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Organización de las  
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منظمة  
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# FAO REGIONAL CONFERENCE FOR THE NEAR EAST

## Thirty-seventh Session

Amman, Jordan, 5-8 February 2024 and 4-5 March 2024

## Accelerating Transformation Towards Sustainable Markets, Trade and Consumption

### Executive Summary

For the 2022-2023 biennium, the FAO Regional Office for the Near East and North Africa (FAO RNE) has carried out its work programmes and regional priorities under the umbrella of the Regional Conference for the Near East (NERC)-oriented Strategic Actions (SAs) in accordance with transformation to MORE efficient, inclusive, resilient and sustainable agrifood systems for *better production, better nutrition, a better environment, and a better life*, leaving no one behind.

The following SAs are derived from the unique challenges and characteristics of the Near East and North Africa (NENA) region:

- a. SA.1: Accelerating transformation towards sustainable production and consumption;
- b. SA.2: Strengthening policy monitoring, knowledge sharing, data and analytical capacities;
- c. SA.3: Using trade, investment and technology to transform agrifood systems; and
- d. SA.4: Harnessing transformative partnerships, platforms and networks.

A sustainable and well-integrated ecosystem of agrifood markets, trade and consumption can provide a food-secure future and healthy diets for all in the NENA region. For the next biennium, the focus of FAOR NE is to accelerate the transformation towards sustainable markets, trade and consumption through knowledge, action and investment guided by the NERC SAs across the NENA region.

This document provides an overview of transformative areas/activities that are required for collective action and investment. These are:

- a. Policy Support: Implementation of the Regional Overview of Food Security and Nutrition, Food Policy Monitoring Bulletin, trade policy and trade agreements, and enhancing policy research and support to country offices.

- b. **Data and Analytics:** High-quality, timely and user-friendly data and analytics could play a vital role in supporting policy development and implementation across agrifood systems. FAO RNE has enhanced its capacities and delivery to the Members in this area.
- c. **Trade:** the majority of NENA countries rely on food imports. Trade can enhance the supply of nutritious foods that contribute to healthy diets by mitigating production gaps in the NENA area. It is critical to find policy synergies that reduce trade costs. It is estimated that intraregional agrifood trade can be doubled via coordination on market access, regulatory systems and food safety standards.
- d. **Nutrition:** Nutrition goals, targets and indicators should be explicitly mainstreamed into national agrifood system policies, programmes and strategies.
- e. **Food Loss and Waste (FLW):** Recent estimates indicate that the region is experiencing a high level of FLW along value chains. Despite the awareness of the countries on the extent, drivers and impact of FLW on sustainability of agrifood systems, investment, partnership and political will have been lacking across all countries in the region to effectively prevent, reduce and manage FLW.
- f. **Urban Food Systems:** The NENA region is undergoing a rapid urbanization with over 50 percent of the population living in cities. To sustainably feed cities in the face of shifting consumer food choices towards more resource-intensive food products, with a high level of food waste, increasing pressure on rural and pre-urban producers and scarce natural resources in the region calls for a more integrated governance mechanism across local- and national-level agrifood systems.
- g. **Research and Innovation:** Gaps in the use and deployment of innovation and technology in agrifood systems are a significant cause of stagnant productivity and inefficiencies in agrifood value chains. Research and innovation currently underfunded relative to their (high) potential and actual return on investment can catalyse improvements up and down the value chain, for transformative effects on food production and consumption.
- h. **Transformative Partnerships:** Partnerships to the comparative advantage of each player among domestic, regional and international stakeholders, and across sectors, can amplify transformation.

### **Suggested action by the Regional Conference**

The Regional Conference is invited to:

1. emphasise the importance of agriculture and food systems transformation in the overall process of economic development to address poverty, food security and nutrition, employment and migration challenges.
2. Support the overall development and implementation of agrifood systems transformation strategies for sustainable development and food security. In support of such strategies, Members commit to:
  - a. providing enabling policy and regulatory environments for the transformation of agrifood systems, including through enhanced data and analytical systems;
  - b. repurposing existing agricultural support and subsidies towards efficiency, equity, resilience and sustainability;
  - c. using trade as an enabler for food security and nutrition by increasing intraregional trade, reducing trade costs, and promoting coherence in regulatory systems and food standards;
  - d. prioritizing key sectors for transformation, based on resource endowments and growth potential of such sectors;

- e. addressing malnutrition in a holistic and integrated manner, through closer and better coordination and collaboration between sectors and among various actors of agrifood systems;
  - f. endorsing the Guidelines for Action on Food Loss and Waste Reduction in the Near East and North Africa and recommending their implementation in developing national food loss and waste reduction strategies and action plans; and
  - g. recognizing the importance of bridging national and local governance in the transformation of agrifood systems, and encouraging coordination with municipalities
3. Collaborate with FAO RNE to develop national and regional programming frameworks and work plans, to effectively implement these suggested actions.

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## I. Introduction

### A. Background

1. In the Near East and North Africa (NENA) region, the number of people affected by hunger will surpass 75 million by 2030. The region continued to suffer from the triple burden of malnutrition (undernutrition, child overweight/adult obesity and micronutrient deficiencies). Meanwhile, the region is becoming increasingly dependent on food imports, and public investment in food systems is sometimes not supporting food security and nutrition objectives

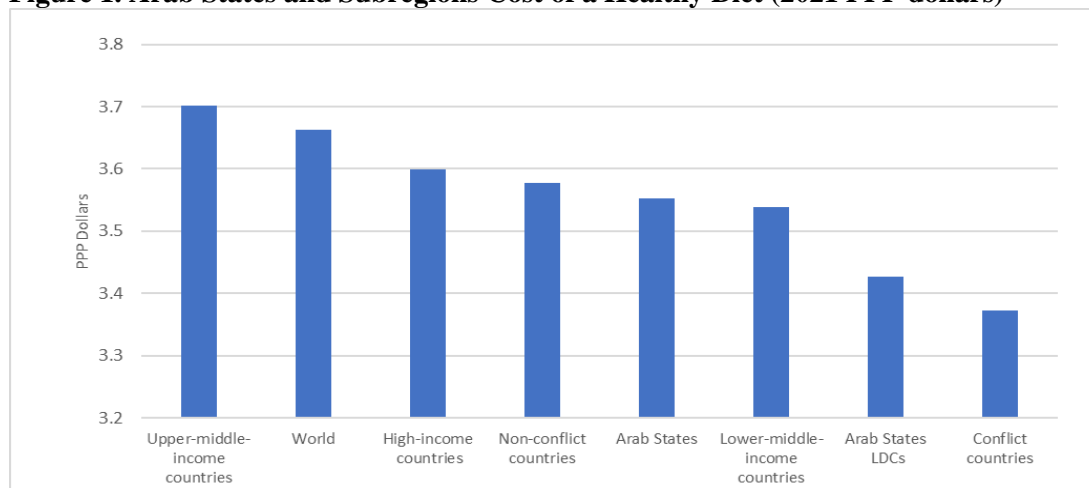
2. As food insecurity, natural resource depletion, conflict and climate crises have risen to a crescendo, the need has never been greater for a regional agrifood systems transformation agenda in which NENA countries unilaterally and jointly commit to strong domestic and regional policies and programmes that put the region on a path toward efficient, inclusive, nutritious and sustainable food systems.

