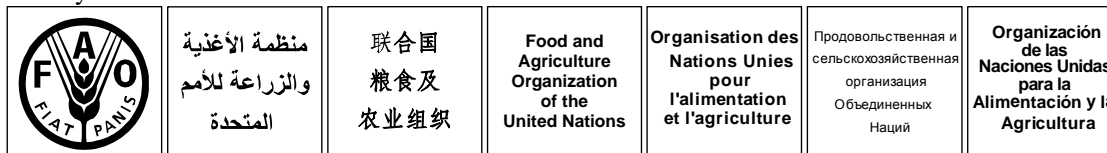


January 2012



# FAO Regional Conference for Asia and the Pacific

## Thirty-first Session

Hanoi, Viet Nam, 12 – 16 March 2012

### PROVISIONAL ANNOTATED AGENDA

#### SENIOR OFFICERS MEETING

12–14 March 2012

## I. INTRODUCTORY ITEMS

1. Election of the Chairperson, Vice-Chairperson and Appointment of Rapporteur
2. Adoption of Agenda and Timetable

## II. REGIONAL AND GLOBAL POLICY AND REGULATORY ISSUES

8. **State of food and agriculture in Asia and the Pacific region, including future prospects and emerging issues**

Despite substantial long-term progress, the majority of the world's undernourished live in the Asia-Pacific region. In the context of longer-term economic growth and investment, this paper will analyze and discuss trends in various indicators of food insecurity and malnutrition, including analysis of gender differences in these indicators where possible. The key role of investment in agriculture by both the private and public sectors in order to ensure a lasting eradication of food insecurity and malnutrition will be examined, including the importance of factors such as subsidies, public goods and the role of gender. The paper will also highlight future prospects and emerging issues in the region.

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9. **Report and consultation on the outcomes of the 37th Session of the Committee on World Food Security (CFS) and follow-up actions at regional and country levels**

The CFS Committee consultations at the global level have identified key areas that need to be addressed to ensure food security and adequate nutrition for all. These include facilitating support for country-led efforts; promoting accountability and sharing best practices at all levels; developing innovative mechanisms to monitor progress in achieving food security and nutrition objectives; providing a forum for mutual information, discussion and coordination of major food security and nutrition initiatives; and operationalizing linkages with regional initiatives. The Committee also recognized the important role played by smallholder farmers, including women, in addressing and advancing food security and nutrition.

As requested by the 37th Session of the Committee on World Food Security (CFS) held in Rome from 17 to 22 October 2011, the consultations to be held at the Regional Conferences are to enable regional stakeholders to engage in two major initiatives – (i) the process to map food security and nutrition actions and (ii) the preparation of the Global Strategic Framework for Food Security and Nutrition.

This session will also serve as a multistakeholder consultation.

10. **Sustainable intensification and diversification of crops and agriculture towards food and nutrition security**

Over the past 50 years, millions of people in Asia and the Pacific have been lifted out of poverty and the availability of food supplies has outpaced the growth in population. It has indeed been a remarkable feat. However, despite the substantial progress made, the region still accounts for 65 percent of the world's hungry people and the levels of under-nutrition and malnutrition remain unacceptably high. Estimates suggest that by 2050 more than half the world's population will live in this region, income levels will rise manifold and a much larger proportion of the population will live in urban areas. FAO estimates that, at the global level, feeding this larger population will require increasing food production by about 70 percent from its current level. The trends in the Asia-Pacific region will likely be similar and, given the limits on expansion of arable land in the region, nearly all the future increase will have to come from increases in yields and cropping intensity.

The rise in income levels has also spurred a shift in dietary patterns – from traditional carbohydrate based diets to diets richer in proteins and micronutrients (crops, fruits, vegetables, meat, eggs, milk and fish). This has resulted in heightened demand for cereals, both for human consumption as well as for livestock and aquaculture production. This competition will further intensify in the future. While this diversification can potentially create new opportunities for farmers and provide more affordable and balanced diets for future generations, it will also require a more complex institutional response that can stimulate income growth and employment in the rural areas, protect the livelihoods of small farmers and ensure adequate access by the poorer sections of society to the food they need to live healthy lives.

