

# Science-to-Policy Dialogue - Production & Equity

## Summary outcome paper

The World Business Council for Sustainable Development (WBCSD) through the Food and Nature Policy & Advocacy team is convening a series of Science-to-Policy Dialogues (SPDs). Building on the first dialogue on consumption (September 2020), the second dialogue took place on 16-19 March 2021, bringing together business, science, civil society and farmer representatives to co-construct transformative food system-related policy asks and their related transition pathways that aim to enable and accelerate business action. Taking a production and equity perspective, three “Big Issues” framed the dialogue: (1) Enabling transformational shifts in food value chain practices towards more sustainable agricultural systems, (2) Ensuring more equitable value distribution and decision-making in food value chains, (3) Financing the transition to safe, nutritious, affordable and sustainable food production while ensuring a global, rules-based and fair trading system. The following paper summarizes the discussion from these dialogues.

A healthy food system is one with inclusive outcomes for healthy people and a healthy planet, including healthy businesses. To achieve this vision, we will require significant shifts in our current food systems, informed by a collective understanding of the current challenges and guided by an evidence-based common vision and collective solutions spaces for business action.

While acknowledging past achievements that food systems delivered on feeding a growing population and taking an optimistic view towards significant further progress, we can provide salient and nuanced perspectives, especially in our asks to policy makers. Arguably, there is also scope to incorporate stronger and clearer policy asks based on scientific publications and assessments that are released.

Food systems transformation has the potential to address the multiple challenges currently associated with the food and agriculture system, be that nature loss, climate change, food loss and waste, dietary-related disease or inequitable value distribution. Notwithstanding these huge challenges and the need for significant shifts in our current food systems, the accomplishments achieved by food producers, as well as the opportunities and agronomic and climate challenges ahead, need our attention, respect and further support.

Business plays a critical role through the direct impacts (positive and negative) of its food and agriculture supply chains. The full weight and range of policy measures is crucial to accelerating and scaling positive impacts. WBCSD member companies recognize policy and aligned advocacy as a key lever that supports their business transition and their continued move toward sustainable production practices.

Throughout the year 2021 and possibly 2022, a series of international agenda-setting bodies will convene to make pivotal decisions and recommendations to governments. These global policy fora will include private sector participation and their frameworks will impact upon the operating environment for business. These events range from the UN Convention on Biological Diversity (UNCBD) COP15 to the UN Framework Convention on Climate Change (UNFCCC) COP26, from the UN Convention to Combat Desertification (UNCCD) to the UN’s Food Systems and Nutrition for Growth Summits.

### WANT TO LEARN MORE?

Please find the summary outcome paper from our first SPD which was focused on Consumption [here](#).

These first Dialogues culminated in the first part of WBCSD’s Food & Agriculture Roadmap [chapter on policy](#).

To co-create evidence-based policy asks, WBCSD hosted a second SPD, running from January to March 2021. This second Dialogue was focused on the most pertinent policy issues and recommendations linked to sustainable, resilient and equitable agri-food production systems, effectively bringing together the related challenges of transforming agriculture whilst further protecting and restoring the environment, improving livelihoods, providing nutritious and healthy food, reducing food loss and waste, and implementing landscape-based solutions. These policy asks

will be applicable on a global level while needing regional and national applicability and policy implications. In this "super year" for food, they will be a major contribution to food and agriculture policy development at WBCSD in advance of the UN Food Systems Summit.

The three "Big Issues" that this SPD addresses are as follows:

1. Enabling transformational shifts in food value chain practices towards more sustainable agricultural systems

2. Ensuring more equitable value distribution and decision-making in food value chains
3. Financing the transition to safe, nutritious, affordable and sustainable food production while ensuring a global, rules-based and fair trading system

For each of these "Big Issues", key challenges and policy asks that enable business action are outlined below based on the full Dialogue process. From this discussion we have lifted the most promising cross-cutting proposed policy recommendations.

