-related diseases, as well as fight poverty, protect and restore biodiversity, and tackle climate change through GHG reduction. Economic and social behaviors are fundamentally embedded in place, and as such are subject to local socio-economic, cultural, political, institutional and environmental contexts. It is increasingly recognized that these challenges can be better addressed by local and regional governments through a territorial approach to food systems that enables context-specific action.

A territorial perspective to food systems facilitates the articulation and integration of relevant sector policies at different scales of action. It embraces integrated landscape management, which considers the socio-ecological dimension of interactions between species and ecosystems, as well as the socio-economic dimensions of the use of natural resources. It connects local, regional, national and international scales as well as urban and rural areas, and takes into account the effects and impacts of globalization. It promotes more social participation and allows policy-makers to close information gaps and make better-informed decisions across different sectors. Policymakers and the private sector can use territorial information to guide and prioritize investments for sustainable food systems.

In order to generate significant action and measurable progress to achieve the Sustainable Development Goals (SDGs) by 2030, UN Secretary-General António Guterres has convened a UN Food Systems Summit (FSS) to raise global awareness and shape global commitments that can transform food systems to resolve hunger, reduce diet-related diseases and restore planetary health. The FSS secretariat identified five Action Tracks: 1) Ensuring access to safe and nutritious food, 2) Shifting to sustainable consumption patterns, 3) Boosting nature-positive production, 4) Advancing equitable livelihoods, and 5) Building resilience. A territorial approach to sustainable food systems is essential to governance and planning of food systems and cuts across, can contribute to, and brings together the different action tracks.

This issue paper seeks to provide inputs to the FSS Secretariat and Action Tracks leadership, so that territorial approaches are recognized and duly addressed in food systems transformation to facilitate implementation and ensure sustainability in the long term. It aims to help understand and lift the role of territorial governance and to stress the importance of resilient and equitable territorial food systems on the policy agenda.

The paper recalls the relevance of bioregional approaches for nature-based solutions considering agroecological principles<sup>1</sup> as well as the knowledge behind indigenous food systems, the increasing role of municipal and local governments in operationalizing the SDG agenda and the importance of functional urban-rural linkages for integrated territorial development - for example, by enhancing policies on local food procurement. A food systems approach provides an integrating entry point as it brings together natural resources management (and in particular biodiversity and climate change) and food production, culture, health and social justice.

The revitalization of local economies and the role of small and intermediary cities and their surrounding territories are essential to sustainable development and crisis management. This narrative has recently been confirmed by the impact of the COVID-19 pandemic and should be at the heart of recovery, as well as prevention and management of future compound crises.

# 1. <u>A fast-moving agenda</u>

Territorial approaches to development have been discussed on and off in the last 50 years, but the last ten years have seen the revival, convergence and acceleration of a variety of systemic approaches, initiatives and partnerships related to territorial development. It is widely recognized that a systems approach is needed to deal with wicked challenges, such as climate change and migration pressures, that are felt around the world in place-specific ways.

# Towards a consensus on territorial approaches for development

In February 2018, following the publication among others in 2016 of the FAO/OECD/UNCDF *Adopting a Territorial Approach to Food security and Nutrition Policy*<sup>2</sup> and in 2017 of AFD-CIRAD's *"Living territories to transform the world"*, CIRAD organized with experts and partner institutions an international conference in Montpellier, *Living Territories 2018*<sup>3</sup>, to take stock of current knowledge and discuss concrete experiences and ways forward "think locally, act globally". Participants agreed that territories have a key role to play in ensuring food and nutrition security, human and environmental health, adapting to and anticipating climate disruption, supporting energy transition, shared economic growth and decent jobs, reducing migratory tensions, and anticipating conflicts.