Climate change, water scarcity, land degradation and increased resource competition for biofuel production pose major additional challenges for ensuring food security in the long run. Meeting these challenges will require substantial investment in improved resource use efficiencies, development of appropriate technologies and control along the value chain in a manner that facilitates integration of environmental health, economic profitability, and social and economic equity goals.

In the light of the foregoing, this paper analyzes the main trends and drivers of continuing intensification and diversification in agriculture and identifies priority action areas at the country and regional levels to strengthen the ability of countries in the region to meet future food needs on a sustained basis. The paper also proposes policy measures for strengthening the linkages between

sustainable supply growth, improved food and nutritional security at the household level, and improved management of natural resources and the environment.

#### 11. **Value chain development and post-harvest loss reduction for smallholder farmers**

The Asia-Pacific region must double its food production outputs in order to feed an additional 1.5 billion people by the year 2050. Presently, post-harvest losses across the region average at around 30 percent for grains and between 15 and 50 percent for perishable horticultural crops. These losses result largely from a weak infrastructural support base, coupled with a lack of technical knowledge and organizational capacities among smallholder farmers.

Apart from reducing the quality, quantity and value of food, losses result in the wastage of resources, reduce returns to small farmers, contribute to increased prices for consumers and add pressure to an already strained natural resource base as farmers try to compensate by increasing their production. Value chain approaches that add value, expand and diversify market opportunities for raw agricultural materials, link smallholder farmers to markets and which generate income and employment would provide impetus to the development of infrastructure and institutions required for economic growth and contribute tremendously to sustainably reducing post-harvest losses in the region.

This paper examines the causes, magnitude and impact of post-harvest losses across the region and highlights requirements for effective and efficient functioning of post-harvest systems. Further, the paper discusses mechanisms for empowering small farmers to effectively participate in modern and efficient value chains that link them to markets and which reduce post-harvest losses.

### **III. PROGRAMME AND BUDGET MATTERS**

#### 12. **FAO Activities in the Region in 2010-11 (including the implementation of priorities and recommendations of the five Regional Technical Commissions), and the Programme of Work and Budget 2012-13 and Areas of Priority Actions for the Asia and the Pacific Region for the Following Biennium 2014-15**

This item provides a summary of substantive achievements by FAO in the region and presents the principal measures and actions taken to implement the recommendations of the 30<sup>th</sup> FAO Regional Conference for Asia and the Pacific, including the implementation of priorities and recommendations of the five Regional Technical Commissions (RTCs). This item also presents, for review and recommendation, the issues and priorities that FAO will be addressing in the region during the implementation of the PWB 2012-13 and the proposed priorities for 2014-15 in the context of the evolution of the Regional Priority Framework (2010-2019).

#### 13. **Decentralization Issues**

The paper reviews FAO's country coverage in the region, with a view to enhancing the Organization's effectiveness and efficiency at country level and make recommendations to the Council in 2012 on the most suitable structure and skills mix of the Decentralized Offices (DO) network in the region.

The report FAO Renewal – Transition to a More Dynamic Approach in 2012, describes the new direction for FAO renewal, focusing on realization of benefits, acceleration of IPA actions in 2012, and a mainstreaming of the renewal into the work programme of the Organization. Regional Conferences are invited to provide observations on issues specific to each region. These are an

essential feedback for successful completion of the renewal process, and will be used to inform management decisions on the way forward.

#### IV. OTHER MATTERS

##### 14. **Multi-year Programme of Work 2012-15 for the FAO Regional Conference for Asia and the Pacific**

Development of a Multi-year Programme of Work (MYPOW) 2012–15 for the Asia and Pacific Regional Conference is required in accordance with IPA Actions 2.70 to 2.72.

##### 15. **Date and place of the 32<sup>nd</sup> Regional Conference for Asia and the Pacific**

##### 16. **Any other matters**

#### INFORMATION NOTES\*

##### a) **Regional implementation plan for the global strategy to improve agricultural and rural statistics**

The Global Strategy, prepared by the World Bank and FAO and endorsed by the UN Statistical Commission (UNSC) in February 2010, is a ground-breaking effort to improve agricultural statistics, driven by an in-depth assessment of its current status. One of the major recommendations included in the strategy is that agriculture be integrated into the national statistical system. A regional implementation plan was developed and endorsed for Africa. This paper presents the plan being developed for Asia and the Pacific.

