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Statement by the Spokesperson of the Private Sector Consultation

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We are the food systems

1. More than one third of formal employment and one quarter of the gross domestic product (GDP) of Latin America and the Caribbean is generated in sectors severely hit by the economic crisis resulting from the Coronavirus², according to the Economic Commission for Latin America and the Caribbean (ECLAC), which also estimates that 2.7 million enterprises could close, the majority of them microenterprises, which would mean the loss of 8.5 million jobs³. It also projects a fall in GDP of -9.1% in 2020, 44.1 million unemployed and 230.9 million Latin Americans in poverty, i.e. more than one third of our population⁴.
2. The private sector generates approximately 90% of jobs in our countries and is therefore a fundamental partner in the fight against poverty⁵. Dynamism and private investment throughout the food system is, moreover, essential when faced with the challenge of feeding 9 000 million people in 2050. This challenge cannot be met without a highly productive agricultural sector, driven by technological and sustainable innovation.

¹ Previously scheduled for 27 to 29 April 2020 in Managua (Nicaragua).

² <https://www.cepal.org/es/comunicados/impactos-la-pandemia-sectores-productivos-mas-afectados-abarcaran-un-tercio-empleo-un>
https://repositorio.cepal.org/bitstream/handle/11362/45734/4/S2000438_es.pdf

³ <https://www.cepal.org/es/euromipyme/mipymes-covid-19>
<https://news.un.org/es/story/2020/07/1476912>

⁴ <https://www.cepal.org/es/comunicados/contraccion-la-actividad-economica-la-region-se-profundiza-causa-la-pandemia-caera-91>

⁵ [https://www.google.com/url?q=https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_732198.pdf&sa=D&ust=1602344604487000&usg=AFQjCNEvEnABRbHd4pFDGsunU0xIRX1Tw" \t " blank](https://www.google.com/url?q=https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_732198.pdf&sa=D&ust=1602344604487000&usg=AFQjCNEvEnABRbHd4pFDGsunU0xIRX1Tw)

3. This means that if appropriate policies are not implemented to strengthen all sectors of production, to guarantee the continuity of supply chains, we will be faced with a very regressive structural change.
4. We are part of a very large private system which operates at local or international level, in rural or urban areas, in the formal or informal sector, and in different business contexts, located in very different countries. We therefore require different policy frameworks depending on the production and cultural reality of each sector or region, but which are consistent and coordinated, so that we can all contribute to solutions for the key issues that affect the population.
5. We are first-line stakeholders, responsible for facilitating and implementing the changes that face the food system today, in pursuit of the Sustainable Development Goals (SDG).
6. Therefore, and given the conditions imposed on us by the current reality, we suggest an innovative look at public policy formulation processes, and at the way in which these interact with the reality of the private sector, and we therefore propose the following challenges:

Challenge #1

Let us formulate more integrated policies for rural sustainable development

7. The greater integration of value chains between primary production and the other links up to final consumption urgently need policies that can achieve greater regularization of the primary producer.
8. Opportunities to foster prosperity in the countryside can be exploited by reducing educational, technological, financial and operational gaps which prevent this sector becoming integrated in wider markets.
9. In the absence of systemic approaches, the strengths of sectors integrated in global value chains are not transferred to the weaker links in the food system; we therefore consider coordination, training and education to be vital for generating synergies to facilitate operation in these sectors, in which the situation is now more difficult.
10. In this respect, cooperative enterprise models can have a very important role in generating the facilities that these sectors need, for which public and private spaces, institutionalized and sustainable over time, are required for dialogue and joint policy formulation.

Challenge #2

Facilitating small-scale operations as a basis for local economies

11. A key factor for facilitating small-scale operations is the stimulation of policy frameworks with clear rules for implementation, with objective performance indicators and implementers with appropriate technical qualifications.
12. In the presence of these determining factors, we can avoid unintended effects which currently hold back small-scale operators, such as regulatory excesses, support which does not arrive, or disproportionate tax burdens, which not only result in these policies being ineffective, but also encourage a decline in competitiveness and legal certainty, and the growth of informality.
13. In this respect, facilitation, and striving for viability and efficacy are basic concepts in any policy formulation process, in order to generate positive impacts on the productivity of the sector which supports the majority of local economies.