<sup>&</sup>lt;sup>1</sup> <u>http://www.fao.org/fileadmin/user\_upload/hlpe/hlpe\_documents/HLPE\_Reports/HLPE-Report-14\_EN.pdf</u>

<sup>&</sup>lt;sup>2</sup> http://www.fao.org/3/bl336e/bl336e.pdf

<sup>&</sup>lt;sup>3</sup> <u>https://livingterritories2018.cirad.fr/</u>

One of the outcomes of this Conference was the joint release in 2019 of a white paper *Fostering Territorial Perspective for Development: towards a wider alliance*<sup>4</sup>(TP4D)

FAO and GIZ/BMZ, in collaboration with CIRAD pursued this process which led to the 2020 Territorial and Landscape days and related report<sup>5</sup>. The publication *Territorial Approaches for Sustainable Development - Stocktaking on Territorial Approaches – Experiences and Lessons*<sup>6</sup>, published in 2021 by GIZ reviewed 15 case studies and evidenced a variety of "challenge clusters" including sustainable management of natural resources, food security and nutrition, poverty and inequality and land use in an era of rapid urbanisation.

Cities and local governments for sustainable urban food systems

In October 2015, towards the end of *Expo Milano 2015 Feeding the Planet, Energy for Life*! around a hundred cities signed the Milan Urban Food Policy Pact<sup>7</sup>, committing to promote sustainable food systems. The number of signatory cities, amounting to 350 M inhabitants, has more than doubled since, yearly Summit of Mayors are being organized, and global and regional fora contribute to sharing of experiences and planning of next steps

A variety of national (e.g. UK <u>https://www.sustainablefoodplaces.org/</u>) or thematic (*Cities for Agroecology*, Action planning URBACT network *on Agri-food production in small and medium-sized European cities*) networks are thriving.

In September 2017, AFD launched a research report <u>Food for Cities – What role for local</u> government in the Global South? which recommended a holistic and systemic approach to address the challenges and opportunities associated with urban food supply, and engaged in an applied research program into food economics.

In October 2019, cities represented at the C40 World Mayors' Summit in Copenhagen signed the Good Food Cities Declaration<sup>8</sup>, committing to work with citizens to achieve a 'Planetary Health Diet' for all by 2030 and engage with businesses, public institutions and other organizations to develop a joint strategy for achieving these goals inclusively and equitably, to be incorporated into their Climate Action Plan.

# Urban-Rural Linkages for Integrated territorial development

In 2014, FAO initiated the City Region Food Systems Programme with the aim to improve economic, social and environmental conditions in both urban and nearby rural areas.<sup>9</sup>

The 2030 Agenda for Sustainable Development adopted at the UN GA in 2015 included for the first time a specific "urban goal", SDG 11, aiming to make cities and human settlements more inclusive, safe, resilient and sustainable". Member States underlined the importance of leveraging the opportunities across the territories and Target 11.a calls on countries to "support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning".

<sup>&</sup>lt;sup>4</sup> <u>https://www.donorplatform.org/publication-agenda-2030/fostering-territorial-perspective-for-development-white-paper-jointly-released-by-platform-members-and-partners.html</u>

<sup>&</sup>lt;sup>5</sup> <u>https://www.weltohnehunger.org/files/upload/9 Dateiablage PDFs/ZLR - Territorialer Ansatz Studie/2020-11-</u> 24 TLD 2020 workshop documentation low res.pdf

<sup>&</sup>lt;sup>6</sup> https://www.giz.de/de/downloads/Territorial Approaches for Sustainable Development.pdf

<sup>&</sup>lt;sup>7</sup> <u>https://www.milanurbanfoodpolicypact.org/</u>

<sup>&</sup>lt;sup>8</sup> <u>https://www.c40.org/other/good-food-cities - :~:text=Cities committing to this declaration, and demography</u> of their citizens.

<sup>&</sup>lt;sup>9</sup> <u>http://www.fao.org/in-action/food-for-cities-programme/en/</u>

The New Urban Agenda adopted at Habitat III in October 2016 in Quito gives this idea further substance, aiming to foster urban-rural linkages and integrated territorial development in order to reduce inequalities and poverty in both urban and rural areas, ensuring that no one – and no space – is left behind.