##### b) **Summary of the recommendations of the Regional Technical Commissions (RTCs): Relevance of the RTCs to the work of the APRC and their function as regional, subsectoral priority setting mechanisms**

Under the FAO reform, the APRC has been given an enhanced role in advising the FAO Council on priorities and programmes in the region and advising the FAO Conference on regional and global policy and regulatory matters.

The five Asia-Pacific regional commissions, which are statutory bodies of the Organization, deal with agricultural statistics, animal production and health, fisheries, forestry and plant protection. The RTCs provide a regional vehicle that is capable of identifying regional specificities. The APRC recognized the competence of the RTC's as priority setting bodies for their subsectors at the 30th APRC and requested that the recommendations of the sessions of the RTCs be presented to the 31st APRC. This agenda item summarizes how the regional and subsectoral focus of the Regional Technical Commissions (RTCs) provides a unique opportunity to address issues related to the Asia-Pacific region. Owing to the specific regional focus of the RTCs, endorsement by the APRC lends greater legitimacy and "ownership" over regional policy studies, sectoral outlook reviews and the development of codes of practice so that they can also be more effectively integrated into the work of the FAO Global Technical Committees.

The summary recommendations of the five RTCs are presented in the paper under headings covering the following core areas of the RTC's work:

- Capacity building and training, awareness raising on regional issues;

- Regional assessments, regional subsectoral reviews, status and trends reporting;
- Establishment of regional networks, regional technical cooperation and exchange;
- Harmonization of data, standards, practices;
- Development of regional standards, codes of practice, best practice guidelines; and
- Advocacy/representation of regional issues in development of global normative instruments.

This paper highlights the policy and regulatory issues relating to the operation of the RTCs which were discussed during the last sessions of the RTCs. The programme and priority related issues are covered under agenda item 12.

**c) Bioenergy development and food security policy**

The impact of bioenergy on food security and prices is complex, and requires careful analysis of many variables. Bioenergy production can change the availability and price of food by competing for land used for growing food crops. This “fuel versus food” competition is widely recognized, and the extent of the impact needs further research as current estimates vary widely and depend on the type of crop and region. FAO has undertaken a number of studies to estimate the impact of biofuels on the rapid rise in food prices during the last few years. Food prices have been affected by higher oil and fertilizer prices, bad harvests due to droughts, and commodity speculation. In this atmosphere, the increased demand for biofuels appears to have put additional pressure on crop land. The studies estimate that biofuels may have contributed to about a 10–20 percent rise in food prices.

In the Asia-Pacific region, patterns in the use of bioenergy have been changing, reflecting the economic growth that has taken place in the region. Once the key source of energy for the region’s largely agrarian societies, rapid economic development over the past 50 years has resulted in a significant decline in the use of bioenergy and its replacement with fossil energy. This transition has paved the way for development and change. But, while rapid economic growth and increased consumer purchasing power are expected to drive a continuing shift away from traditional bioenergy in the near future, higher fossil energy prices and a growing need for more environmentally sustainable energy sources has led to strong support by many governments in the region for the development of modern bioenergy sectors. This support has often taken the form of volumetric targets or mandates for a range of bioenergy sources, complimented by targeted policies designed to facilitate and support their achievement.

Such policies are often nationally focused and predicated on an assumption that plentiful and affordable biomass feedstock will be readily available from either existing agricultural production systems and agro-industrial wastes or modest expansion of bioenergy feedstock production. The recent upsurge in agricultural prices in the region has given cause for concern that such policies will eventually threaten regional food security and undermine the cost competitiveness of bioenergy sources. However, with improved farming methods, more technologies to use marginal land for bioenergy production, and greater flexibility with the markets, the current competition between the choice of “food versus fuel” can be overcome. A more holistic assessment of biomass production systems for both food and energy is required to ensure that regional bioenergy policies do not lead to an unnecessary compromise between broad-based food security and sunk investments in bioenergy sector development.

