

## Outline for 'Game Changing and Systemic Solutions' Write-up from AT3 ACAIs

1. Background information on group and process
2. Summary of each proposed solution

Proposed game-changing systemic solution:

### **Policy reforms: Aligning policies with nature-positive production**

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#### **2.1 What, in brief, is the solution?**

Mainstreaming nature-positive production calls for a systemic re-evaluation of the drivers of current food system performance. Coherently aligning agricultural and other relevant policies with sustainable food system goals (tbd) is one of the most powerful levers for food systems transformation. Given the complexities of food systems this involves scrutinizing and aligning a large set of policies, spanning from agriculture to trade to finance to R&D to name a few. Alignment with sustainable food system goals is also required across regional, national and sub-national levels. A consistent set of policies should aim to reflect the true cost of food and set incentives for nature-positive production practices, constraints and disincentives for nature-negative production practices and support the scaling of transformative agroecological systems. Such process of policy realignment for the food system transformation requires coordination and accountability at all levels, from inter-ministerial coordination and accountability to transparent participatory multi-stakeholder processes such as food policy councils that also address power imbalances in the food system.

#### **2.2 What was/were the source(s) from which this solution emerged?**

The solution, or variants of it, has been proposed by several Advisory Team members as well as in the public consultation. Policy reform providing consistent incentives for the food system transformation is recognized as a key lever by many organizations including UNEP, CFS, FOLU, IPES-Food, WBCSD, EAT Forum, Global Alliance on the Future of Food.

#### **2.3 What problem is it trying to address within food systems?**

Most policies that influence food systems are based on an outdated paradigm focusing on maximizing single crop yields and cheap calories, at the cost of many unwanted social, health and environmental outcomes. Such policies perpetuate unsustainable systems by rewarding investments and business models that do not account for the true cost of food and overlook the benefits of nature positive practices. Producers' agency to change their production model is often hampered by the lack of appropriate market infrastructure, including for the provision of financial services. Consistent sustainable policies should incentivize (new) market mechanisms that include environmental and social externalities in order to balance the playing field on which truly sustainable actors are currently systemically disadvantaged.

The exemption of agricultural emissions from carbon accounting rules, where those exist, is a case in point. To protect food security and farmer livelihoods a major source of emissions goes unregulated while the transition to a system that punishes emissions but rewards farmers for their environmental services, including soil carbon, would restore the long-term productivity of their land and support their livelihoods.

## **2.4 Why is addressing that problem important for achieving the goal of your ACAI?**

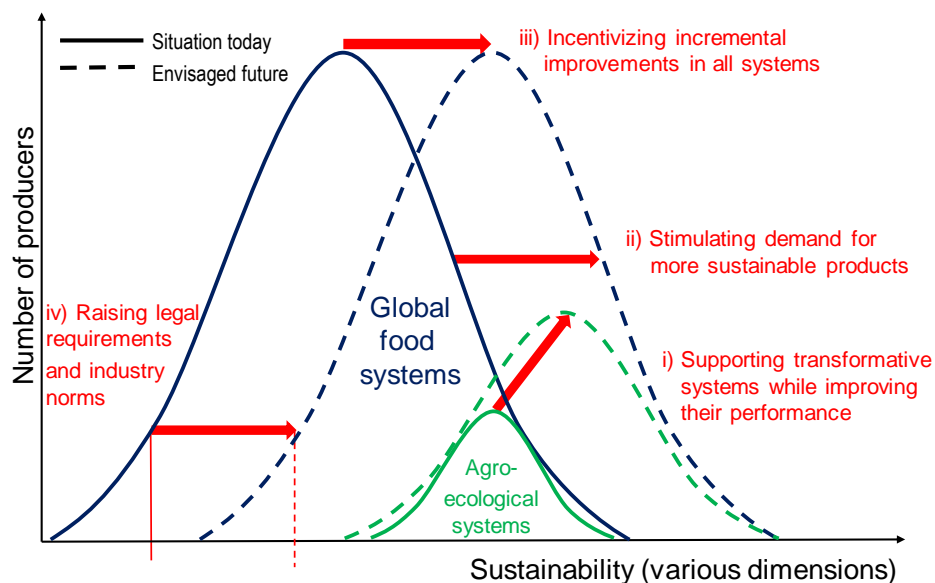
The proposed policy reforms are imperative overarching game changers to support the transition to and the rapid adoption of nature-positive production systems and practices. While individual solutions might be transformative, they might not be sufficient to ignite a transformation at scale. Together, the proposed solutions need a coherent and re-enforcing set of policy incentives to ensure their sustainability and effectiveness in supporting the transformation of food production towards net positive practices and systems.