UN-HABITAT subsequently launched a programme on Urban Rural Linkages for Integrated Territorial Development in 2018 and coordinated the development of Guiding Principles and Framework for Action launched in 2019. <sup>10</sup> The same year it co-organized with Song Yang County, China, the first International Forum on Urban Rural linkages, in which FAO, IFAD and OECD participated<sup>11</sup>.

Promoting integrated urban-rural synergies is one of the key pillars of the FAO approach to urban food systems as described in the FAO framework for the Urban Food Agenda *Leveraging sub-national and local government action to ensure sustainable food systems and improved nutrition*<sup>12</sup> adopted in 2019. In 2020, FAO launched its Green Cities Initiative which focuses on improving the urban environment, strengthening urban-rural linkages and the resilience of urban systems, services and populations to external shocks. Ensuring access to a healthy environment and healthy diets from sustainable agri-food systems, increasing availability of green spaces through urban and peri-urban forestry, it will also contribute to climate change mitigation and adaptation, and sustainable resources management.

## Localization of SDGs

As we engage in the last decade of Agenda 2030, effective engagement of sub-national governments is essential<sup>13</sup> and urgently needed. In 2018 the UN Secretary General's initiative "Local2030: Localizing the SDGs" was launched as a network and platform to support on-theground delivery of the SDGs, with a focus on those furthest behind. It aims to connect local and regional governments and their associations, national governments, businesses, community-based organizations and other local actors, and the United Nations system. Local2030 supports local leaders in collaboratively incubating and sharing solutions, unlocking bottlenecks and implementing strategies that advance the SDGs at the local level.<sup>14</sup>

Launched at the UN High-Level Political Forum on Sustainable Development (July 2018, New York), the OECD Programme "<u>A Territorial Approach to the SDGs</u>" supports pilot cities and regions in Asia, Europe and Latin America to develop, implement and monitor strategies to achieve the SDGs by: learning from and engaging in a multi-level dialogue across local, regional and national levels of government to build consensus on who can do what, at what scale and how; measuring how cities and regions perform and where they stand vis-à-vis the SDGs, compared with the national average and their peers; and sharing good practices and lessons from international experience and providing tailored guidance and policy recommendations.

The OECD report A Territorial Approach to the Sustainable Development Goals argues that cities and regions play a critical role in the necessary paradigm shift to preserve social inclusion, foster economic growth and transition to the low carbon economy and need to

<sup>&</sup>lt;sup>10</sup> <u>https://urbanrurallinkages.wordpress.com/</u>

<sup>&</sup>lt;sup>11</sup> <u>http://urbanpolicyplatform.org/wp-content/uploads/2020/08/IFURL-Brief</u> 24122020.pdf

<sup>&</sup>lt;sup>12</sup> chttp://www.fao.org/3/ca3151en/CA3151EN.pdf

<sup>&</sup>lt;sup>13</sup> https://www.oecd.org/cfe/a-territorial-approach-to-the-sustainable-development-goals-e86fa715-en.htm

<sup>&</sup>lt;sup>14</sup> https://www.local2030.org/about-us.php

embrace the full potential of the SDGs as a policy tool to improve people's lives. A localised indicator framework for the SDGs<sup>15</sup> measures the distance towards the SDGs and a checklist for public action guides policy makers in the implementation of a territorial approach to the SDGs.

## Africa-Europe Agenda for Rural Transformation

In line with various ongoing efforts to strengthen the Africa-EU partnership, the EU-Task Force Rural Africa produced a comprehensive report (2019)<sup>16</sup> underpinning the importance of territorial approaches to address climate change and promote sustainable food systems, unlocking the potential of rural areas and strengthening the capacity of rural people, notably women and youth, to support economic and social dynamics, and to empower local, regional and national institutions for a more inclusive development which leaves no one behind.

## Territorial Food Systems and healthy diets

In 2019 an International Forum – Relevant Territories for Sustainable Food Systems was organized by Portuguese government<sup>17</sup>. Participants from Africa, Asia and Latin America decided to work together developing participatory territorial approaches to promote the shift towards sustainable food systems and healthy diets. Specific initiatives were piloted in Portugal, Cape Vert and São Tomé e Principe with FAO's support.