This paper analyzes the potential impact of regional bioenergy policies on the region’s natural resource base and household food security levels using elements of FAO’s Bioenergy and Food Security Framework. Strategies to encourage more integrated regional approaches for holistic and sustainable bioenergy development will be identified.

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\* If they so wish, delegates may comment on information notes under “Any other matters”.

There are two additional information notes, namely:

- d) APRC/12/INF/10 Global trends and future challenges for the work of the Organization
- e) APRC/12/INF/11 FAO Renewal – Transition to a More Dynamic Approach in 2012

## PLENARY SESSION

15–16 March 2012

3. **Statement by the Director-General**
4. **Statement by the Independent Chairperson of the FAO Council**
5. **Statement by the Chairperson of the 30<sup>th</sup> Session of the Regional Conference for Asia and the Pacific**

The statement of the Chairperson of the 30<sup>th</sup> APRC will provide a brief on the outcome of the deliberations of the 37<sup>th</sup> Session of the FAO Conference (Rome, 25 June – 2 July 2011) and the 141<sup>st</sup> FAO Council (11-15 April 2011) on matters related to the Asia and Pacific Region.

6. **Statement by the Chairperson of the CFS on the outcomes of the 37th Session of the Committee on World Food Security and update of the CFS reform**

The statement will cover updates on global and regional initiatives and linkages with CFS as well as several policy round tables, and also includes global coordination and support for national processes such as mapping food security and nutrition actions at the country level. A consultation on these subjects will be held at the Senior Officers Meeting under item 9.

7. **Prioritization of country and regional needs**

Asia and the Pacific region face various challenges in the food and agricultural sectors, such as food security, climate change and natural disasters. Delegates are invited to outline their views on the priorities for addressing such national and regional needs in 3–4 minutes each.

### **Review and endorsement of the Report of the Conference**

The draft Report of the Regional Conference, prepared, discussed and approved by the Senior Officers Meeting, will be reviewed and endorsed. The discussion will cover:

- i) Regional and Global Policy and Regulatory Issues;
- ii) Programme and Budget Matters;
- iii) Other Matters.

The Report will be introduced by the Rapporteur.

### **Round table on policies to address food price volatility**

Food prices on international markets increased sharply from September 2006 to June 2008. The FAO Food Price Index rose from 124 to 224 points in nominal terms, before plunging to 141 in February 2009. From that point onwards it started rising again, albeit slowly and unsteadily. It began to increase

continuously from July 2010, peaking at its highest level ever in February 2011 to 237 points. Even in real terms, the food price index in February 2011 was the highest ever. While rice prices were relatively stable, sugar, edible oil, wheat and maize prices increased rapidly.

The sharp fluctuations in food prices that have occurred during the last five years have not been witnessed for over 30 years in international commodity markets. Moreover, national food prices have also been volatile in recent years. In most countries of the Asia-Pacific region, the food price index rose faster than the consumer price index in 2010.

The main underlying reason for the observed volatility in international food prices is the tightening of the demand-supply balance. While the demand for food is steadily growing, the supply of food has been constrained by lack of productivity growth for major cereals, limited expansion of arable land and declining soil quality and water resources. Increasing vulnerability to natural disasters, partly related to climate change, market imperfections and inadequacies of infrastructure and support services for agriculture as a result of years of underinvestment in the sector are other factors contributing to food price volatility.

Food price volatility is also increasingly influenced by stronger linkages between agricultural markets and energy markets, both for fossil energy and bioenergy. As energy prices directly affect the cost of production and distribution of food, volatility in energy markets are transmitted to food markets. While the effects of oil prices are obvious, bioenergy prices affect food prices as some key food commodities, such as maize and palm oil, serve as feedstocks for biofuel production and thus compete for resources used in food production, such as land, water and labour.

Extreme volatility in food prices poses a serious threat to the poor who spend a very large proportion of their household budgets on food. Neither is it good for food producers who find it difficult to plan production in an effective way owing to uncertainty about future price movements.

Delegates to the 31st FAO Regional Conference will be invited to share their experiences and perspectives on short- and long-term policy options at international, regional and national levels to reduce price volatility and help stakeholders, especially the poor, manage the associated risks and uncertainty and the impacts of price volatility.