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Territorial approaches and community development to drive local change and prevent all forms of malnutrition¹

Executive summary

Territorial approaches to development, although not new, have become increasingly accepted by policymakers, practitioners, researchers and international development organizations as a theoretical and operational framework for addressing the growing inequalities among and between regions, countries and communities. Their popularity largely stems from the recognition of differences in environmental, social and economic conditions in a given place as determinants of development. Moreover, they provide instruments for achieving more inclusive economic, social and environmental development at the local level while facilitating linkages across national, regional and global levels of action. This background document focuses on territorial approaches as instruments for comprehensively addressing the integration of food and nutrition security at various levels of governance and reducing related inequalities among multiple stakeholders.

Many countries in the Europe and Central Asia region recognize the central role of territorial development in addressing the multidimensional issues of food systems and are keen to develop their own territorial or local development strategies. Nevertheless, the implementation of those strategies remains a challenge, mostly due to weak policymaking capacities at local levels.

This background document brings forward policy recommendations for effectively addressing the multidimensional issues related to local food systems and integrating them into territorial development planning processes. Recommendations are organized around the identified policy and implementation gaps and point to the needs for mainstreaming territorial approaches to development in global, national and local policies aimed at a sustainable and socially inclusive transformation of local food systems; for promoting territorial approaches as a mean for achieving the Sustainable Development Goals (SDGs) and the commitment to the principle of leaving no one behind; for developing capacities for evidence-informed decision-making; for enhancing multilevel governance and the coordination of policies; and for facilitating investment support and access to finance.

¹ Malnutrition in all its forms includes undernutrition, deficiencies in micronutrients such as vitamins or minerals, overweight, obesity, and resulting diet-related non-communicable diseases (NCDs).

I. Introduction

1. The 2030 Agenda for Sustainable Development comprehensively addresses food security, nutrition, livelihoods, management of natural resources, and spatial equity. These topics are fundamental to achieving a whole set of other interrelated goals and ensuring that the pledge to leave no one behind² is realized. Regardless of the remarkable progress in reducing absolute poverty in the Europe and Central Asia region, the existing policies and programmes are not fully inclusive and often fail to reach the most vulnerable groups. At the same time, the guiding principle of leaving no one behind is to ensure that progress reaches not just the most fragile and vulnerable groups of society, but also remote and marginalized territories and that “no territory is left behind.”

2. Local food systems are largely shaped by territorial capital and assets, which are highly diverse across geographic areas (OECD, FAO and UNCDF, 2016). However, the diversity and interlinkages in territorial contexts are often ignored by sector-oriented policies that tend to be “spatially blind.”

3. The increasing relevance of territorial approaches is driven by an understanding that “geography matters for food systems, nutrition, and rural poverty” (FAO, 2013), as they are determined by territory-related factors. Many international agendas, declarations and national commitments claim that rural and regional development policies need to be place-based to effectively address the cross-cutting nature of food systems. They advocate for a paradigm shift towards multisectoral, bottom-up and context-specific interventions through a territorial development approach (OECD, FAO and UNCDF, 2016; HLPE, 2020). The new FAO Strategic Framework for 2022–2031 ensures a direct contribution to achieving the SDGs with clear interlinkages among the application of multisectoral rural development policies, leading to sustainable rural transformation, reduced inequalities, and the achievement of food security and improved nutrition.

4. A spatial perspective on the risk of being left behind points to many structural disadvantages for those living in remote rural areas and lacking access to healthy and nutritious food, clean water, infrastructure, markets, and skill development opportunities. Overcoming these challenges will require addressing the root causes of inequalities through territorial, context-specific approaches and moving away from “one size fits all” responses.

5. Integrated approaches to development, based on local needs and opportunities, are key to achieving the SDGs at the national level. The territorial development approach has the potential to strongly contribute to several SDGs by supporting their localization, including those related to ending poverty and hunger (SDG 1 and SDG 2), gender equality and empowerment of all women and girls (SDG 5), inclusive and sustainable economic growth and employment (SDG 8), and the reduction of inequalities (SDG 10).