## Cross-cutting policy recommendations:

1. **Align policies from global to local and integrate national policy.** Global policy priorities and mechanisms must be refined for optimal local community resonance and applicability. At the national level, inter-governmental coordination can help facilitate integrated policy development between different levels of government and amongst ministries and departments, including health, agriculture, environment, education and trade departments, with a particular focus on involving economy and finance ministries. These integrated policies should center agriculture as an integral part of the solution to food, health, biodiversity and climate challenges.

2. **Re-work existing policy development platforms, or create ones focused on multi-stakeholder voices.** This should include representatives from both the Global North and Global South, to inclusively co-develop food policy solutions based on evidence. People and livelihood approaches must be at the center, with ample participation of the most vulnerable, from inception to completion. In this way they can feel empowered by and benefit from shaping outcomes.
3. **Harnessing private and public collaboration.** This can enable sharing of information, tools and exchange of data that works toward mutually benefitting solutions, e.g. towards solving specific agronomic

challenges. Such collaboration may extend to where there is a transparent sharing of risk and value distribution along the value chain that combines environmental, social and economic incentives through true-cost accounting and re-purposing of public funds.

4. **Unlock innovation and prioritize R&D investment.** Ensuring streamlined processes for creating agile products and services whilst simultaneously harmonizing new innovation approval processes can unblock some of the heavy and lengthy procedures that currently exist. By doing so, innovations, ranging from financial, technical to social, can be easily adopted, incentivized and accelerated.



## Big Issue 1 - Enabling transformational shifts in food value chain practices towards more sustainable agricultural systems

Agriculture is indispensable, not only as a supplier of food, but also because of its centrality in the stewardship of land and other natural resources, and its contribution to GDP, employment and social cultural benefits. In the past decades, agriculture has contributed tremendously to improving food availability for a fast-growing global population, thereby reducing hunger and malnutrition, but food insecurity remains a major issue in many regions of the world.

Notwithstanding recent progress, global food systems are exceeding several planetary boundaries, especially regarding biodiversity loss and the loss of nutrients (such as P and N).<sup>1</sup> As such, challenges for the next decades are multidimensional.

Agriculture is considered one of the primary drivers of land-use change (alongside forestry and urbanization) and of environmental degradation, and is therefore at the center of the solution for food systems transformation. Improved agricultural management practices and safeguarding soil health can facilitate food production and decrease biodiversity loss, by halting land conversion, and can also promote soil carbon capture, which is a great asset in the portfolio of solutions to mitigate carbon emissions. If and when there is agreement on a common goal for food and agriculture, these aspects should be among the focus areas where the most collaboration occurs.

In the past, agricultural systems focused mainly on food productivity, with some attention to organic production and production in non-circular systems.

This has been changing, however, with food systems actors taking a broader focus that aims to tackle multiple urgent goals linked to health, equity and environment at a global scale. Solid evidence highlights how food and agriculture can provide healthy diets that are high quality while contributing to environmental maintenance, restoration and regeneration, as well as tackling social challenges around ending poverty and hunger. Despite the ample evidence that exists on the need for transformation of our agri-food systems, there is less consensus on how to do so in a way that enables nutritional, climate, environment and livelihood security, and innovative solutions.