### B. Consumption

3. The cost and affordability of a healthy diet continues to be challenging. Between 2017 and 2021, the cost of a healthy diet in the Arab States increased by 7.6 percent. The cost of healthy diets increased in all subregions in this period. The largest increase was in high-income countries (12.1 percent) and in Arab States Least Developed Countries (LDCs) (12.0 percent) in the region.<sup>1</sup>

4. The cost of a healthy diet in the Arab States in 2021 was 3.55 purchasing power parity (PPP) dollars per person per day, slightly lower than the global estimate of 3.66 PPP dollars per person per day. Figure 1 below shows the cost of a healthy diet in the Arab States and Arab subregions. Given the average per capita income levels and the widespread poverty in most countries of the region, healthy diets were not affordable for almost the majority of the population (43.8 percent) in 2021. Thus, we may continue to observe the triple burden of malnutrition in the region.

**Figure 1. Arab States and Subregions Cost of a Healthy Diet (2021 PPP dollars)<sup>2</sup>**



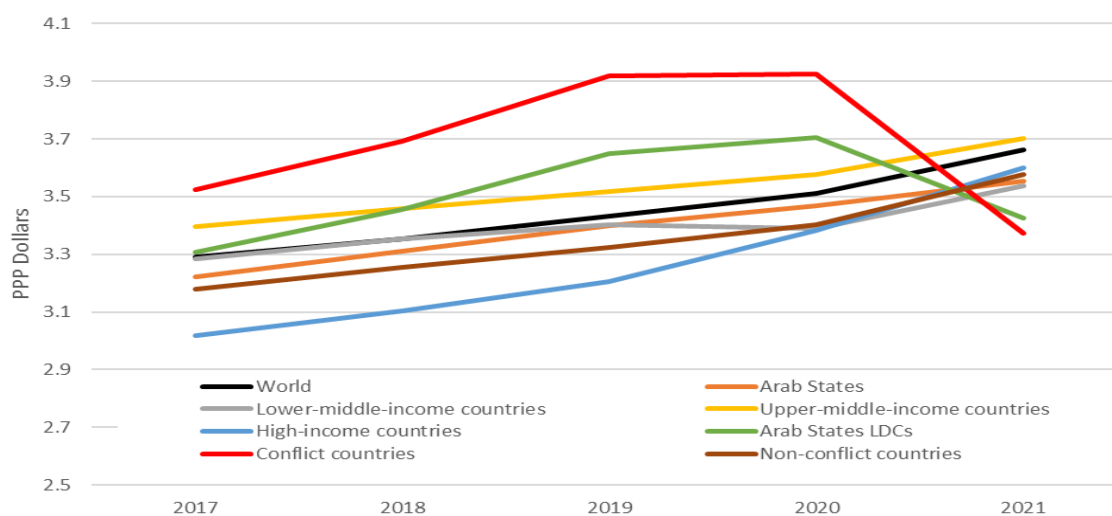
5. Figure 2 shows the cost of a healthy diet between 2017 and 2021. Since 2017, the cost of a healthy diet in the Arab States increased annually. The highest increase was in high-income countries

<sup>1</sup> FAO. 2022. FAOSTAT: Cost and Affordability of a Healthy Diet. In: FAO. Rome. Cited November 2022. <https://www.fao.org/faostat/en/#data/CAHD>

<sup>2</sup> FAO. 2022. FAOSTAT: Cost and Affordability of a Healthy Diet. In: FAO. Rome. Cited November 2022. <https://www.fao.org/faostat/en/#data/CAHD>

(6.4 percent), followed by lower-middle-income countries (4.4 percent), and upper-middle-income countries (3.5 percent).<sup>3</sup>

**Figure 2. Arab States and Subregions Cost of a Healthy Diet (2017-2021 PPP dollars)<sup>4</sup>**



### C. Agricultural Markets and Trade

6. Food imports continue to rise in the NENA region. The region is expected to become increasingly dependent on imports of food products over the coming decade given the combination of strong population growth and severe limitations in production capacity. According to estimates, by 2032, the region's food import bill is expected to increase by 30 percent relative to the base period. Imports are expected to rise for nearly all commodities, though generally at a faster rate for meat and dairy than plant-based products.<sup>5</sup> As imports comprise a substantial share of domestic consumption, significant developments in either global or domestic markets have broad food security implications in the NENA region.

7. Food imports are expected to rise further, but at a slower pace in 2023 than in previous years, as the region's food import bill is expected to increase by 30 percent relative to the base period. Imports are expected to rise for nearly all commodities, though generally at a faster rate for meat and dairy than plant-based products.<sup>5</sup> As imports comprise a substantial share of domestic consumption, significant developments in either global or domestic markets have broad food security implications in the NENA region.

8. Noticeable efforts are being made to improve food security by NENA members, such as diversifying trade relations and improving trade infrastructure and storage capacities. Countries in the region pursue a wide range of trade policy measures in their quest to combat hunger and improve food security and nutrition, such as trade liberalization, trade restrictions and providing support to agriculture.<sup>6</sup>

9. There is large unexploited trade potential among countries within the region. The FAO RNE Agricultural Trade Map for NENA Countries is a modelling tool that aims to quantify this untapped

<sup>3</sup> FAO. 2022. FAOSTAT: Cost and Affordability of a Healthy Diet. In: FAO. Rome. Cited November 2022. <https://www.fao.org/faostat/en/#data/CAHD>

<sup>4</sup> FAO. 2022. FAOSTAT: Cost and Affordability of a Healthy Diet. In: FAO. Rome. Cited November 2022. <https://www.fao.org/faostat/en/#data/CAHD>

<sup>5</sup> OECD-FAO Agricultural Outlook 2023-2032. <https://www.oecd-ilibrary.org/sites/08801ab7-en/index.html?itemId=/content/publication/08801ab7-en>