6. The importance of territorial approaches and support for integrated community development are also recognized in the framework of the United Nations Decade of Family Farming 2019–2028 (UNDF).³ The UNDF Global Action Plan emphasizes that effective interventions to support family

² Leave no one behind (LNOB) is the central, transformative promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). It represents the unequivocal commitment of all United Nations Member States to eradicate poverty in all its forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that leave people behind and undermine the potential of individuals and of humanity as a whole.

³ For more information on the United Nations Decade of Family Farming 2019–2028, visit <http://www.fao.org/family-farming-decade/home/en/>.

farmers require a shift from traditional sector policy to a complex set of integrated and multisectoral policies, strategies and programmes. The UNDFP Global Action Plan calls for actions supporting its implementation “to be adapted and contextualized according to concrete regional, national and local (territorial) sociocultural and socioeconomic conditions” (FAO and IFAD, 2019).

7. The role of integrated and territorial approaches was also recognized during the United Nations Food Systems Summit 2021 (UNFSS). In particular, a number of game-changing propositions highlighting the links between the application of integrated and territorial approaches and the transformation towards more sustainable food systems were included in the UNFSS solution clusters (UNFSS, 2021). For instance, solution clusters 4.3.1 and 4.3.3 emphasize that local food producers and other actors are the most important to ending hunger and poverty, but the lack of effective connections between urban food systems’ planning and governance with the agricultural producers in their territory is a major obstacle for improving nutrition and urban and rural livelihoods.

8. This document is structured in four sections. Section 2 provides an overview of the food systems, rural communities and related issues of malnutrition in the Europe and Central Asia region, and Section 3 discusses the contribution of territorial approaches to addressing those challenges for reducing malnutrition. The final chapter, Section 4, is devoted to conclusions and policy recommendations.

II. Food systems, rural communities and malnutrition issues in Europe and Central Asia

9. The Europe and Central Asia region includes 54 high- and middle-income countries⁴ with a total population of 921 million people, out of which one-third live in rural areas (World Bank, 2021a). Highly diverse in terms of development status, natural resources and structural characteristics, countries in the region face different challenges related to malnutrition and different barriers to the sustainable and inclusive transformation of local food systems and rural areas.

10. The most common policy-relevant structural characteristic of the farming sector in the Europe and Central Asia region is the prevalence of small family farms, relying on family employment. Their share in the total output varies depending on the product and country (FAO, 2020a).

11. The average size of a farm in the European Union is 16.6 ha, yet only about 15 percent of farms are this size or larger. The farm structures widely vary in the non-European Union countries. Countries such as Serbia and the Republic of Moldova have dualistic farm structures, while in Albania, Armenia, Georgia, Kyrgyzstan, North Macedonia and Tajikistan, between 95 percent and 99 percent of all farms are smaller than 5 ha (FAO, 2020a; Hartvigsen, 2019). Land fragmentation is excessive in most countries, hampering farm productivity and competitiveness. In many of the mentioned countries, a large part of the arable agricultural land is unutilized (more than one-third in Armenia, Bosnia and Herzegovina and North Macedonia).

12. Many family farms in the region have limited access to production factors (such as land, water, inputs, trainings, technology, finance and infrastructure) and mostly operate at informal markets. Family farms face high transaction costs in production and marketing, which can contribute to low productivity and high risks to income (FAO, 2020a).

13. In the Europe and Central Asia region, significant subregional- and subnational-level disparities exist concerning physical constraints, demographical trends, skills, education, income distribution,

⁴ Tajikistan is the only country in the region that belongs to the group of low-income countries (World Bank, 2021a).

nutrition status, labour productivity and economic structures across rural areas. Many rural communities suffer from a lack of services, job opportunities and infrastructure, leading to vicious cycles of underdevelopment (EC, 2017). Specifically, inequalities are manifested in higher rates of poverty in rural areas, youth unemployment, exclusion of marginalized groups, and lack of access to resources and social services, often leading to outmigration from rural areas.