### Policy considerations and asks:

- 1. Create a food systems “North Star”.** Create concrete food systems goals and metrics similar to the 1.5 C for climate that will allow business to take progressive action. This may include numerous tools and approaches, innovation, technology and new business models that will incorporate multistakeholder engagement on how to achieve these goals. Next to climate change, the most important focus areas are land and water use, air quality, and biodiversity. Existing UN mechanisms can help support this process. Furthermore, establishing a scientific committee to set standards and guidelines can ensure that goals are underpinned by evidence. Solving agronomic challenges should be key to contribute towards more sustainable systems. This can help identify science-based solutions and diverse ways for policy makers to address local circumstances related to food and agriculture while safeguarding food security and equity. Finally, if all parties work together towards a common goal, there is potential to continue to improve measurement and transparency across the value chain, which further contributes to the evidence, generating real-time data and information to all actors along the chain, ultimately working towards the same objective.
- 2. Incentivize alignment along outcome-based policies.** Instead of using subsidies to maintain low, affordable prices, it is important to ensure a portion of these funds are re-invested in rewarding achievements for nature-positive outcomes. This may include incorporating true costing and pricing mechanisms, whereby environmental, social and economic externalities (including soil carbon, ecosystem services), are captured. In this way, better agricultural management policies could be incentivized, considering the challenges and opportunities surrounding land degradation, land conversion, soil quality, water use and quality, biodiversity, and conditions to clear land tenure and rights policies. While acknowledging complexity, the development of consistent and harmonized data, measurement and monitoring tools are crucial to achieve this. Outcome-based holistic policies, supported by consistent metrics, allow for innovation and transparent incentives along agri-food chains.
- 3. Build trust and buy-in.** This can be achieved through creating integrated global and regional transparent decision-making processes. Trust is reinforced by science-based policymaking which can withstand sudden political changes. Cross-ministerial policy making with robust stakeholder consultation could open a new “whole-of-government” approach to policy formulation. Joined-up government should establish new fora to work alongside the private sector and civil society and collaborate on developing forward-thinking and holistic solutions for sustainable and resilient food systems. Innovative collaboration will help catalyze confidence among stakeholders that can collectively create more sturdy political frameworks for food systems change.

<sup>1</sup> IPBES, Global Assessment Report on Biodiversity and Ecosystem Services. 2019

## Big Issue 2 - Ensuring more equitable value distribution and decision-making in food value chains

Creating an enabling environment for rural communities to thrive and for reducing inequality must be at the heart of building a sustainable food system and is critical to meeting the Sustainable Development Goals, especially SDG 1 “Ending poverty in all its forms” and SDG 2 “Zero Hunger”.

Recognizing the agency of food producers and the most vulnerable in the food value chain, including them in decision-making processes and enabling their participation, levers innovation, strengthens their resilience and ensures quantifiable rewards for

their efforts. We are presented with a golden opportunity in which food producers and their communities can produce, protect and restore public goods. Valuing, incentivizing and rewarding these benefits, in addition to the production of nutritious food, presents an opportunity for revitalizing rural communities.

Chief among the populations to consider for equitable livelihoods are women, youth, smallholder farmers and agri-SMEs. Globally, 65% of low-income working adults are employed in agriculture. In low and middle-income countries where youth make up a

significant proportion of the population, limited rural economic opportunities are driving increased rural-urban migration. Furthermore, rural women are disproportionately vulnerable to food insecurity as well as economic and environmental shocks. Smallholder farmers assume the largest share of the risk associated with climate change and extreme weather events, often suffering from lower yields or losses. Limited access to the inputs, resources, services and opportunities needed to be more productive and earn a decent living has a disproportional impact on smallholders, women, youth and rural communities.

### Policy considerations and asks:

- 1. Human rights and poverty** are intertwined when addressing equitable livelihoods in agri-food production systems. This means that workers along the value chain must claim their right to a minimum living wage, while governments must enforce worker protection laws. This national living income can be determined through inclusive and multi-stakeholder dialogue and must be guided by the principles of rights to collective bargaining and freedom of association and by the UN Guiding Principles on Business and Human Rights. Related to this, land tenure rights must also be addressed, permitting a solid ground for land tenure opportunities, with special attention and focus given to women, indigenous peoples and youth.
- 2. Community support** must ensure equal access to education, training and upskilling, as well as knowledge, data and tools tackling agricultural challenges and beyond through business and government cooperation. By facilitating the access to resources for smallholder and agri-SMEs, rural communities can be improved, more broadly, beyond those employed in food and agriculture-related occupations. Investment in infrastructure and equipment, which includes paved roads and infrastructure to facilitate digital access, can also tackle issues around accessibility. Finally, social welfare is an interlinked element, in particular, with childcare and medical services/treatment, that again, unfairly impact women and youth, and has the possibility to uplift some of the most vulnerable.
- 3. Finance and market mechanisms** can work to repurpose public support, releasing funds to deliver more sustainable nutritious and equitable food systems. There is also potential to harness ecosystem services payments, allowing for income generation beyond food production. And finally enabling inclusive access to markets and infrastructure, especially for smallholder farmers via mobile money platforms or trading platforms, can help ensure fair pricing, and draw in more opportunities. Financing may take the form of repurposed public support, as well as public-private partnerships and blended finance.