In January 2021, FAO Brussels and the Portuguese EU Presidency co-organized a high-level dialogue entitled, Territorial Food Systems and Healthy Diets: Pathways for Global Transformations. The importance of advancing territorial development approaches to promote sustainable food systems was acknowledged by all participants including the Portuguese EU Presidency, the European Commission, Africa Union Commission and the Italian G20 Presidency for Food Systems<sup>18</sup>.

#### COVID 19: confirming the narrative

The Coronavirus pandemic (COVID-19) ignores national boundaries and has generated asymmetric impacts between and within territories in different countries. Understanding territorial dynamics, identifying needs and gaps and retrieving experience-based knowledge is essential to ensure territorial resilience in managing COVID or similar compound crises (recovery, prevention and mitigation). Local actors, and in particular cities and local governments, can play a crucial role in overcoming inequality, power asymmetry, environmental, social and economic vulnerability and other intersecting challenges. In times dominated by unpredictable and rapid change, territorial approaches are essential for building resilience through coordination, common action and solidarity. It has become a priority of local and regional governments to increase food system resilience, reduce dependence on global markets and address social and economic vulnerabilities, and among other strategies, reconfiguring public food procurement and services in order to strengthen short and local value chains for sustainable healthy diets.

# 2. <u>Sustainable territorial food systems: what?</u>

Reorienting food systems for sustainability requires bringing together environmental, economic and social dimensions, which are easier to operationalize closer to specific

https://www.oecd-local-sdgs.org/

<sup>&</sup>lt;sup>16</sup> https://africa-eu-partnership.org/sites/default/files/documents/report-tfra mar2019 en.pdf

<sup>&</sup>lt;sup>17</sup> http://www.fisas.org/media/1730/programa-fisas-bx.pdf

<sup>18</sup> www.fao.org/Brussels/news/detail/en/c/1371403/

environments, populations and cultural contexts. Many of the Game Changing Solutions submitted in Wave 1 within different Action Tracks can link into three main clusters:

#### a. Reorienting Natural Resources Management and Food Production

The geographic concept of "bioregions" - areas that share similar topography, plant and animal life, and human culture - brings to the forefront the interdependence of social and economic activity and the biophysical landscapes or environments in which they function. Human settlement and land use patterns are viewed as integral, functional components of ecosystems rather than as separate unrelated entities. This concept therefore offers an enabling framework to combine ecological and human components of the landscape, restore and maintain natural systems, satisfy basic human needs in a sustainable way, and address issues of sustainability. Integrated Landscape Management embraces territorial approaches aiming at solutions that achieve multiple objectives at once, improve inter-sectoral coordination and cost effectiveness at multiple levels, empower communities through multi-stakeholder processes, enhance cooperation across territories and significantly contribute to addressing climate change. This lens can help exchange information and experiences between territories sharing similar constraints and opportunities and promote horizontal coordination and action learning.

Specific attention should go to promoting site-adapted forms of land use and agricultural production contributing to healthy and sustainable diets and securing incomes whilst respecting environmental sustainability. Revisiting traditional agriculture and food systems (which were based on low-input and risk-averse management of natural resources including local biodiversity and soil), retrieving indigenous knowledge and strengthening Indigenous Peoples' rights to manage their territories can yield relevant insights for conservation and biocentric restoration.

The transformation of food systems requires maximizing synergies and managing and addressing inevitable trade-offs between social, economic and ecological objectives at the territorial level. This is the scale where problems become apparent and where appropriate solutions can be developed. Land restoration and the transition to agroecology are becoming priorities for sustainable environmental management and need to be accelerated as pathways to place-specific, health-promoting and people-centred development. Territorial approaches enable the transformation of production systems via improved land use planning and governance of natural resources use. That is particularly relevant for territories under pressure from growing population and competing forms of land use - for instance crop and livestock production systems in arid and semi-arid regions or sustainable management of natural resources in small island states. Territorial approaches should enable a just transition of unsustainable livestock production to nature-positive systems, restoring where appropriate grasslands, shrublands and savannahs through extensive livestock-based food systems to mitigate climate change, improve health and create jobs. Ensuring rich agro-biodiversity, e.g. via agro-forestry production systems, can contribute to dietary diversity and better nutrition outcomes, land restoration, economic diversification, creating jobs, increasing local resilience and mitigating climate change.

