CL 155/3 Review of FAO Strategic Framework

Web Annex 3 – Sectoral trends, challenges and priorities FAO Technical Committees, 2016

Trends and developments that are expected to influence areas of work in agriculture, commodities, fisheries, forestry, and trade and markets were discussed in the FAO Technical Committees in 2016.¹ These were used, together with the global and regional trends and developments,² to derive the main challenges expected to be faced by countries in food and agriculture in the coming years, as set out in document CL 155/3.

Web Annex 3 presents for information a compilation of the trends, challenges and priorities in fisheries and aquaculture, forestry, agriculture, and trade and markets derived from the outcome of the FAO Technical Committee sessions held during July-October 2016.

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 $^{^1}$ C 2017/23 - 32nd session of the Committee on Fisheries (11-15 July 2016); C 2017/24 - 23rd session of the Committee on Forestry (18-22 July 2016); C 2017/21 - 25th session of the Committee on Agriculture (26-30 September 2016); C 2017/22 - 71st session of the Committee on Commodity Problems (4-6 October 2016)

² See CL 155/3 Web Annexes 1 and 2, and PC 119/2 Regional Priorities

Committee on Fisheries (COFI) 11-15 July 2016 (C 2017/23)

Trends and challenges in fisheries and aquaculture

➤ Several SDGs of the 2030 Agenda are relevant to fisheries and aquaculture and to the sustainable development of the sector. While SDG 14 focuses on the oceans covering targets that are explicitly fisheries-related, other goals also have implications for fisheries.

- ➤ The climate regulation and carbon sequestration services provided by oceans, inland waters and aquatic ecosystems featured prominently in the *Paris Agreement on climate change (COP21)*, highlighting the urgency of reversing current trends, restoring aquatic ecosystems and their productive capacity. In this regard, resilience throughout the seafood value chain, especially for the small-scale sector and vulnerable coastal States and Small Island Developing States (SIDS) in the face of natural disasters and climate change remains a pressing challenge.
- Fisheries and aquaculture continue to play as sources of food, nutrition, income and livelihoods for a large number of people around the world. Globally, fish continues to be one of the most traded food commodities. Significant growth in fish and seafood production is needed to meet growing demand, mainly from aquaculture, must occur in a context of increasingly limited land, water, feed and energy resources.
- ➤ Trends in *aquaculture production* indicate that while there is room for expansion of production with economic value added and food security benefits, there are several issues that need to be addressed: (i) risk and threats from natural hazards and disease outbreaks (ii) conflicting use of resources and challenge of integrating aquaculture with other production systems such as rice or salt production (iii) challenges in producing good quality, environmentally-friendly and economically-sustainable fish-feeds. There is a need to ensure that continued growth of aquaculture production is done in a sustainable manner.
- ➤ Aquatic ecosystems are under stress with some 29% of the fish stocks are over-exploited. Fishing continues to be one, if not the most hazardous occupation in the world, leading to large number of deaths annually, mainly on board small fishing vessels. Disease outbreaks

Priorities as expressed in COFI 2016

- Continue with the four streams of work under the Blue Growth Initiative (BGI), as
 a means to focus the work of FAO on fisheries and aquaculture in support of food
 security and nutrition, poverty reduction, sustainable management of living aquatic
 resources and resilience.
- Ensure better integration of fisheries and aquaculture in food security and nutrition strategies and programmes.
- Work with other international organizations, Regional Fisheries Bodies and Regional Fisheries Management Organizations to advocate the positive contribution of fisheries and aquaculture to sustainable development
- Strengthen regional aquaculture networks.
- Develop policies and field programmes that allow countries to invest in nutrition-focused fish and aquaculture value chain development.
- Draw up efficient climate change adaptation and mitigation strategies for the fisheries and aquaculture sectors and provide technical guidelines on adaptive management measures in response to climate change.
- Provide technical expertise in the biodiversity beyond areas of national jurisdiction (BBNJ) negotiating process.
- Continue to support capacity development programmes aimed at strengthening resilience and disaster relief.
- Assist countries is establishing sustainable aquaculture development, particularly in SIDS, through enhancement of youth and women employment, capacity development in aquaculture, farmer networks, access to markets and addressing occupational and safety hazards.
- Develop technical guidelines addressing the causes of and remedies to food losses and waste and continue working in post-harvest losses.
- Continue improving the web-based questionnaire of the Code of Conduct for Responsible Fisheries.
- Highlight the importance of the small-scale fisheries sector in improving the sustainability of capture fisheries and aquaculture
- Include small-scale fisheries as a key component in the BGI and other FAO strategic programmes.

