

Asia-Pacific Food Security and Rural Development Forum 2022

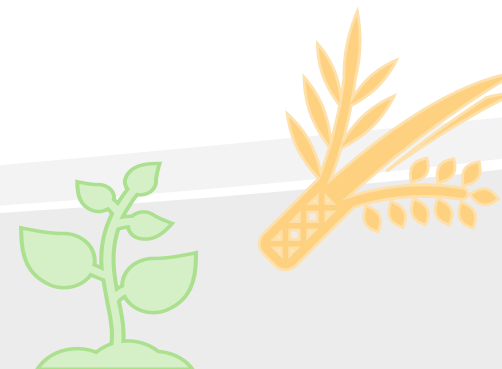


Technical Session 2: Pathways to Sustainable and Inclusive Food Systems

Southeast Asia Department

**Environment, Natural Resources and Agriculture
Division**


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I. Structural economic transformation

Country grouping	Agri. value added as % of GDP (2019)	Agri. employment as % of total employment (2019)
Low income	26%	60%
Lower middle income	15%	38%
Middle income	8%	29%
Upper middle income	6%	21%
High income	1%	3%

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- In lower income countries, labor productivity in agriculture is low, farm incomes are low, on-farm investment is low, technological modernization is limited, and the sector is not competitive
 - ***Policy, financing and incentives needed for industry and services growth***

II. Business environment (doing business index)

Asian Development Bank country groupings		
Country Group	Definition	Avg. Score
DMCs Group A	concessional	55.7
DMCs Group B	OCR blend	58.8
DMCs Group C	OCR only	74.6
DMCs average		62.3

Groups based on GNI/capita and credit-worthiness

World Bank country groupings		
Country Group	GNI/capita	Avg. Score
Low income	<\$1,045	46.4
Lower middle income	\$1,046 - \$4,095	58.1
Upper middle income	\$4,096 - \$12,695	65.0
High income	>\$12,696	78.3

The business environment in developing countries is not conducive to private sector investment. This affects the efficiency and competitiveness of food systems – input supply, processing, packaging, marketing, distribution, food safety and so on.



- ***Policy environment needed to create an enabling business environment for private sector investment to transform food systems.***



III. Environmentally sustainable food systems

Current food systems characterized by wide-scale environmental degradation, biodiversity loss, unsustainable practices, and sharply increasing climate challenges



Policy options:

- *Proper economic valuation of natural capital and ecosystem services*
- *R&D for climate-smart technologies and diversified farming systems*
- *Environmental regulations and environmental taxes*
- *Payments for environmental services (PES) such as eco-compensation*
- *Environmental markets (tradable permits for regulating environmental externalities)*
- *Traceability and eco-labelling*



Thank you