#### b. Reviving local economies in a connected world

Improved connections between rural, peri-urban and urban areas can more effectively link producers to markets and consumers and create opportunities for transformative investments in food production, processing, storage, transport and markets as well as sustainable tourism that can support local economic development and enhance the quality of life of the local population. Public and private finance can be better targeted within a territorial perspective with the involvement of local governments, private sector and community organizations, and ensuring that such investments are inclusive and leave no one behind.

Priority should be given to local markets and short food chains, in particular in small cities. Localizing food based dietary guidelines for sustainable and healthy diets can inform consumers and reorient demand towards culturally acceptable, locally produced – preferably organic - foods in season. Public procurement schemes that promote healthy and sustainable diets, specifically targeting local small farmers and producers and/or specific foods (i.e. locally produced, organic, seasonal) and linking agroecological farmers and indigenous communities to urban consumers have proven to be mutually beneficial. As amply demonstrated throughout the COVID pandemic, e-commerce can provide new opportunities for short food chains, linking consumers and producers and facilitating distribution.

This will require infrastructure (re)investment for storage and processing (as well as energy and information technology), with a view to increase availability of safe and convenient foods, contribute to economic diversification and job creation (in particular for youth and women) and facilitate trade. This also requires the organization of small scale farmers in order to access advisory services, financing, markets and to develop the capacity to respond to market requirements in terms of quantity and quality. The promotion of circular food system economies can integrate waste management with production systems, generating new nutrient management strategies, less energy and fossil fuel dependency.

# c. Ensuring Human Rights and Social Protection

Territorial food systems can contribute to the progressive realization of the human right to adequate food, linking food production with nutrition and preventive health, education, and food culture; decent jobs, sustainable management of natural resources, social protection and institutional strengthening as recommended in CESCR General Comment 12 in 1999 and adopted by the CFS in 2004, 2012 and 2021.

The reorientation of natural resources management will require not only securing governance and land tenure rights but also workers' rights for decent work and social justice throughout the territorial food system, as well as women's empowerment and leadership, and recognition of indigenous people's experience and competence.

Social protection programmes to help address hunger, food insecurity, and malnutrition should be expanded and articulated within the territorial food system framework (e.g. encouraging the consumption of locally produced and healthy foods rather than facilitating access to imported – too often junk - food and undermining local production systems).

Systems, policies, and programmes are needed to encourage and create better conditions for the engagement of youth in agriculture and food systems and related professions, with better youth participation, standards, and opportunities for entrepreneurship and avoiding the high incidence of child labour, forced labour and informal labour which characterizes much of youth involvement at present.<sup>19</sup>

<sup>&</sup>lt;sup>19</sup> http://www.fao.org/fsnforum/cfs-hlpe/discussions/youth\_engagement\_employment

## 3. <u>Territorial food systems: How?</u>

## Governance

Acknowledging the role of cities and local governments in operationalizing sustainable development concepts, protecting the right to food of both urban and rural populations, reorienting food systems in their territories and supporting them accordingly within a multi-level governance architecture based on the principle of subsidiarity should be <u>THE</u> number one game changer in the FSS. Documenting territorial governance experience and innovation can contribute to improved national and global policies, indicate specific needs for support and help design an enabling framework.