## Big Issue 3 - Financing the transition to safe, nutritious, affordable and sustainable food production while ensuring a global, rules-based and fair trading system

Food systems transformation represents a huge and timely investment opportunity, with a potential USD \$4.5 trillion of business opportunities a year by 2030 in the food and land use sector.<sup>2</sup> While there are successful examples, the challenge of scale with wide-reaching impact that goes beyond niche and high value opportunities, remains. Effective solutions must make sense for farmers on the ground. Done well, finance that helps farmers, businesses and investors will improve productivity, increase sector growth and importantly

also manage risk. There is a huge need for investment to finance the transformation of our food systems. Access to finance could enable food producers and actors along the food value chain to drive the innovative solutions they so desperately need.

Achieving this scale at the speed required needs concerted policy action through a strong foundational regulatory framework. The right building blocks are needed to build on this framework for innovation and investment to flourish.

In this scenario, public spending must be directed at mobilizing private sector investment where it is needed, and collectively working toward a global trading system that gives everyone a fair chance to play their part in addressing some of the most pressing challenges of our generation.

### Policy considerations and asks:

- 1. Establishing a "Food Systems Resilience Board".** This Board (or an equivalent), similar to the Financial Stability Board, could be established in countries, setting up a process to help capture risk so that local governments can mitigate it in way that permit agriculture to become a more attractive investment from the private sector. This is done in other sectors, but not in agriculture. The key is for this risk assessment to have credibility and ensure that the compiling of risks doesn't give a negative impression of agricultural investment. Risks should consider agronomic challenges, social and inequality, as well as climate and biodiversity risks. Such an assessment would be particularly important for finance ministers.
- 2. Accelerate digitization and innovation.** With relevance to finance, we can make waves in our current food system, but this requires the right enabling environment to achieve such transformation. Accelerated transformation and adoption of innovation can happen through the development and distribution of digital financial tools. These tools can enable smallholders to participate in global markets, matching tools for investors and then link to farmers to foster a healthy and competitive marketplace. In this way, platforms are created where food producers can connect with banks and financial players. This focus can ultimately drive adoption of innovation and minimize or remove investment risks.
- 3. Establish a rules-based and fair-trade level playing field.** Policy progress at the global scale must build on existing frameworks, and documents to develop guidelines that can contribute to trade in a way that ensures a rules-based and fair-trade level playing field. Global standard setting on the environmental impact of food is key, as well as a commitment to sustainable food production across the value chain. A global marketplace, accessible to smallholders and agri-SMEs, could increase resilience when trade flows are enabled and secured, which could also support specific carbon, water, land use and social footprints.
- 4. Increase responsible investment in socioeconomic opportunities and innovations.** This can create a more positive narrative, attracting venture capital and others to benefit from financial innovations. Part of this narrative may entail a review of what responsible investment looks like, with consideration of farmer inputs, incentive schemes and long-term offtake agreements, or forward contracts.

<sup>2</sup> [Growing Better](#): Ten Critical Transitions to Transform Food and Land Use. Food and Land Use Coalition. September 2019.

## Participants of the Science-to-Policy Dialogue

We would like to thank the participants who contributed to the dialogue with open minds and ideas. While all the participants actively contributed to the above policy asks, the final recommendations may not reflect the individual positions of the participating organizations.

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## About the World Business Council for Sustainable Development (WBCSD)

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Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability: united by our vision of a world where more than 9 billion people are all living well and within the boundaries of our planet, by 2050.

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