



Food and Agriculture
Organization of the
United Nations

URBAN FOOD ACTION

Agri-Food Innovation – Towns

Investing in inclusive agri-food
industries and services for functional
and prosperous territories

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The issue

Small cities and towns are home to 34 percent of the global population. The number of inhabitants is expected to grow by 50 percent to 1.85 billion by 2030. This rapid urbanization, mainly driven by demographic growth and rural-to-urban migration, is affecting the entire food system and seeing large tracts of agricultural land converted for urban development and industrial use. A significant proportion of the population in many countries is migrating to already saturated megacities and this raises concerns about the world's ability to feed itself. Young people are increasingly reluctant to take up primary employment in agricultural production, despite youth entrants to the labour market being at an all-time high, particularly in Africa and Asia-Pacific. This makes job creation in off-farm/value-added agricultural and food activities (processing, marketing, services) essential for balanced territorial development and reducing urban sprawl. Small cities and towns can act as hubs of innovation and promote Small cities and towns can act as hubs of innovation and, thus, incentivize small and medium-sized agricultural and food enterprise creation, promoting employment and helping to interconnect rural and urban areas. A wide range of public and private partnerships is needed to help boost investment, sustain integrated regional economic development and realize sustainable and resilient food systems.

The action

The programme identifies clusters of small towns with high potential for local economic development and job creation and works to strengthen governance mechanisms to (1) develop profitable and sustainable off-farm value-added activities, rural services and efficient market linkages; (2) attract investment to improve agrifood business activities; (3) incentivize public-private partnerships to support small and medium-sized agri-food enterprises (SMEs); (4) identify and support quality products of specific geographical origin that present an opportunity for territorial development and rural tourism; (5) promote job-creation strategies, with a focus on women and youth, and multiplier effects within and beyond jurisdictional boundaries; and (6) consider the nutrition situation to identify and promote local products to fill the diet gap of the population.

The issue in numbers



34%

of the global population lives in small cities or towns



1.5 billion

people in developing countries live in settlements of less than 500 000 people



50%

rise in the number of people living in small cities and towns by 2030

Programme targets



5

cluster alliances of small cities and towns are established through formal collaboration agreements



100

small and medium enterprises improve their agri-food-related businesses



USD 500 000

in new investment in targeted territories

The budget



USD 6 million



4 years



5 clusters of small towns

Expected results

- Youth employment opportunities in food systems-related activities promoted through strengthened capacity of territorial food-system stakeholders to conduct evidence-based analysis and identify value-chain upgrade strategies;
- Greater contribution of inclusive agri-food value chains to local economic development;
- Improved rural-urban agribusiness linkages by attracting investment and through agri-public private partnership initiatives.

Geographic focus

The programme will focus on five clusters of small towns in Africa, Asia and Latin America.

In partnership with

In addition to working with national and local policymakers, civil-society organizations and SMEs in selected town clusters, FAO collaborates with: the Organization for an International Geographical Indications Network, the World Intellectual Property Organization, the European Union, Agence Française du Développement, the European Bank for Reconstruction and Development (EBRD), farmer and producer cooperatives, SME associations, the African Union, the Global Alliance for Improved Nutrition, the New Partnership for Africa's Development, Grow Africa, the International Trade Centre, the United Nations Industrial Development Organization, the African Development Bank, the International Fund for Agricultural Development, the Japan International Cooperation Agency, the Korea International Cooperation Agency, the SUN Business Network and the Association of Southeast Asian Nations.



SDG contribution



Serbian small towns fostering development

Serbia has a dynamic horticultural industry, but is facing growing competition from the European Union. Producers have to find ways to get an edge in the market, both at home and abroad. In 2016, Oblačinka sour cherries from Oblačina in southern Serbia were registered as a protected designation of origin (PDO). The initiative originated in the municipality of Merosina, with just 13 968 inhabitants. Thanks to coordinated action by local authorities and support from FAO and the EBRD, the PDO area has been broadened to five further small municipalities. Now, more people are able to reap the benefits of the Geographical Indication and farmers' coordination and collective action are stronger, revitalizing the local economy by re-localizing post-harvest value-adding activities.



Why invest?

Investing in small cities and towns as innovation hubs is key to balancing territorial development. It enables countries and local communities to support sustainable food systems for food and nutrition by making rural areas attractive to a young workforce, thus reducing demographic pressure on urban areas and ensuring that nutritious and diversified food is available and accessible. Building alliances of small cities strengthens regional participatory governance mechanisms, helping to create a firm foundation for policy development and private-sector investment at all levels. This makes these small towns crucial to economic and social wellbeing and environmental sustainability.

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