Current policies lead to a predominance of production systems and practices that have massive negative environmental externalities including biodiversity loss, soil erosion, pollution, water depletion and climate change, but also social externalities like reduced human health, social inequalities and low farm incomes

## **2.5 How can this solution address that problem?**

Analyzing the coherence of existing policies with sustainable food system goals (tbd) and their internal consistency across different sectoral policies would ideally take place in a multi-stakeholder setting involving the concerned ministries or departments to ensure legitimacy (agriculture, environment, finance, health, rural development etc.). This can happen at international, regional, national, sub-national and municipality level. Mechanisms like food councils need to be put in place to foster greater accountability and transparency, similar to the Climate Cabinet in Germany (though it does not include agriculture). Similar processes already exist at the international level for example in the UN voluntary reporting on the Sustainable Development Goals, or the WTO's regular Committee on Agriculture. Policy makers can benefit from exchanging with peers from other geographies, from tools that help to manage systemic complexity and from technical guidance on how the required reforms can be put in place and how to overcome lock-ins and resistance. These efforts will help identifying the need for policy reform and developing coherent transition strategies with timeframes that allow food producers and other food system stakeholders to adjust their production systems.

At output level, this process will lead to revised and new strategies, policies, regulations and action plans related to food production within sustainable food systems. Four important groups of policy interventions can synergistically transition our food system to a more sustainable one: (i) specifically supporting transformative agroecological systems through a combination of push, pull and enabling measures, while improving their performance; (ii) stimulating the pull-effect of an increasing market demand for sustainable and affordable products (see FSS Action Track 2); (iii) incentivizing incremental improvements in mainstream agriculture and food systems with regard to combined sustainability objectives (e.g. through redirecting subsidies and adjusting taxes); and (iv) raising legal requirements and industry norms in order to rule out particularly unsustainable practices. Other policies, beyond those part of this "nature positive production" set of interventions (such as for example trade policy) would need to be aligned with the objective of sustainable food systems.



Eyhorn, F., Muller, A., Reganold, J.P., Frison, E., Herren, H.R., Luttkholt, L., Mueller, A., Sanders, J., Scialabba, N., Seufert, V., Smith, P. Sustainability of global agriculture driven by organic farming. *Nature Sustainability* 2 (2019) 253–255.

At outcome level, such policy reforms will lead to gradual adjustment of costs and prizes to increasingly reflect better the true cost of food (internalization of externalities), upscaling of investments in nature-positive production, adjustment of business models and behavior change of food system actors. The impact will be twofold: 1) a gradual shift of mainstream production systems towards sustainability (“sustainable intensification”) and 2) up-scaling of transformative agroecological systems. Both will lead to more positive and less negative externalities of food production.

## 2.6 Why does this solution align to the definition and criteria for a ‘game changing solution’ developed by the Summit?

The proposed solution has an enormous scale potential since it covers entire countries / jurisdictions. Various countries, federal states and municipalities have already shown that – provided that there is political will - it is actionable and impactful and can even result in a reduction of overall societal costs. Such profound and ambitious policy reform is likely to last also when governments and politicians change. As policies influence all aspects of food systems such reform will have positive effects on equitable livelihoods (see FSS Action Track 4), health and regenerating environmental integrity, while providing income opportunities particularly for rural youth and women. They are mutually reinforcing all other game-changing solutions since they provide the enabling environment for them to thrive.