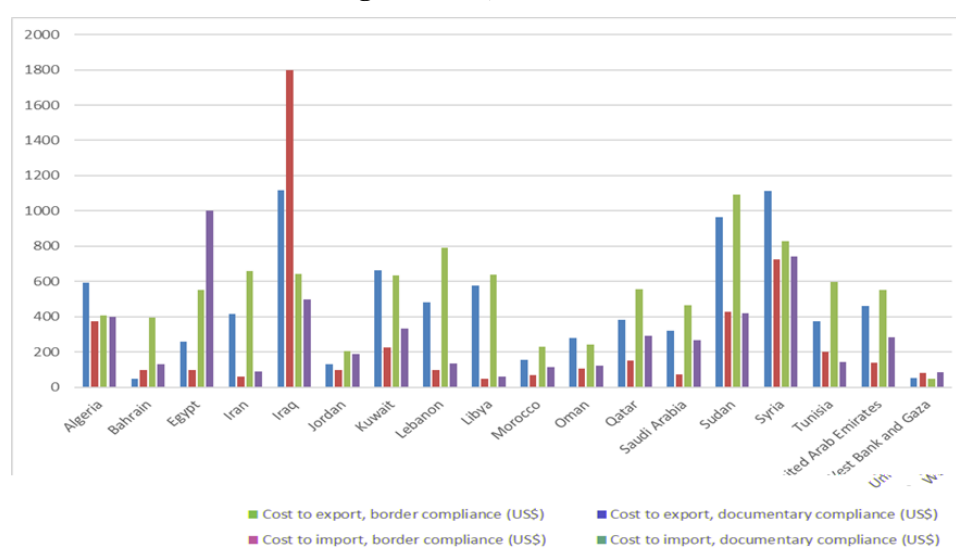
<sup>6</sup> The RNE 2023 Food Policy Monitoring Bulletin helps track these developments. For example, FAO. 2023. *Food Policy Monitoring in the Near East and North Africa region*. 1st Quarter 2023 Bulletin. Cairo. <https://www.fao.org/3/cc6200en/cc6200en.pdf>

regional trade potential.<sup>7</sup> In this context, regional economic cooperation, implementation of regional trade agreements, improving transport infrastructure, trade facilitation policies and the reduction of trade costs, including non-tariff barriers, play a crucial role.

10. Finding synergies in policy solutions to reduce trade costs at the border in the region is vital. Figure 3 illustrates the cost of trading across borders (excluding tariffs); the overall cost to export in the region is around USD 131-2 918, and to import is around USD 135-1 569. As per logistics performance in the region (see Figure 4), Arab countries have scored highly in the categories of overall logistics performance, and quality of trade and transport-related infrastructure in 2022.

11. With gradual trade liberalization, food safety and agricultural health standards are frequently featured in trade negotiations. In the NENA region, the level of intraregional agrifood trade can be doubled<sup>8</sup> if coordination efforts are increased, and coordination mechanisms are strengthened to address challenges such as market access, less harmonized regulatory systems, different food safety and agricultural health standards, especially sanitary and phytosanitary (SPS) requirements and non-tariff measures (NTMs).<sup>9</sup>

**Figure 3. Trade Cost in the NENA Region (2019, USD)<sup>10</sup>**

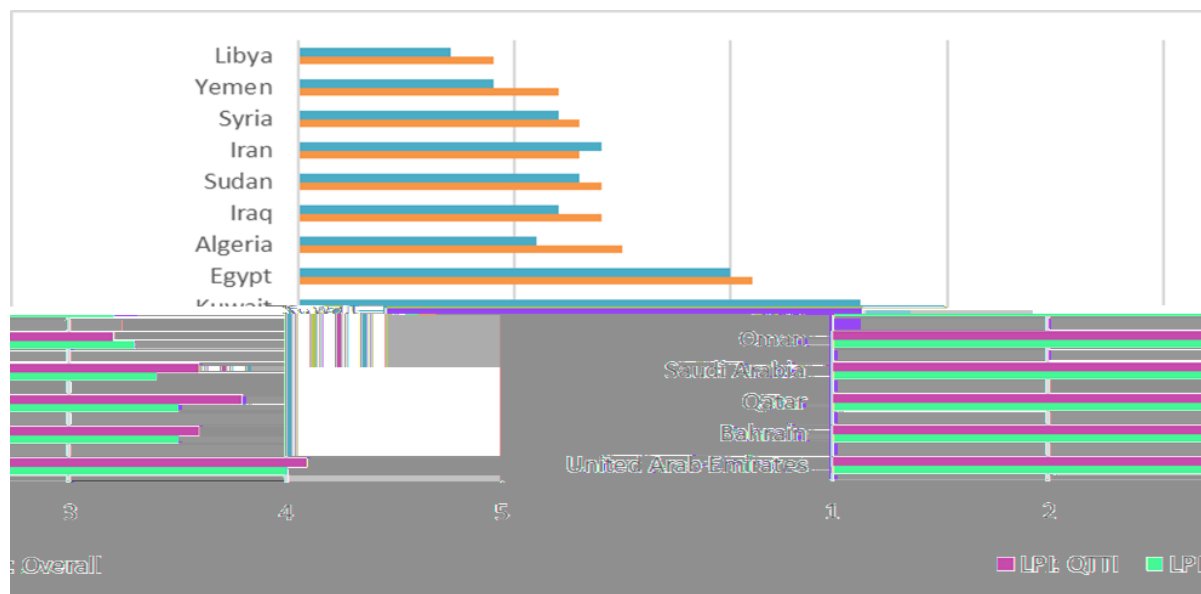


<sup>7</sup> For example, for countries such as Jordan, Lebanon, Libya, Morocco, and Tunisia, this potential is in the range of USD 3.8-14.2 million. See FAORNE Trade Map for NENA countries, available at <https://dev.datanetiix.com/infisum/> (Accessed 3 August 2023)

<sup>8</sup> Estimations are based on FAORNE Trade Map for NENA countries, available at <https://dev.datanetiix.com/infisum/>

<sup>9</sup> For example, in the case of the Republic of Sudan, a set of trade-facilitating measures was developed to improve and reduce delays in handling perishable goods in transit (especially in storage and at the border crossing), in order to ensure that food is safe for consumers and prevent the spread of pests and diseases among animals and plants. See: FAO (2019), *Improving the Implementation of Sanitary and Phytosanitary Standards and Norms for Animal and Plant health in Sudan*.

<sup>10</sup> Note: The NENA countries covered by the Databank. Source: The World Bank Development Indicators, available at <https://databank.worldbank.org/source/world-development-indicators> (Accessed 3 August 2023).

**Figure 4. NENA Countries Logistics Performance Index (LPI) (2022, low = 1 to high = 5)**<sup>11</sup>

## II. Acceleration in Market, Trade and Consumption Transformation

12. The region needs to improve agrifood systems to deliver food security and better nutrition for all, to be economically sustainable and inclusive, and to have a positive impact on climate and the environment. Accelerating efforts towards sustainable urban food systems in the region can be a positive force on food security and nutrition for all, while safeguarding the environment and ensuring inclusion and gender equality.