14. Rural poverty in the Europe and Central Asia region has been declining over the years, but this trend has recently slowed (Bussolo *et al.*, 2019), and according to the World Bank, as a consequence of the COVID-19 pandemic, an additional 4.3 million people⁵ may slip into poverty in the Europe and Central Asia region by the end of 2021 (World Bank, 2021b). A comparison between urban and rural areas⁶ shows that living standards in all countries in the Europe and Central Asia region except Greece are higher in urban areas than in rural areas. The greatest urban–rural gaps occur in Bulgaria, Georgia, Romania and Tajikistan.

15. The prevalence of undernourishment and hunger at chronic or severe levels in the Europe and Central Asia region is relatively low. However, the data from 2019 show that food insecurity is rapidly increasing in some parts of region (Central Asia, the European countries in the Commonwealth of Independent States, and the Caucasus). The malnutrition situation in the region is more challenging. Compared with the world average, the Europe and Central Asia region is in a worse position regarding the prevalence of childhood overweight, exclusive breastfeeding during the first six months of life, and adult obesity. High rates of overweight and obesity are recorded in most countries in the region. The food security situation has worsened as the COVID-19 pandemic has unfolded and continued (FAO *et al.*, 2021).

16. Gender and age gaps in access to resources, assets, services and markets in the Europe and Central Asia region are prominent. Rural women and youth tend to be more engaged in subsistence farming and low-return and/or low-pay economic activities and often are excluded from decision-making.

17. Rural women play a key role in supporting their households and communities in achieving food and nutrition security, generating income, and improving rural livelihoods and overall well-being (United Nations, 2012). However, the prevalence of food insecurity is higher among women than among men, as they experience greater constraints compared to men in accessing land and other productive resources (inputs, innovative practices, finance) and frequently undertake manual labour as informal, unpaid family workers (FAO, 2020a; FAO *et al.*, 2021).

18. Rural youth in the region face difficulties in access to training, education, finance, etc. (IFAD, 2019 cited by FAO, 2020b). The average age of farm managers is increasing in all parts of the region, with only 11 percent of farm holdings in the European Union managed by farmers younger than 40. For many would-be farmers, difficulties in accessing land, credit and inputs are major barriers to starting farming (IFPRI, 2019).

19. In non-European Union countries, funding – including investments and subsidies for agriculture – often is limited, with few policy interventions targeting small family farms, marginalized groups and remote areas. Agricultural policies and support measures in many countries of Europe and Central Asia do not target enough of the small-scale segment and tend to overlook its critical role in enabling food and nutrition security and in ensuring social and environmental sustainability (IFAD, 2016; FAO, 2020a). Investment subsidies, if they exist, require high standards and/or are provided with complex compliance mechanisms, and informality often prevents smallholders from applying.

⁵ Using the USD 5.50/day poverty line.

⁶ Measured by welfare index constructed based on information on durables and the socio-economic characteristics of households in the 2016 round of the Life in Transition Survey (Bussolo *et al.*, 2019).

20. In order to achieve the objectives of the 2030 Agenda, all countries in the region have adopted a wide range of policies and measures that consider the context-specific issues of food systems and aim at addressing pillars of food security (availability, access, utilization and stability) and nutrition. However, many countries are struggling to develop multisectoral policies that support food system transformation by moving towards more sustainable production and consumption patterns and reconciling economic growth, social progress and environmental sustainability.

III. Territorial approaches and their contributions to reducing malnutrition

3.1 Why territorial development matters for the reduction of malnutrition

21. In the context of development and welfare disparities, to ensure greater territorial and social cohesion, improved nutrition, environmental sustainability and deepened rural democracy, there is a need for a new generation of holistic, territory-based policies. Local development needs to be driven by local needs and constraints but certainly also by local opportunities. These opportunities include capitalizing on the many linkages between rural and urban areas and improving efficiency and participation in national and regional processes by local stakeholders.