Committee on Fisheries (COFI) 11-15 July 2016 (C 2017/23)

Trends and challenges in fisheries and aquaculture

- have been very costly to the aquaculture industry over the last 20 years. Natural disasters continue to cause massive loss of life, severe damages to the physical infrastructure of coastal states and leave thousands of people homeless.
- ➤ There is growing concern about the increasing problem of marine litter and microplastics and over threats to marine life and ecosystems originating from oil spills, shipping and offshore oil platforms, as well as the lack of applicable effective international instruments to address this issue
- ➤ Inland fisheries have not been granted adequate attention in the past, and that their contribution and value is often underestimated because of the difficulties faced in accurately measuring inland fisheries production.
- Small-scale fisheries provide work to 90 percent of the people employed in capture fisheries and provide a multi-dimensional function in poverty reduction, food security, nutrition, social cohesion, stability and development, cultural values, income and employment generation and livelihoods. Endorsed in 2014, the Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication (SSF) represent a global consensus on principles and guidance for small-scale fisheries governance and development towards enhanced food security and nutrition.
- ➤ Illegal, Unreported and Unregulated (IUU) fishing may account for more than 15 per cent of the world's total annual capture fisheries output. The 2009 Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (PSMA) entered into force in June 2016. Although it will not eliminate IUU on its own, the PSMA will contribute to the fight against the scourge of IUU fishing

Priorities as expressed in COFI 2016

- Support the implementation of Small-Scale Fisheries Guidelines and, in this
 context, provide guidance on ecolabelling, market access, benefit distribution and
 competitiveness.
- Provide best practice guidance on the management of inland fisheries and develop a plan for the implementation of the Ten Steps to Responsible Inland Fisheries.
- Develop an effective methodology to monitor and assess the status of inland fisheries.
- Create a database for existing rights-based management systems.
- Provide guidance on catch monitoring and reporting in support of evidence-based decision-making
- Support to the implementation of the PSMA trough the global capacity development umbrella programme.
- Continue with the development of the Global Record of Fishing Vessels, Refrigerated Transport Vessels and Supply Vessels recognizing that it could play an important role in combatting IUU fishing.
- Develop technical guidelines on methodologies and indicators by for the estimation of the magnitude and impact of IUU fishing and undertake reliable periodic estimates of IUU fishing, including at the regional level.
- Continue FAO's collaboration with the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in order to support implementation of CITES requirements
- Focus on refining harmonized tariff schedules for fish endangered species in collaboration with the World Customs Organization (WCO)
- Conduct pilot projects to avoid ghost fishing by retrieving Abandoned, lost or otherwise discarded fishing gear (ALDFG) and on fishing gear markings in developing countries.

Committee on Forestry (COFO) 18-22 July 2016 (C 2017/24)

Trends and challenges in forestry

- ➤ SDG 15 of the 2030 Agenda calls for protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainably managing forests, combatting desertification and halting and reversing land degradation and halting biodiversity loss. Under this goal, Target 15.2 specifically calls for halting deforestation restoring degraded forests and substantially increasing afforestation and reforestation globally by 2020 a formidable task in view of the trends outlined above. 19. Forest actions are also essential to the achievement of other SDGs such as SDG1 on eliminating poverty; SDG2 on ending hunger, achieving food security and adequate nutrition and promoting sustainable agriculture; SDG6 on availability and sustainable management of water; SDG7 on access to affordable, reliable and modern energy and SDG13 on climate action
- Forests will play an important role in the implementation of *the Paris Agreement on climate change*, in mitigation as well as in adaptation efforts. The main mitigation mechanism is Reducing Emissions for Deforestation and Forest Degradation (REDD+), however, the agreement also acknowledges forests' potential for adaptation including joint approaches and the importance of non-carbon benefits. The majority of the NDCs mention forestry and land use mitigation and adaptation measures.
- Forests and trees will play a role in implementing the Framework for Action of the *Second International Conference on Nutrition (ICN2)*. Forest products directly contribute to meeting nutritional requirements of populations, by providing staple foods, protein and micronutrient rich food sources. Wood fuel from forests contribute significantly as source of energy for food processing and water sterilization. Additionally, forest products can be an important safety net for vulnerable households especially during hungry seasons when food is in short supply.
- > Trends in land use and forest coverage show that while deforestation rates are declining globally, they are still alarmingly high in some

