

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

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

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### 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		
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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