The concept of territorial development is not new, yet the record of accomplishment of its implementation has so far been mixed. When considering territorial approaches to food systems transformation, it is important to understanding 'territorial' not just as the designation of a particular scale – *where* development takes place, but as a focus on 'how' and 'by whom' development is promoted and implemented. The 'how' question refers to the need to mobilise the potential and resources *within* the territory through enabling political and institutional mechanisms of governance and administration at different levels from local to national. The 'who' question stresses both the importance of empowered local authorities to facilitate territorial approaches allowing for the genuine participation of all relevant actors in a given territory, and effective relations between different levels of governance.

The promotion of sustainable territorial food systems requires a long-term commitment from all involved and a continuous engagement with territorial actors. Territorial approaches are participatory, requiring governance that is inclusive as well as cross-sectoral, and reaches different levels, actors and spaces. They can help to build trust and confidence through inclusive, restorative and peace-building solutions. Social dialogue and community-based decision-making mechanisms are needed to find common solutions to problems, advancing decent work and social justice. Budgeting and investing in multi-level participation and capacity development with special emphasis on women and youth, as well as bridging the digital divide and increasing access to information and services is therefore essential. It is however, critical to ensure that local authorities are empowered with meaningful autonomy and resources as well as embedded in effective accountability mechanisms.

Strengthening territorial food systems is thus strongly linked to decentralization processes, as it implies further legitimation of local authorities and the devolution of some responsibilities to plan, manage and supporting economic and social development. This combined with adequate financial mechanisms, will allow stakeholder engagement and participatory territorial assessment, proceeding through collaborative priority setting, action planning, policy supportive frameworks and programmes, implementation, finance and monitoring to socialise learning. Joint empowerment of territorial actors should build on the variety of available tools for intersectoral and inter-institutional food assessments and planning, including food security and nutrition information systems or city region food systems (CRFS) assessment; but also address the technical development of projects covering productive infrastructure, logistics and land reclamation and the deployment of affordable capital.

It is therefore a priority to strengthen/establish a coherent and coordinated multi-level governance architecture able to integrate and further support existing efforts and to build institutional capacity for territorial approaches at all levels. Planning for sustainable territorial food systems must bring together multiple stakeholders and levels of governance to improve

natural resource management, protect biodiversity, ensure food and nutrition security and equitable livelihoods. The success of territorial approaches depends on strategic, systematic investment and progressive capacity development. Ultimately, it depends on the ability of local actors to produce, own and use data and information that will feed in the definition of economic and social policies to support territorialized food systems.

Transversal exchanges of knowledge, experience and data through inclusive processes and innovative tools across bioregions are key for good governance from territorial to global level and can inform sectoral policies and programmes within a common framework. Sharing practices that have proven suited to similar territories and communities is essential to support and reinforce networks of sustainable food systems within and across governance levels, accelerate action-learning and implementation, ensure the necessary articulation of local practice and global policy making and cement collective action.

A territorial food system, rights-based approach should be incorporated into revised national food security and nutrition strategies, and link into the new generation of Voluntary Local and Subnational Reviews (VLRs/VSRs) of progress towards implementing the 2030 Agenda.

#### Financing for sustainable territorial development

The challenge is to provide the right type and mix of capital to finance the reorientation of food systems and improve linkages between urban, peri-urban and rural areas. The transformation of food systems requires both public and private finance measures in different sectors. For many food systems actors, especially in last mile contexts, it is necessary for the capital to be affordable and patient to enable food production and processing to become financially sustainable. Risks inherent in food production and distribution, which are increasing with climate related shocks and other types of disease and infestations, need to be adequately understood and appropriate risk mitigation measures factored into financing strategies.

A territorial perspective allows for better understanding of key investment opportunities in supply chains, as well as risk mitigation needs and maximizing social impact that can be combined for transformative local development.

Governance of public finance needs to be more decentralized, based on subsidiarity principle. Strategic public investments must go hand in hand with strategic funding mechanisms and supportive governance systems. For example, by improving the health of communities that are more productive and put less burden on health care, resources can be shifted to remunerate farmers for diversified food production. Closed loop resource flow efficiencies reduce the need for external inputs and free up resources for other investments. The deployment of public finance and the mobilization of appropriate financial mechanisms are crucial to allow local governments to make strategic investments in collective infrastructures (storage, processing, logistics, markets, digitalization etc.) essential to local food systems. Such infrastructures could also generate revenues that can be reinvested to sustain these public services. Along with the infrastructures, local governments should invest in agroecological zoning, land use planning and technical assistance to leverage and guide investments in local food systems.