Challenge #3

Transparency and relevance in producing innovative regulatory frameworks

14. The private sector is not averse to regulation; it is vital for the safety of all partners. As part of the private sector, we are always prepared to indulge in dialogue, particularly when it seeks to positively influence key aspects of human well-being such as a healthy diet or sustainability, among other things. Nevertheless, for us to proceed with effective proposals, we should encourage regulatory

frameworks with strict observance of principles such as: i) sound scientific evidence and basis to justify them; ii) transparent and inclusive formulation; iii) adherence to good regulatory practices; iv) consistency with the disciplines and commitments of countries with international trade agreements, to avoid unnecessary barriers hindering local and international supply chains; v) permitting evaluation based on objective, measurable and verifiable parameters; and, above all, vi) being developed through relevant, qualified and representative institutionalism. When international, government and regulatory organizations turn away from these principles, they not only move away from the objective sought, but they unnecessarily impose a burden on their production activities, depending on respect for the Rule of Law.

15. We therefore call upon FAO and governments, through the dialogue mechanisms kept open with the private sector, to be prepared at all times to revise and reformulate proposals for better regulation to achieve the best results.

16. The recessive impacts of COVID-19 and the challenges to the system in terms of food, sustainability and climate change, among other things, have urged us to seek a more reflective perspective on the private sector's needs. As regards food regulations, we need to move away from punitive models to incentivized models, from models that drive up costs via taxes to those that inject competitiveness and productivity, from those that generate fear about product groups to those that educate about a healthy diet. Despite the crisis, we have up to now done our best to keep the markets supplied; more than ever, we therefore need policies with a positive focus.

Challenge #4

Encouraging access to digitization, technology and financial inclusion

17. As established in Target 2.3 of SDG 2, in order to ensure sustainability and progress throughout the food system, farming productivity and the income of food producers, particularly small-scale producers, needs to be improved. We therefore need to look in more detail at essential topics such as access to financial services, digitization and technology, which will enable their sustainable development.

Challenge #5

We need to encourage business models that invest in sustainability and the fight against climate change

18. Circular and cooperative economy models represent schemes that are currently showing results that can make a difference in sustainability and climate change. Enterprises of all types are improving their performance, implementing measures for better administration and management of the waste generated by production and consumption. This win-win situation can be a policy benchmark applicable to today's various challenges. Seeking profitability for stakeholders who implement changes of this type is a positive strategy.

We need to think and act differently. By doing and proposing the same thing, we will be unable to guarantee the transformation of the food system.

19. We are here to seek solutions to the problems that our society is facing. This new reality forces us to look beyond and to seek alternative perspectives with integral approaches. For example, as regards a healthy diet, we should look at the habits and lifestyles of the population holistically; in the countryside, we need to focus on reducing informality and on access to digitization, technology and finance and, as regards resilience to climate change, on policies that encourage innovation and new ventures, all circumscribed by balanced, consistent and effective regulatory frameworks.

20. With regard to all the points raised, we highly value dialogue and public-private association formats, forming the basis for jointly formulated programmes which are adapted to the realities, objectives and needs of each component of the food system. We are convinced that there are positive experiences from relations between governments, institutions and producer associations, which have achieved major advances in several countries.

21. We all need to start to think differently, to move away from approaches that generate conflicts and build alliances. By doing things equally, we will obtain equal results.

22. We would like to thank FAO for the opportunity provided to the private sector to express its concerns and contributions in this very important space. We therefore remain at the disposal of the institution and its Member States to jointly create dialogues and collaborative solutions, to achieve more healthy, inclusive and sustainable food systems.