## 2.7 What is the existing evidence supporting the argument that this solution will work, or at least that it will achieve the initial outcomes described above?

Policy reform following the proposed approach to a greater or lesser extent is already happening in some countries, states, counties and municipalities. Examples include France, UK, Denmark, Andhra Pradesh and Sikkim (Indian States), San Francisco (Good food purchase program), Kenya (fertilizer subsidy policy), Senegal (policies to foster agroecology), agroecology-based policies in Latin America (Argentina, Brazil, Chile, Costa Rica, Cuba, El Salvador, Mexico, Nicaragua), and the development of regional policy road maps at the state level in Columbia (FOLU platform).

Submissions to FAO’s Agroecology Lex database, the Future [Policy Award of the World Future Council](#) and the “Beacons of Hope” of the Global Alliance for the Future of Food and Biovision indicate that an

increasing number of countries are engaging in food policy reform. Some of these examples already show impressive results.

### **2.8 What is the current and/or likely political support for this idea?**

Many institutions recognize the need for policy reform to transform food systems, particularly with regard to production (including UNEP, CFS, FAO, IPES-Food, FOLU, Global Alliance on the Future of Food). Several governments are supporting international efforts to address food policy reform (including Sweden, France, Denmark, Germany, Switzerland ...). Germany, Switzerland and the FAO are supporting a peer-to-peer exchange among policy makers on revising food system policies, involving a growing community of countries (see [Food Policy Forum for Change](#)). At municipality level, the Asian Local Governments for Organic Agriculture ([ALGOA](#)) is already involving >200 municipalities supporting and promoting sustainable organic agriculture in their public offices, schools, public markets and of course with the farmers in the territories.

The FOLU Coalition, through its country platforms (in China, Colombia, Ethiopia, India and Indonesia) engages in multi-stakeholder processes at the national or the sub-national level to define policy road-maps towards sustainable, inclusive and health-supporting food systems. Similarly, the FABLE network develops sustainability pathways for the food and land use systems in 20 countries to guide policy development.

The Just Rural Transition initiative is another example of a multi-stakeholder “community of practice” of actors – including XY governments, farmers organisations, food companies, investors, researchers and civil society – committed to food system transformation. Its Policy Action Coalition (PAC) to Repurpose and Reinvest Public Support for Food and Agriculture is comprised of committed country members, knowledge and implementation partners.

However, there is also fierce opposition from those who see their current business model and vested interests at risk (see [IPES-Food report](#)). The ongoing debates and farmer protests related to agricultural policy reform e.g. in India, France and the UK show the need for just transition strategies with time frames that allow producers to adjust to the new “rules of the game”.

### **2.9 Are there certain contexts for which this solution is particularly well suited, or, conversely, contexts for which it is not well-suited at all?**

The solution works globally at regional, national, sub-national and municipality level. However, policies need to be highly adjusted to the territorial context and are substantially different for industrialized countries, low-income countries and politically fragile contexts. Such contextualization of policies is possible even under current WTO regulations.

### **2.10 Who are the key stakeholders to be further involved in the process of developing and refining the solution idea?**

Link with AT3 ACAI “Restore” (subsidies), AT 1 (investments) and possibly other ATs that have come up with policy-related game-changing solutions (exchange has already started). There are possible tension fields on access and affordability (AT 1 and AT 2). Involve the FSS Scientific Group, the [FABLE Consortium](#), CFS, WBCSD and policy makers (through the [Food Policy Forum for Change](#)) to further develop the solution.

### **3. Any other remarks or comments you would like reflected in AT3's report out on 'game changing' solutions (optional)**

Game-changing solutions can be formulated at different levels, from high-level strategies down to concrete projects. Policy reform is a high-level, integrated, systemic solution which we suggest as a lever across all action tracks (like finance). Instead of conducting a competition of ideas in which few make it to the final selection, it could be more helpful to identify first high-level game-changing solutions that are in the next steps substantiated with a growing database of successful practical applications.

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