22. Territorial approaches matter for addressing malnutrition because, although malnutrition affects all groups, it is experienced disproportionately among the most vulnerable, including poor rural communities, smallholders and marginalized populations (FAO, 2021). However, in many countries of the Europe and Central Asia region, the concept of food security is primarily viewed as “food independence” or “food self-sufficiency” at the national level, rather than as the nutritional challenges of individuals at the community level. Consequently, food security and nutrition policies tend to be dominated by top-down approaches. Food and nutrition security policies take a sectoral approach, with primary focus on agricultural productivity and less attention to other dimensions of food and nutrition security, such as access (to income and market prices) and utilization (dietary behaviour and nutritional knowledge). Thus, bottom-up and territory-based solutions are necessary for capturing the needs and opportunities unique to each territory.

23. The guiding principles of the Voluntary Guidelines on Food Systems and Nutrition (VGFSyN), endorsed by the members of the United Nations Committee on World Food Security (CFS) in February 2021, also advocate for more emphasis on territory-based approaches through the implementation of coherent, coordinated, context-specific and inclusive policies and responsible investment through a coordinated process that involves actors from different sectors and different levels of policymaking (CFS, 2021). It also recommends support for strengthening governance and fostering citizen and stakeholder participation in national debates on food security and nutrition and food systems. Furthermore, the VGFSyN highlight the need for strengthened participation and inclusion of women, girls, marginalized groups and local communities in the governance of food systems by means of dialogue, consultation, and strengthening community mechanisms for inclusive participation.

24. Key elements of territorial and integrated community development, relevant for achieving objectives related to the transformation of food systems, can be outlined as:

- *Place-based and community-driven local development strategies, policies and plans* that consider the context-specific local needs, potentials, priorities, gaps, constraints and institutional structures. A territorial approach to development looks at spatial interrelations and linkages within the territory and integrates rural economies with not just urban centres, but also with secondary cities and small towns through integrated planning across the urban–rural continuum (UNSCN, 2020), thus stimulating the demand for products and services in local markets (IFPRI, 2019).

- *Stakeholder participation and area-based partnerships*, which are important to guaranteeing local ownership and control towards more sustainable, equitable food systems and to ensuring that decision-making processes are participatory and inclusive, enabling marginalized actors to influence policy development.
- *A multidimensional and balanced approach* that takes into account social, cultural, economic and environmental contexts. Territorial approaches go beyond the agriculture sector and call for measures that also cover natural resource management, ecosystem-friendly production systems, improved climate resilience, food security and nutrition, social inclusion, etc.
- *Decentralization and multilevel governance*. The decentralization of decision-making and financial competences to governance levels closer to the rural population is essential for effective policy planning and delivery.
- *Multisector and multistakeholder integration*. Territorial approaches promote the integration of economic sectors and stakeholders, enabling the integration of social and production-oriented policies through, for example, the Principles for Responsible Investment in Agriculture and Food Systems (RAI) (CFS, 2014), school feeding programmes, cash transfers, more secure and transparent land rights, and support for the development of local land markets, etc.

25. Not just local food systems, but also livelihood strategies generally, have a prominent spatial dimension and are changing in response to multiple social, economic, environmental and political stressors. The most widely used of the emerging coping mechanisms to address the risks to income and assets loss is diversification. Rural households and small family farms often use mixed livelihood strategies that combine agriculture with other forms of income generation, such as salaries, wages, social benefits, income from own businesses and remittances.

26. The livelihood strategies of rural households vary spatially depending on multiple local contexts, including location, human capital, markets, natural resources, services, infrastructure, etc. FAO country studies of the needs and constraints of smallholders and family farms identified three main development pathways that households may adopt: (i) commercialization of farming activities (the agricultural path); (ii) economic diversification (the diversification path); and (iii) exiting agricultural production (the exit path) (FAO, 2020a). These development processes take place in all countries at different paces and scopes but also with different impacts on the livelihoods of rural households.