Priorities as expressed in COFO 2016

- Develop and implement adaptation policies to increase resilience and reduce vulnerability of forests and people against the negative impacts of climate change.
- Support countries in the integration of forestry into national development frameworks relevant for climate change and as reflected in their NDCs and NAPs.
- Further develop technical guidance for forest vulnerability assessment in the context of climate change.
- Update the guidelines on Climate Change for Forest Policy-Makers and support interested countries in their use.
- Support interested countries: a) in forest tenure reform taking into account food security and nutrition; b) in the formulation of forest-related policies that integrate food security and nutrition objectives d) in strengthening efforts to collect more detailed information about the contribution of forests and trees outside forests to food security and nutrition.
- Strengthen FAO's work on forests' fundamental role for food security and nutrition, sustainable use of natural resources, sustainable agriculture, improved livelihoods and increased resilience of rural and urban communities, as well as work on integrated approaches to land use.
- Strengthen FAO's work on integrated approaches to land use by supporting improved policies and practices to address the drivers of deforestation and conflicts over land use; capitalize on the full range of economic, social and environmental benefits of integrating forests and agriculture; and maintain multiple forest services in the landscape context.
- Assist countries in developing integrated land use planning.
- Use the five interconnected principles developed by FAO on sustainable agriculture to strengthen policy dialogue, integrating sustainable forest management into national development programmes.
- Identify new opportunities for financing sustainable development, with integrated approaches between forestry, agriculture, and livestock.
- Strengthen work in the area of boreal and temperate forests.
- Review the Global Forest Resources Assessment (FRA) strategy.
- Support countries in strengthening the collection, analysis and dissemination of forest data with a view to supporting the national SDG indicators.
- Pilot new methodologies for assessing regional and global trends in forest cover.

Committee on Forestry (COFO) 18-22 July 2016 (C 2017/24)

Trends and challenges in forestry

- regions, especially in the tropics and subtropics and this trend is likely to continue in the coming years.
- Agriculture is still the main driver of deforestation, albeit with regional differences. Large-scale commercial agriculture accounted for almost 70 percent of deforestation in Latin America while in Africa, small-scale agriculture is the main driver. As human populations continue to increase, it is likely that demand will continue for conversion of more forest land to agriculture. Therefore there is an urgent need to promote more positive interactions between agriculture and forestry.
- > Improved coordination is required between *policies on forests*, agriculture, food, land use, and rural development. Integrated land-use planning provides a strategic framework for balancing land uses at the national, subnational and landscape scales.
- ➤ Where countries have secured investment in the forest sector, forest loss is generally lower. Some countries are investing in forests in ways that help achieve wider social and environmental goals related to employment, climate change, land degradation, landscape restoration, and the resilience of agriculture.

Priorities as expressed in COFO 2016

- Complete the readiness phase consistent with the Warsaw Framework for REDD+4, including by moving towards results-based payments (for countries implementing REDD+).
- Further the role of sustainably produced wood in substituting for materials produced with fossil fuels and of carbon storage by harvested wood products.
- Assist countries in developing appropriate tools and methodologies for Monitoring, Reporting and Verification (MRV) in the context of REDD+, and to train national teams in their use.
- Assist countries to develop appropriate tools for monitoring forest degradation and associated baseline information.
- Support countries in their efforts to modernize and strengthen forestry education, using the APFK to provide strategic guidance.
- Continue to strengthen gender mainstreaming in all its dimensions.
- Assist countries in developing forest governance frameworks enabling the forest sector to contribute to the objectives of the Paris Agreement and the SDGs.
- Strengthen tenure rights taking into account the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests, particularly for local communities and smallholders helps improve access to forest benefits.