13. Transforming agrifood systems in the region require large investments. Inclusive and efficient public and private sector investment in agrifood systems aligned with the Sustainable Development Goals (SDGs) will help reduce food insecurity and malnutrition; reduce underemployment, particularly for rural women and youth; mitigate or adapt to climate change and address biodiversity loss. However, the availability of finance for agrifood systems in the NENA countries is far less than required. There is a pronounced lack of institutional enabling environments and investment mechanisms. Thus, many investment opportunities appear to be risky avenues involving high transaction costs. These constraints lead to insufficiently bankable projects and underinvestment in agrifood systems. The finance gap might only increase with the additional capital required to transition to more sustainable practices. Thus, it is imperative to use innovative financial solutions and other de-risking solutions, to reorient investments. Repurposing public support for sound agricultural incentives, sustainable food systems and healthy diets can also unlock significant financial resources.

14. Food loss and waste (FLW) reduction is a means to transform agrifood systems in the NENA region. The fragility of agrifood systems in NENA countries is underscored by inefficient and unsustainable food production, distribution and consumption patterns with high levels of FLW. Food loss and waste negatively impacts sustainability and resilience to climate and socioeconomic shocks and contributes to food and nutrition insecurity in the region.<sup>12</sup> Complex socioeconomic and

<sup>11</sup> Notes: QTTI refers to the quality of trade and transport-related infrastructure. The NENA countries covered by the Databank. Source: The World Development Indicators (World Bank), available at <https://databank.worldbank.org/source/world-development-indicators> (accessed 3 August 2023).

<sup>12</sup> In the region, almost 15 percent of the food produced is lost between the post-harvest and pre-retail stages. See: [12.3.1 Global food losses | SDG Indicators Data Portal | Food and Agriculture Organization of the United Nations \(fao.org\)](#). In addition, between 75 and 163 kilograms per capita are estimated to be wasted at household levels each year, although the nature and location of FLW may vary across countries. See: FAO: *Global Initiative on Food Loss and Waste Reduction, 2015*: <https://www.fao.org/3/i4068e/i4068e.pdf>; UNEP *Food Waste Index Report 2021*, <https://www.unep.org/resources/report/unep-food-waste-index-report-2021>

environmental challenges combined with policy inaction have constrained progress on FLW reduction and prevention in the NENA region.

15. The role of local and subnational governments in accelerating the shift toward more sustainable agrifood systems is not adequately recognized at national and regional levels. Whereas 37 percent of NENA populations live in large metropolitan areas, the majority of citizens live in smaller (urban and rural) cities and towns.<sup>13</sup> This has affected the formerly clear boundaries between urban and rural areas and their agrifood systems. The NENA region is just starting to recognize the role of local and regional governments in sustainable urban food systems. Except for a few champion cities, addressing food systems challenges and entry points has yet to be integrated into municipal (and national) planning.

16. Trade plays an integral part in transforming agrifood systems in the region. Specifically, trade policies and investment rules are the most important components in reshaping agrifood systems to improve the affordability of healthy diets, influencing food security and nutrition. Increases in per capita income and rapid economic growth in the region, in some cases, coupled with low domestic agricultural productivity, fuel growth in their agrifood-import bill. Trade allows for an adequate supply of diversified food to all countries, especially those with constrained domestic production, and helps countries overcome constraints in land and water endowments. Almost all the countries of the Arab region rely on imports to achieve food security and nutrition. In addition, trade can enhance the supply of nutritious foods that contribute to healthy diets (e.g. fish, dairy, pulses, fresh fruit and vegetables) by mitigating production gaps in the NENA region. On the other hand, as Arab countries are dependent on international food markets, they are more exposed to shocks, as highlighted by the COVID-19 and Ukraine crises. For the region, managing international trade connectivity is critical to reducing exposure to external shocks.

### III. Areas of Intervention/Action

17. **Trade Policy and Partnerships:** FAO promotes transparency and efficiency in food and agricultural commodity markets and in trade by supporting its Members with evidence-building, capacity development, technical assistance and facilitation of policy dialogue events. FAO also promotes sustainable production and trade by facilitating multi-stakeholder partnerships in agricultural values. For instance, FAO RNE launched the One Country One Priority Product (OCOP) programme in 2022 with the aim of creating productive and resilient production systems by:

- a. improved food security and nutrition;
- b. increased quality, productivity and diversity of a selection of Special Agricultural Products in the NENA region, combined with reduced crop and food loss/waste, and fair market access and trade;
- c. improved livelihood of smallholder and family farmers through the creation of decent jobs and a decent living wage; and
- d. increased involvement of different ethnic and social groups, youth, girls and women in promoting the OCOP initiative.

18. Food loss and waste reduction is known to be a multi-faceted problem. However, FLW reduction strategies are not aligned with agrifood systems, climate, industry, health, energy and related sector objectives, thus preventing a common vision and commitment and effective policies to tackle FLW.

19. Action areas aligned with the guidelines for action on FLW reduction in the NENA region:
- a. adopt a food systems approach in policymaking for FLW prevention, reduction and management;

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<sup>13</sup> United Nations, Department of Economic and Social Affairs (UNDESA) Population Division (2018). World Urbanization Prospects. The 2018 revision, Online Edition. <https://population.un.org/wup/Download/> Accessed August 2023.



- b. consider smart incentive policies as well as production and market policies that enhance food loss and waste reduction;
- c. design context-specific solutions to FLW problems to respond to the priorities and needs determined by environmental, sociocultural and economic contexts;
- d. foster responsible public-private partnerships and investments in FLW reduction;
- e. multi-stakeholder collaboration for impact; and
- f. science and research to generate reliable and quality data to inform decision-making.

20. **Urban Food Systems:** FAO, its many partners and global coalitions collaborate to support cities to mainstream food systems in their policies, planning and actions. The areas of action and interventions include:

- a. awareness-raising activities and promoting the role of cities and local governments in the agrifood systems transformation;
- b. sharing best practices;
- c. facilitating peer-to-peer learning among cities; and
- d. developing a shared vision and strengthening partnerships for sustainable urban food systems in the region.

21. **Nutrition:** In the NENA region the number of people affected by hunger will surpass 75 million by 2030. NENA is the only region in the world where the rates of malnutrition have been on the rise over the past decade. The region continued to suffer from the triple burden of malnutrition. Recent estimates for 2020 indicated that 20.5 percent of children under five were stunted, and 7.8 percent wasted.<sup>14</sup> Over a third of the population in the region suffers from micronutrient deficiencies.<sup>15</sup>

22. It is imperative that nutrition goals, targets and indicators are explicitly mainstreamed into national agrifood system policies, strategies and programmes across NENA countries.