3.2 Territorial development policies and practices to contribute to sustainable local food systems

27. As a result of policy and administrative reforms, an enhanced focus on local economies and markets, and the emergence and promotion of civil society movements, diverse organizational and institutional structures have been developed at the subnational level over the past three decades in the Europe and Central Asia region. In addition, in many countries of the eastern part of the region, decentralization efforts have created new institutions and new levels of governance that may ensure enhanced regional and local capacities to meet local needs.

28. Recent FAO studies on smallholders and family farms highlighted the need for a polycentric approach in rural development policymaking (FAO, 2020a). The studies revealed that capacities for cross-sectoral cooperation and common action, policymaking and implementation need to be strengthened at the subnational levels, whereas local governments need more autonomy, tools, resources and capacities to properly address the specific local needs. The studies pointed out that social protection policies must prioritize the quality and accessibility of social services to rural people, provide a “safety net,” and cover basic needs (including nutritious food) for those who do not have a job and for elderly people and other vulnerable groups.

29. Many countries in the Europe and Central Asia region are implementing or have started to experiment with territory-based approaches to support development at the community level.

30. The EU LEADER approach began in the 1990s and was a “pioneering step” in endogenous rural development driven by local communities (IFPRI, 2019). LEADER is built around the mobilization of local communities through the establishment of local action groups (LAGs), bottom-up initiatives targeting local needs, public–private partnerships and the preparation of local development strategies. It has paved new development pathways for rural areas, made significant contributions to creating new jobs and income opportunities, and is an important tool in creating new facilities and services (EC, 2017). This model also has been introduced in some Central and Eastern European countries and continues to spread across European Union pre-accession and neighbouring countries, with the support of European Union and other donors.

31. However, the EU LEADER approach is not the only territorial development approach applied in the region. Local economic development initiatives in Eastern Europe and Central Asia were initiated in the mid-1990s as part of decentralization and democratization processes and/or as immediate post-conflict and post-disaster response strategies. Many of these initiatives fall into the category of community-driven development (CDD), targeted to the rural poor and/or poor communities (World Bank, 2002). The CDD initiatives in the region are aimed at building new local/community institutions, strengthening social capital, and promoting and encouraging community involvement in local development. These initiatives have proven to be effective in reaching the poor, the excluded, and vulnerable groups by creating opportunities that allow the rural population to gain control over decision-making processes and resources.

32. The FAO experiences and work on territorial approaches in Europe and Central Asia have been focused on supporting integrated community development and are oriented to delivering comprehensive, multisectoral and multistakeholder responses that enable reaching the SDGs and achieving country-specific targets – in particular, those related to local food systems transformation (FAO, 2020b).

33. FAO has supported many initiatives and projects related to local rural development in the region, working both at country and community levels. This includes supporting rural transformation and enhancing rural livelihoods, including improving food security and nutrition. Using a participatory and multisectoral approach, FAO is supporting local rural development initiatives in its programme countries by assessing local community needs, development constraints and opportunities, which serve as a cornerstone for the elaboration of a long-term local development vision and a short-to-medium-term community development plan for a given community. The plan needs to be tailored to local conditions, opportunities and priorities, ensuring an inclusive planning process in which no one is left behind. This includes the elaboration of a multisectoral baseline assessment of local agricultural, economic and social conditions, with a focus on access to natural resources. In such an approach, communities do not necessarily coincide with the administrative units but rather represent one or more villages that share common culture and traditions and face similar difficulties. The community population is usually small, which makes it possible to work directly with the population and not only with their representatives, as is usually the case with the LEADER approach. This is especially relevant in the countries in which rural institutions are weak and do not necessarily represent the majority of the population.

34. In order to contribute to improving nutrition at the community level, various support programmes have been implemented and policies have been introduced in recent years, adapted to the local context, including support for short food supply chains, the local procurement of food (including by public institutions), and the promotion of urban and peri-urban agriculture. One of the examples of linking territorial approaches with nutrition at community level is school feeding programmes.