This enabling environment will provide the right incentives and regulations for both public and private investments in local food systems aligned with a territorial agenda. This transformation requires the mobilization of Public Development Banks (PDBs) to provide appropriate packages of agricultural and rural credit and technical assistance to encourage local financial

institutions to finance smallholder farmers, agri-SMEs, cooperatives and community organizations.

Catalytic SME financing through blended financing mechanisms (credit line, technical assistance and de-risking mechanisms) are needed to support small projects/initiatives that contribute to food security and nutrition, generate employment and inclusive ownership structures for the poor, women, indigenous peoples and youth, and that implement energy efficient and circular economy solutions. Providing seed capital for incubation projects along agricultural value chain can be instrumental in increasing production of diversified food at the territorial level. Such mechanisms can be replicated and scaled up for promoting food security and nutrition investments in regions that are affected by food insecurity and economically lagging.

Providing the right capital to fund these different interventions is essential and food systems finance must be accessible for rural people. The transformation of food systems will require setting up a multi-donor funded Facility to invest in nutrition, sustainability, resilience, and equity. Various initiatives are being considered: a Public Development Bank alliance to Catalyse Green and Inclusive Food System Investments; a catalytic SMEs financing facility solution; a global matching investment fund for small-scale producers' organizations; certified blended financing mechanisms to support small projects/initiatives locally owned by women and youth, etc. The next Finance in Commons Summit that will be held in Rome in 2021 could be an opportunity to structure an alliance of PDBs on the support to territorialized food systems and the redeployment of existing farm subsidies to support agroecological transition.

# 4. <u>The UN Food Systems Summit: Challenges and Opportunities</u>

COVID19 has intensified humanitarian needs worldwide. Territorial approaches for recovery and post-pandemic policy, planning and development are urgently needed. It is important to rebalance food supply and combine global value chains with territorial food production and distribution in order to ensure access to and consumption of healthy and sustainable diets for local populations; to ensure multi-level support and capacity building for territorial resilience; to leave no one behind and give priority to the most affected areas and population groups; and to harness the benefits of urban-rural linkages and territorial responses to COVID for long term efforts to promote sustainable development based on context-specific solutions where change is needed and possible.

Networks of local and regional governments, including city networks, together with UN and international partners and donor countries, must work together to rebalance market power between global and territorial market forces. Civil society, territorial SME food enterprises and subnational governments must unite around the territorial food system governance and finance agenda.

The UN Food Systems Summit as well as other major 2021 events require and provide an opportunity for multi-sector engagement with territorial approaches. The combination of pandemic, conflict and climate change are proof of the heightened urgency for development approaches that are sustainable, address equitable and inclusive development and ensure territorial resilience. Adopting territorial approaches to food system transformation is needed

to understand and address specific challenges and take advantage of existing opportunities and resources. It will also contribute to articulate the different FSS action tracks.

The core principles of territorial development - place-based, people-centred, participatory, multi-actor, multi-level and cross-sectoral community-defined actions – are essential for reorienting food systems. Political will and long-term commitments particularly by governments and donors are essential to build sustainable territorial food systems. Local and subnational governments, civil society and the private sector that feeds cities and the world today need to make this commitment.

Building coherent food systems will bring us closer to concretely implementing Agenda 2030. And cities and local governments will be in the frontline in making this happen. They should therefore be brought to the table in global and national policy making and planning processes.

The authors and institutions involved in the development of this issue paper believe that a territorial perspective is fundamental to the success of the food systems transformation agenda. We look forward to engaging with the Food Systems Summit Secretariat, Action Tracks and Food Systems Dialogue leadership go work further on this issue in the coming weeks and months.