23. @ I m q i l e d h o r a i h i g j l c m m q d n l j h h n r i h l n & l i h i o a b n i accommodate a diversity of activities driven by country context, yet specific enough to inform prioritization of activities for the greatest impact. Action areas include the following:<sup>16</sup>

- a. use data for impact;
- b. use evidence on healthy diets;
- c. catalyse policy coherence and collective action;
- d. build capacity across sectors; and
- e. advocate and secure commitments to healthy diets.

24. In each of these areas FAO stands ready to join Country Offices, policymakers, producers, traders, investors and value chain actors. Further policy directives at country level may include the following:

- a. Analyse the trade-offs in fiscal and social protection policies. For example, it could frequently be possible to retarget investments, subsidies and incentives away from sugar, carbohydrates, highly processed packaged foods and edible oils, and toward nutritious legumes, seeds, nuts,

<sup>14</sup> FAO, IFAD, UNICEF, WFP, WHO & UNESCWA. 2023. *Near East and North Africa – Regional Overview of Food Security and Nutrition 2022: Trade as an Enabler for Food Security and Nutrition*. Cairo.

<https://doi.org/10.4060/cc4773en>

<sup>15</sup> FAO, IFAD, UNICEF, WFP, WHO and ESCWA. 2021. *Regional Overview of Food Security and Nutrition in the Near East and North Africa 2020 - Enhancing resilience of food systems in the Arab States*. Cairo, FAO.

<https://doi.org/10.4060/cb4902en>

<sup>16</sup> *Vision and Strategy for FAO's Work in Nutrition*, <https://www.fao.org/3/ne853en/ne853en.pdf>

fruits and vegetables. The additional fiscal burden, if any, could be offset by taxes on less nutritious foods.

- b. Restrict marketing and visibility of foods that are high in sugar, salt and trans-fats, managing the food labelling requirements accordingly. Market promotion of local and traditional foods (including increased incentives for their production, processing and marketing) can help ensure healthy diets are affordable, accessible, acceptable and available for all.
- c. Formulate and implement coherent, well-coordinated, context-specific and inclusive policies, fostering responsible investment in agrifood systems that deliver healthy diets for all.
- d. Support and develop evidence-based dietary guidelines and implement nutrition education and communication to encourage healthy eating behaviour for all.
- e. Join forces with other sectors (health, education, finance, trade, social welfare, etc.) to address the challenges on nutrition at both country and regional levels.
- f. Engage and collaborate more closely among different stakeholders: government institutions, non-governmental organizations (NGOs) and civil society organizations (CSOs), the private sector, academia and training institutions, including multilateral and bilateral development partners and United Nations (UN) Agencies.

#### **IV. Drivers of Transformation**

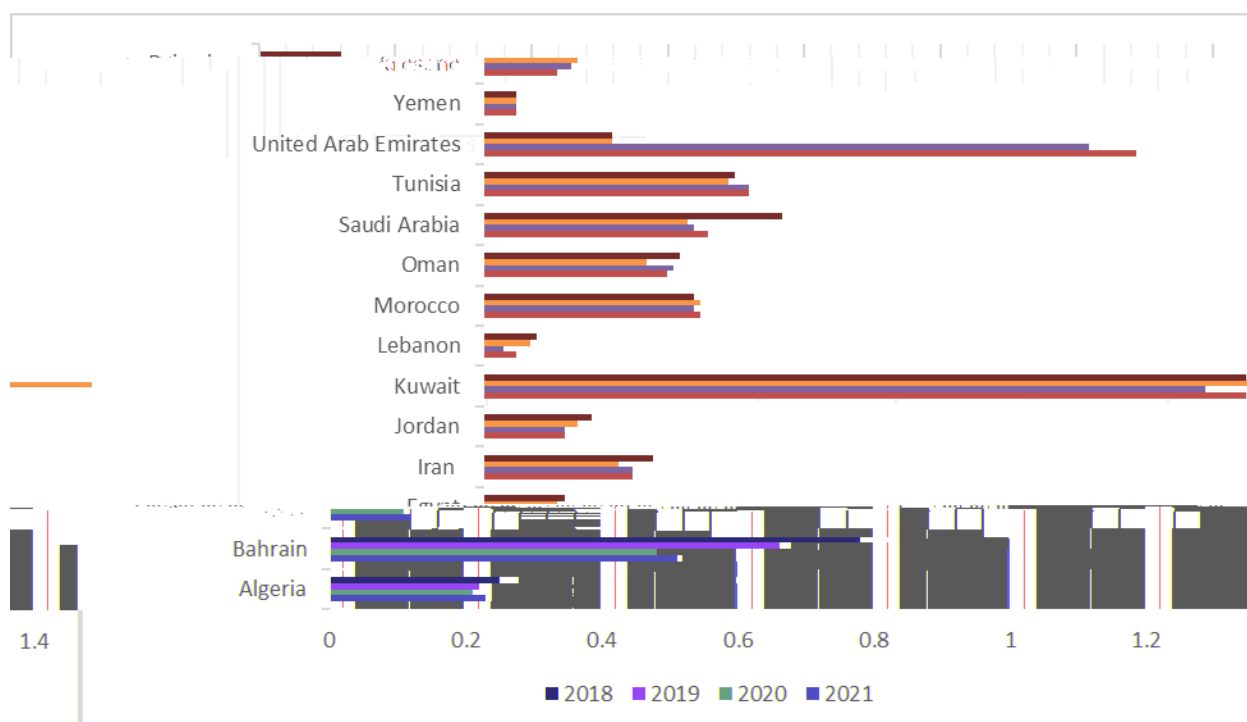
25. Adapting from the FAO *Future of Food and Agriculture - Drivers and triggers for transformation* framework (2022),<sup>17</sup> we identify several of the most important drivers and triggers for the transformation of agrifood systems, emphasizing those that are of particular interest to the NENA region.

26. Public investment in agrifood systems is insufficient and uneven in the NENA region, as shown by the Agriculture Orientation Index (AOI) for Government Expenditures (see Figure 5). While some countries of the Cooperation Council for the Arab States of the Gulf (GCC) (Bahrain, Kuwait, and United Arab Emirates) have allocated a higher share of government spending to agricultural activities that help to increase sector efficiency, productivity and income growth by increasing physical or human capital and /or reducing inter-temporal budget constraints, other NENA members have been left behind.

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<sup>17</sup> <https://www.fao.org/global-perspectives-studies/fofa/en/>

**Figure 5. Agriculture Orientation Index (AOI) for Government Expenditures in the NENA region 2018-2021<sup>18</sup>**



Notes: The score of the Agriculture Orientation Index (AOI) less than 1 implies a lower orientation towards the agriculture sector; government spending in agriculture includes spending on sector policies and programmes; soil improvement and soil degradation control; irrigation and reservoirs for agricultural use; animal health management, livestock research and training in animal husbandry; marine/freshwater biological research; afforestation and other forestry projects; etc.; The NENA countries covered by the FAOSTAT database.