35. The school feeding programmes vary from country to country in design and implementation. In addition to health and educational benefits, they can generate positive outcomes towards stability and community cohesion by fostering cooperation, building trust among community members and

improving local governance practices. Moreover, such programmes based on local food production can play an important role in addressing climate change issues through shortening food chains and can benefit local economies and food systems (WFP, 2020). FAO supports school feeding by facilitating policy, legal and institutional environments and supporting inclusive procurement and value chains (FAO, 2019).

IV. Conclusions and policy recommendations

36. This document has presented the main structural features and challenges faced by farmers, rural communities and governments in addressing the multidimensional issues related to local food systems. The concepts of territorial approaches to development implemented in the Europe and Central Asia region and their principles and contributions to the transformation of local food systems also are discussed, as well as challenges that national and local governments face in integrating multistakeholder and multisectoral objectives and interests.

37. The territorial approaches to development, with their focus on the territory's characteristics, assets, needs, networks, participation and consensus-building, offer an opportunity to effectively address the SDGs related to food systems at all levels in an integrated way, in particular SDG 2. The evidence provided above shows that territorial approaches to development can contribute to a more inclusive and sustainable transformation of food systems if paired with capacity development and the strong commitment of all actors to multilateral and multisectoral cooperation.

38. This final section provides policy recommendations for addressing the identified obstacles. The medium-term policy recommendations for governments, academia, private sector, civil society organizations, international organizations, donors and other actors in Europe and Central Asia are the following:

1. *Mainstream territorial approaches to development in global, national and local policies aimed at a sustainable and socially inclusive transformation of local food systems*

- The application of territorial approaches to development needs to be further enhanced and integrated into national policies. Mainstreaming principles of territorial approaches in developing new national/regional/sectoral development strategies/programmes/projects and linking them with a specific territory and its comparative advantages will contribute to the transformation of food systems, including addressing the issues of malnutrition. Policies should support collective action initiatives, nutrition-sensitive social protection, participatory policy development and the creation of opportunities for community consultation.
- Policy agendas should be aligned across various levels of government, including between line-ministries, and national policy frameworks should be adapted to territorial contexts. If territorial approaches to development are mainstreamed in policy formulation, implementation and monitoring, this would improve the effectiveness of agricultural, rural and food policies. Identifying complementarities and managing trade-offs among policy areas and policies at the various geographical levels are essential for ensuring that scarce resources are deployed as efficiently as possible.

2. *Promote territorial approaches as a means for achieving the SDGs and the commitment to leave no one behind*

- Include the principles of territorial approaches to development in national agendas for achieving SDGs to enable countries to meet the pledge to leave no one behind at all governance levels. Territorial approaches offer opportunities to localize the SDGs and link them with those in need and their priorities. This is particularly relevant for the principle of “leave no one behind,” which is not only aimed at reducing extreme poverty, but also at reducing inequalities between and within social groups and territories.
- In order to contribute to the realization of the SDGs and to ensure that no one is left behind, there is a need for more strategic and inclusive approaches to policymaking, which in turn require the enhanced capacities of all stakeholders in territorial development – particularly of smallholders, rural women, youth, and their organizations. Local stakeholders need to develop new skills and specific competences that enable their engagement at all stages of the policy circle, and it needs to be ensured that their voices and needs are properly addressed through participatory and inclusive processes.
- Support measures need to consider RAI principles and concerns for small-scale and family farming systems, vulnerable groups, and small and emerging businesses around food and related services, and they need to include consumption support for access to healthy, diverse and nutritious foods for rural and urban consumers.

3. *Build capacities for evidence-informed decision-making for territorial development*

- Different governance levels, sectors and actors need different types of data to properly identify, assess, plan and manage development targets. Support should be provided to help countries and regions develop/strengthen capacities to collect, analyse and use a wide range of urban, peri-urban and rural disaggregated data, including on inequalities and food and nutrition security, needed for the formulation of policy addressing multidimensional and multisectoral development challenges.
- Improve the accessibility of commercial geospatial data to researchers, analysts, planners and policymakers for the assessment of resources to monitor spatial biophysical, ecological and socio-economic data mapping and analysis at territorial levels (Forster *et al.*, 2021).
- There should be better cooperation with academia and research institutions, since science can play an important role in informing policies, providing context analysis, developing spatial econometric models to test development scenarios, providing feedback on planned actions and measures, etc.