27. **Rural and urban poverty and inequality:** The region is characterized by persistent economic and social inequalities that leave behind many groups: rural women and youth, people with disabilities, refugees and migrants. Gender gaps in economic and political participation are significant in most countries in the region, preventing women from participating equally in the economy, including in the agrifood sector. The percentage of women employed in both the agricultural and non-agricultural components of agrifood systems was estimated at 20 percent in the region, while the global average was around 36 percent.<sup>19</sup> However, women provide key contributions to food production, processing and marketing, especially as small-scale and family farmers, yet their role often goes unnoticed (and they frequently work as unpaid contributing family members). The role and potential of women in agrifood systems are heavily constrained by their unequal access to assets, technologies and services.

28. **Cross-country interdependencies and geopolitical instability:** Trade and investment link agrifood systems globally, particularly in the context of heavy reliance on imported food in the region. Five of the nineteen NENA countries are in conflict, which include resource- and energy-based conflicts resulting in pressures on agrifood systems. Political instability led to a massive wave of forced migration, both internally and between countries, thus threatening food production capacity and access to it. In 2020, the NENA region was home to 41 million international migrants with an additional 10 million refugees and 15 million internally displaced persons.<sup>20</sup> The Hashemite Kingdom

<sup>18</sup> FAO. 2022. FAOSTAT: Cost and Affordability of a Healthy Diet. In: FAO. Rome. Cited November 2022. <https://www.fao.org/faostat/en/#data/IC>

<sup>19</sup> FAO. 2023. *The status of women in agrifood systems*. Rome. <https://doi.org/10.4060/cc5343en>

<sup>20</sup> United Nations Department of Economic and Social Affairs, Population Division (2020). International Migrant Stock 2020, <https://www.un.org/development/desa/pd/content/international-migrant-stock> and Internal displacement monitoring centre (IDMC), Global Internal Displacement Database, <https://www.internal-displacement.org/database/displacement-data>, accessed on 2nd June, 2021

of Jordan and the Lebanese Republic are among the top ten countries in the world with the most refugees, while the Syrian Arab Republic and the Republic of the Sudan also have among the most internally displaced persons in the world.<sup>21</sup> Meanwhile, institutional weaknesses with poor legal frameworks for trade and food safety mean the region has the third highest prevalence of food-borne diseases, among other concerning results.

29. **Population dynamics and urbanization:** Urbanization is on the rise in the NENA region, with 63 percent of the population currently living in urban areas and projected to reach 73 percent by 2050. These are expected to change the demand for healthy diets.

30. **Research and public-private investment in agrifood systems:** Innovative technologies and agroecological approaches are poised to transform agriculture further while moving food systems toward sustainability. Investments in infrastructure such as roads and energy, among others, would be available data in 2019 on SDG 2.a.1 the AOI for Government Expenditures seven are below the world average index value.<sup>22</sup> The shortfall indicates an opportunity for research, development and social protection of vulnerable rural populations.

31. **Natural resources, ecosystems and climate change:** The degradation of natural resources is pervasive in the region, across land, water and biodiversity. For example, in 2015, the State of Kuwait and the Republic of Iraq had a respective 64 and 26 percent of degraded land. Freshwater stress levels are high in all NENA countries (except the Islamic Republic of Mauritania).<sup>23</sup> Degradation of ecosystems may persist. Meanwhile, weather extremes (variable temperatures and rainfall (heat, drought and aridity)) are already affecting agrifood systems and natural resources.

32. **Stakeholders:** Transforming agrifood systems to achieve healthy diets for all requires the participation of several key stakeholders (and across sectors including health, energy, education, etc.) ranging from government to private sector, civil society, consumer groups, research and financial institutions.

- a. **Governments:** A variety of national government departments and policymakers comprise the agrifood system, including those of agriculture, trade, food safety standards, health, education, social protection, infrastructure, and research and development programs.
- b. **Producers, farmers and fisherfolk:** The farming sector ranges from large-scale industrialized farms to small-scale family farms. Producers are responsible for the primary production of food and are therefore fundamentally important in the availability and affordability of diverse and nutritious food.
- c. **Processors, wholesalers and manufacturers:** Apart from traditional agrifood systems, only a small amount of food in the system passes directly from producers to consumers whereas the majority of food produced on farms is sold to a processor, wholesaler or manufacturer for processing, packing, storage, distribution of and value-addition to the crop or commodity.
- d. **Consumers and citizens:** Consumer preferences and purchases influenced by income, relative food prices, knowledge and skills, time and convenience, culture and other factors drive the demand for foods; demand in turn, influences and supports the system of food production, as well as its sale and marketing. Consumers can also actively change their food environments and demand that agrifood systems change to become more sustainable and focused on healthy products.
- e. **Women and Youth:** Investing in young people and involving them in agriculture-related activities is key to enhancing agricultural productivity, boosting rural economies and ensuring food security. Empowering women as economic agents in agrifood systems can substantially

<sup>21</sup> UNHCR, population figures, UNHCR data on displacement, available at <https://www.unhcr.org/refugee-statistics/download/?url=TKsZ3Z> and IDMC, Global Internal Displacement Database, <https://www.internal-displacement.org/database/displacement-data>, accessed on 2nd June, 2021).

<sup>22</sup> UNSD, Global SDG Indicators Database

<sup>23</sup> UNSD, SDG Database, accessed 2021

highlight the role of digital technologies in agriculture, particularly agribusiness-related activities, would result in inclusive and efficient agrifood systems.

## V. A regional action agenda on transformation

33. During the 2023-2024 biennium, the Regional Office will develop the work plan and implementation strategies to support the regional agenda on accelerating the transformation of agrifood systems, in order to contribute towards more efficient, inclusive, resilient agrifood systems and the 2030 Agenda for Sustainable Development. FAO RNE will develop its programme of work based on the following strategic actions:

- a. SA.1: Accelerating transformation toward sustainable production and consumption;
- b. SA.2: Strengthening policy monitoring, knowledge sharing, data and analytical capacities;
- c. SA.3: Using trade, investment and technology to transform agrifood systems; and
- d. SA.4: Harnessing transformative partnerships, platforms and networks.

34. As per its existing workplan and programmes, FAO RNE continues to support the following strategic transformative areas and activities:

- a. Improve economic incentives for the private sector in agrifood systems in rural areas by following the example of similar reforms in other regions where governments have dismantled state marketing and commodity and staple food price controls, eliminated state policies favouring wheat and other staple production (which discourage diversification of agrifood systems to more high-value products), and eliminated tariff and non-tariff barriers to trade of agricultural inputs and outputs.
- b. Provide public goods that underlie successful agrifood transformation, including: maintaining agricultural research and extension services, investing in rural employment with incentives for food processing and other manufacturing industries in rural and small towns; and adopting rural infrastructure development programmes that diminish the costs of rural-based agricultural processing.
- c. Support a focus by farmers on higher-value horticultural products and livestock for export, in order to increase and diversify farm incomes and lower the cost of healthy diets. To be competitive in world markets, high-value agriculture should enjoy the government support necessary to meet the food safety standards of global markets. The move towards the export of fruits and vegetables and away from the production of staple crops is consistent with studies on the comparative trade advantage of NENA agriculture.
- d. Build a globally competitive agricultural processing sector, including through public-private partnerships and government support to technological changes and the public goods necessary to meet food safety standards of global markets.

## VI. Conclusion/Actions

35. FAO RNE holds a strategic position as a hub for cross-regional and inter-sectoral collaboration. Longstanding ties with disparate private and public/non-profit partners, and access to world-class expertise (including as a standard-bearer for international food and agricultural data and statistics, and as a convening platform for relevant policy agreements) make FAO the ideal forum for national and regional discussions on all aspects of food and agricultural transformation.

36. Regional stakeholders and decision makers can envision scaling up collaboration on:

- a. regulatory cooperation;
- b. policy analysis to examine trade-offs and opportunities, toward country- or regional level comprehensive master plans for the agrifood sector;

- c. fiscal policy incentives for nutrition, production, and social protection;
  - d. technology adoption;
  - e. private-sector mechanisms for investment and value chain linkages;
  - f. evidence building and evidence use; and
  - g. capacity development in all of the above.
37. Countries, with the support of FAO, can consider:
- a. adopting and strengthening policies (including incentives, regulations, education and dietary guidelines) to encourage people to adopt healthy diets;
  - b. using trade as an enabler of food security and nutrition;
  - c. scaling up SDG-aligned, inclusive and efficient public and private sector investment in agrifood systems;
  - d. encouraging the private sector in new investments, add value to commodities, compete with imports and create jobs;
  - e. adopting policies which encourage shift production towards nutritious food, including repurposing existing subsidies and agricultural support programmes;
  - f. increasing the use and deployment of innovation and technology in agrifood systems transformation;
  - g. reducing food loss and waste, through innovation in processing and preservation for better quality, safe and nutritious food products and using traditional foods that are socially, economically and environmentally viable, including those with a longer shelf-life by endorsing the *Guidelines for action on food loss and waste reduction in the Near East and North Africa*;
  - h. designing robust infrastructure and logistics in transportation, storage and cooling, to ensure the safe functioning of wholesale and retail food markets, with real-time information on the functioning of distribution systems up and down the value chain;
  - i. strengthening rural-urban linkages, increasing the capacity of urban and peri-urban producers while linking rural producers and consumers to national and regional markets;
  - j. developing institutional settings that effectively analyse and act on vulnerabilities in the agrifood system;
  - k. tracking risks and prepare for emergencies, including conflict and climate shocks, by rethinking and expanding food safety infrastructure, regulations and technologies (including general public health and pandemic-inducing causes) and promoting disaster-sensitive approaches along key supply chains;
  - l. enhancing the capacity of agribusinesses and value chain stakeholders as key drivers of agrifood systems transformation.

**Info-annex-1: Contribution to achieving the Sustainable Development Goals (SDGs)**

The proposed actions in this paper will contribute to achieving the following specific SDGs:

<b>Strategic Action areas</b>	<b>Relevant SDGs</b>
Healthy diets for all	1.3, 2.1, 2.2, 3.1, 3.2, 3.4, 12.8, 14.b
Transparent markets and trade	2.b, 2.c, 10.a, 17.11
Nutrition for the most vulnerable	1.3, 2.1, 2.2, 3.1, 3.2
Safe food for everyone	2.1, 2.2, 3.2
Reducing food loss and waste	2.1, 2.2, 12.3
Achieving sustainable urban food systems	1.1, 2.1, 11.a, 12.1

**Info-annex-2: Major Regional Transformation Actions/Activities since NERC 36  
(Biennial Stocktaking)**

Activity: 2022-23	Description	Outcome/ Impact	Closing the gap	Areas to Accelerate	Strategic Actions (SA)
<p><b>One Country One Priority Product (OCOP): Global Action on Green Development of Special Agricultural Products.</b></p>	<p>Establishment of Special Agricultural Products (SAPs): Algeria (Figs) Egypt (Dates) Iraq (Dates) Jordan (Dates) Lebanon (Chickpea, fava beans and lentil) Morocco (Carob) Saudi Arabia (Coffee) Syrian Arab Republic (Olives) Tunisia (Harissa) Yemen (Coffee).</p>	<p>Productive and resilient production systems are created.  Food security and nutrition is improved.  Increased quality, productivity and diversity of selected SAPs, in combination with reduced crop and food loss/waste and fair and efficient market access and trade.  The environment is improved through reduced use of agricultural chemicals, reduced Greenhouse Gases GHG emission, land degradation and biodiversity loss.  Livelihood of smallholder and family farmers improved through the creation of decent jobs and an increased income, as well as increased involvement of different ethnic and social groups, youth, girls and women in promoting the initiative.</p>	<p>Developing "know-hows" in aligning national agendas and objective of transforming agrifood systems in the OCOP participating countries.</p>	<p>Synergies between the tailor-made investment strategies and action plans, public-private partnerships and national agrifood policy coherence.  Knowledge uptake in trade and global value chains (GVC) participations.</p>	<p><b>SA1, SA2, SA3 and SA4</b></p>
<p><b>Virtual training on sustainable food value chain (SFVC).</b></p>	<p>To train experts on upgrading value chains of SAPs</p>	<p>Over 30 trainees and experts in value chain development attended from the Near East and North Africa (NENA) region.</p>	<p>Identifying constraints and leverage points; designing concrete and sustainable interventions; and developing an upgrade strategy for the value chain in a participatory process at country level.</p>	<p>Knowledge uptake in trade and GVC participations.</p>	<p><b>SA2 and SA4</b></p>
<p><b>Inception workshop on sustainable development of palm dates in the Egypt.</b></p>	<p>To advocate the importance of palm dates production in the country and how its value chain can be enhanced.</p>	<p>Officials from the Ministry of Agriculture and Land Reclamation and the Ministry of Trade and Industry of Egypt attended.</p>	<p>Bolstering sustainable protection from pests; enabling the use of sustainable, value-adding technologies; and improving the</p>	<p>Knowledge uptake in trade facilitation, GVC participation; adaptation of technology and innovation.</p>	<p><b>SA2, S3 and SA4</b></p>