4. *Enhance multilevel governance and the coordination of policies for sustainable local food systems*

- Multilevel governance is fundamental to ensuring the quality of the decision-making process. There is a need for national and local policies that appreciate the interrelation of various sectors and actors in ensuring more productive and resilient food systems; that develop context-specific solutions, taking into account territorial specificities; and that focus on inclusive and participatory development while unlocking new development opportunities.
- Enabling legal frameworks for the effective public participation of all local stakeholders, including marginalized groups, should be developed. Multistakeholder, government-led platforms can be an important tool for increasing the participation of local stakeholders in policymaking and ensuring better policy coordination and coherence. Ensuring participatory processes in policy formulation involving local communities can help identify trade-offs,

empower local communities and increase policy responsiveness to their needs. Supporting initiatives such as food policy councils or coalitions can improve linkages among public, private, and civil society actors.

- Attention should be given to balancing objectives and creating synergies i) among policies that foster economic growth, social protection and environmental concerns; ii) between policies that target specific territories and those that target specific groups of people/beneficiaries; and iii) between policies that promote well-being and rural livelihoods and those that promote innovation.
- Capacities for cross-sectoral cooperation, policymaking and implementation must be strengthened at both national and subnational levels. Cross-sectoral cooperation also will ensure better understanding of food security and nutrition issues by national- and subnational-level stakeholders, including local businesses and civil society organizations. Issues of overweight, obesity and micronutrient deficiencies are not individual health problems but rather issues of livelihoods, accessibility to food and other socio-economic factors.

5. *Facilitate investment and funding to support territorial development*

- The lack of or fragmentation of funding sources and the lack of information about available funding often hamper the achievement of policy objectives, particularly in fragile territorial contexts and in countries with weak governance systems. It is therefore important to improve the coordination of funding mechanisms and investment support for local development strategies.
- The decentralization of funding is an important aspect that can help local governments bridge gaps in implementation capacity. Financial decentralization enhances the budgetary independence of local governments in favour of the most-needed local investment that better targets those in need (CIRAD, 2018). At the same time, financial support from the national government will often still be needed.
- Investments in sustainable food systems must go beyond agriculture. Support measures also need to be directed to i) agricultural extension services, public education and awareness on proper nutrition, food loss and waste reduction, local food procurement and its benefits, nutritious food environments, etc.; ii) climate change mitigation and adaptation; and iii) infrastructure development and social protection programmes.

6. *Facilitate funding to support initiatives aimed at sustainable food systems and improved nutrition for all*

- In line with VGFSyN, agricultural and rural policies need to be more nutrition-sensitive, to include i) investments to strengthen the responsiveness of value chains to the needs and demand of local populations and businesses; ii) the development of organic agriculture and short food chains; iii) improvements to food safety; iv) the promotion of sustainable production practices; and v) support for small-scale and family farms, connecting them to local markets and new niche markets (FAO, 2017).
- Urban and peri-urban agriculture should be considered an important and integral part of local food systems, and support should be made available – in particular for the urban poor, unemployed, women and youth.

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- Regional specialization – in terms of the development of a list or group of recommended agricultural products and relevant production technologies for different agro-climatic zones and support for their implementation – would be essential for increasing the productivity of smallholders and family farms. This list would be a volunteer guideline for the selection of the best available technologies in the region (FAO, 2020a).
 - Fiscal incentives can be provided to small and medium enterprise development and start-ups located in rural areas, particularly to those led by women and youth or those that employ them. These incentives and other support schemes need to be adapted to the reality of youth, women and men so they can be more widely accessible.

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