Activity: 2022-23	Description	Outcome/ Impact	Closing the gap	Areas to Accelerate	Strategic Actions (SA)
			visibility and reputation of Egyptian dates on national and global markets.		
<b>Inception workshop on enhancing the olive value chain in Syrian Arab Republic.</b>	To share preliminary results of the olive value chain analysis in Syrian Arab Republic; to gather feedback and inputs from stakeholders to support further analyses.	The outputs of this workshop will be verified through key information interviews and field observations in the governorates of Hama, Homs, Tartous, Lattakia, the accessible parts of Aleppo, Idleb, Daraa and the Eastern region.	Improving the olive chain performance especially in the conflict-zones.	Knowledge uptake in trade facilitation, GVC participation, adaptation of technology and innovation in the conflict zones.	<b>SA1, SA2, SA3 and SA4</b>
<b>Regional technical workshop on developing sustainable and resilient agrifood value chains in conflict-prone and conflict-affected contexts.</b>	To provide a new guideline on the specific challenges faced by practitioners working on value chain development in conflict-prone or conflict-affected contexts.	Knowledge upgrade on agrifood value chain selection, analysis and design adapted to the specificities of conflict-focused contexts.  Target audience includes country representatives from FAO Country Office and the relevant ministry in Iraq, Lebanon, Libya, Mauritania, Palestine, Syrian Arab Republic and Yemen, as well as the representatives of partner organizations and international financial institutions.	Strengthening the resilience of agrifood value chains through systems-based solutions.  Adopting a context-sensitive programming approach.  Ensuring an adaptive programming effort through a Monitoring, Evaluation, Accountability and Learning (MEAL) framework.	Knowledge uptake in value chain development the conflict zones.	<b>SA1 and SA2</b>
<b>Webinar Series: Towards climate-resilient agrifood systems in the Arab region.</b>	To provide insights on COP27 outcomes, and the 2023 Bonn Climate Conference on progress in agriculture, agrifood systems, and managing water for adaptation.	Participants from all walks of life.	Knowledge update on climate change and resilient agrifood systems.		<b>SA2</b>
<b>Digital Agriculture Solutions Forum.</b>	To address key issues and help Members identify, develop, and sustain digital solutions for agriculture through the	Examine and present long-term digital transformation tools for the different agricultural sub-sectors and explore possible innovative climate	Creating effective multi-sectoral and multi-stakeholder partnerships to sustain a digital ecosystem at the national levels	Knowledge uptake in digital solutions for agriculture.	<b>SA2 and SA3</b>

Activity: 2022-23	Description	Outcome/ Impact	Closing the gap	Areas to Accelerate	Strategic Actions (SA)
	development of the national E-agriculture Strategy.	<p>smart agricultural interventions.</p> <p>Deliberate on modalities to support and attract investment for digital agriculture in the region and create rural agri-preneur to promote innovations in rural communities.</p> <p>Showcase successful solutions and identify lessons learnt in the design and development of digital agriculture services and solutions.</p>	<p>across the NENA region.</p> <p>Improving digital literacy; reducing gender-digital gap; reducing the cost of access to information services.</p>	Investment in adaption of technology and innovation in agriculture.	
<b>Online Training and Research on "Trade and Food Security" (in collaboration with UNITAR).</b>	A tailor-made online joint training course for representatives of government and related agencies, who are directly involved in the formulation and implementation of food security policies and agricultural programmes within Arabic-speaking countries.	To strengthen capacities in Arab countries; to design and implement evidence-based trade policies; to formulate and negotiate trade agreements while taking into account for target countries' need for food security, economic growth and structural transformations.	Fulfilling the increasing need for trade expertise whose mission is to support the development trade plans in the NENA region.	<p>Increase number of participants from government agencies across the NENA region.</p> <p>Knowledge uptake in trade dynamics, trade facilitation and negotiations, especially in the context of trade harmonization across the region.</p> <p>Investment in trade facilitation and harmonization for agricultural products produced within the region.</p>	<b>SA1, SA2, SA3 and SA4</b>
<b>Workshop on "Towards gender-transformative interventions in the agriculture and rural sector in the NENA region (in collaboration with ITC-ILO).</b>	To strengthen participants' awareness and capacities to design and implement gender-responsive and gender-transformative interventions in the priority areas of work of FAO in the region.	Forty-five participants from all countries in the region confirmed their participation.	Knowledge diffusion with regard to gender-transformative approaches and methodologies and application in the technical areas of agrifood value chain development, natural resource management and climate change adaptation.	Synergies between gender-transformative interventions and national agrifood policy plans and strategies.	<b>SA1, SA2 and SA4</b>

Activity: 2022-23	Description	Outcome/ Impact	Closing the gap	Areas to Accelerate	Strategic Actions (SA)
<b>Workshop on "Unlocking the potential for sustainable, inclusive and competitive agribusiness development in NENA"</b>	To offer an opportunity for experts from governments and non-state actors across the region to provide their perspectives, views and priorities in NENA.	Participants from all walks of life.		Knowledge uptake in trade, agribusiness development and value chains participation.	<b>SA2 and SA4</b>
<b>Webinar on "Expanding social insurance for agricultural workers in NENA" (in collaboration with ILO/IPG-IG).</b>	As part of a joint research project to produce and share knowledge on expanding social insurance schemes for agricultural workers in the Middle East and North Africa region.	Participants from all walks of life.	Identifying schemes and mechanisms to overcome financial and administrative limitations.	Synergies between the government agencies, private sectors, and financial institutions.	<b>SA2 and SA4</b>
<b>Webinar on "Measuring and monitoring food loss in NENA: Data for accelerating progress towards SDG 12.3.1".</b>	To increase knowledge base and capacity for the NENA countries to produce statistical food loss and waste data at country level.	Target participants include policymakers, practitioners and stakeholders across the agrifood system in the region.	Increasing the quality and reliability of data on food loss and waste in the NENA region.	Food Loss and Waste (FLW) data harmonization at regional and country levels.	<b>SA2, SA3 and SA4</b>
<b>FAO Regional Training on Facilitating Trade for Food Security.</b>	To facilitate learning activities with regard to trade dynamics, trade facilitation, value chains priorities and implementation strategies.	Target participants include policymakers, practitioners, and stakeholders across the agrifood system in the region.	Fulfilling the increasing need for trade expertise whose mission is to support the development trade plans in the NENA region.	Increase number of participants from government agencies across the NENA region.  Knowledge uptake in trade dynamics, trade facilitation and global value chains participation, especially in the context of food safety standards.  Investment in trade facilitation and harmonization for agricultural products produced within the region.	<b>SA2, SA3 and SA4</b>