Committee on Agriculture (COAG) 26-30 September 2016 (C 2017/21)

Trends and challenges in food and agriculture

Expanding scope if agriculture

- ➤ In the last few years, and particularly with the adoption of the 2030 Agenda, the central role of agriculture (crops, livestock, forestry, fisheries and aquaculture) in economic, social and environmental well-being has been reconfirmed and the cross-sectoral nature of agriculture and food has been explicitly recognized. The scope of agriculture has expanded beyond the provision of food and income generation. Agriculture is a major user of natural resources, it has an important role in nutrition and health and overall wellbeing, and contributes to stability and peace.
- Achieving sustainable development will require coherent actions across the various sectors of food and agriculture as well as the whole food system. In this regard, a common understanding and better dialogue across sectors, improved governance mechanisms, effective agricultural innovation systems, mainstreaming of nutrition and health in food systems and reliable data and information for evidence-based decision making is crucial.
- ➤ Climate change impacts which include slow onset environmental change processes, increasing climate variability and enhanced exposure to extreme weather events pose multiple challenges: damages and losses, productivity growth rates driven downward, and pressure added to already fragile food and ecological systems.

Emerging threats and crises and their impacts

➤ While there is clear evidence that climate change is altering the distribution of animal and plant pests and diseases, the full effects are difficult to predict. *Transboundary plant and animal diseases* and pests account for a large percentage of post-harvest losses and pose serious threats to animal and human health across the world. *Global health* threats have increased over the past decades with over 75 percent of emerging diseases affecting humans having their origin in animals (livestock and wildlife), as a result of globalization, demographic growth, agricultural environmental encroachment, as

Priorities as expressed in COAG 2016

- Support the strengthening of capacity of government institutions and of local communities to promote and integrate nutrition into agriculture management and training programmes in collaboration with other UN Agencies and relevant stakeholders, and within the framework of the 2030 Agenda.
- Increase role in providing the necessary data and information and building the capacities of countries, with due consideration to regional specific challenges, agreements and priorities, in the implementation of the 2030 Agenda.
- Improve data and information availability, and supporting countries in improving their capacity for evidence-based decision making.
- In the context of the World Programme for the Census of Agriculture 2020, provide technical assistance and training, as well as to share technologies and methodologies, including through South-South Cooperation and ensure a stronger linkage between the Population and Housing Census and the Agricultural Census to exploit synergies, reduce costs and to enable comprehensive analysis of rural household livelihoods.
- Assist countries, upon their request, to strengthen institutional frameworks and processes and technical capacity to ensure sound agriculture and integrated cross-sectoral approaches to climate change, including addressing the adaptation needs and mitigation potential of agriculture as identified in their Nationally Determined Contributions (NDCs) to the implementation of the Paris Agreement.
- Mainstream biodiversity in agriculture, including livestock to promote its contribution to ecosystem services and to climate change adaptation and mitigation.
- Continue to strengthen normative and science and evidence-based work with particular attention to agroecology, biotechnology, sustainable production, climate change, biodiversity, mechanization, statistics, food safety, nutrition, youth and gender.
- Promote actions that balance the three dimensions of sustainability economic, social and environmental – and that are more integrated across agriculture, forestry and fisheries.
- Strengthen work on sustainable food systems in relation to the UN Ten-Year Framework of Programmes on Sustainable Consumption and Production (10YFP-SCP).

Committee on Agriculture (COAG) 26-30 September 2016 (C 2017/21)

Trends and challenges in food and agriculture

well as climate and changes in land use policies. The development of *antimicrobial resistance* and the subsequent emergence of multidrug resistant bacteria are increasingly becoming issues of global and local concern. In addition, persistent poverty, climatic threats and increasing competition for natural resources will fuel more distress migration.

Rural transformation, agricultural and food System transition

- > Development is a dynamic process that entails change across different layers of a society and the economy, and is generally associated with progress on an extended range of livelihood aspects. The process of development and its impacts varies greatly across the various groups, particularly the most vulnerable.
- > Dynamic structural transformation, brings about change in agriculture and food sectors. Within this typical path of development, four relatively distinct challenges arise due to:
 - a) overall economic transformation
 - b) agricultural sector transformation which includes: sustainable intensification and diversification in agriculture production and introduction and development of value chains that integrate the different stages of the agriculture and food system under a range of standards for quality, quantity and safety, while ensuring that the poor and the extreme-poor have access to these new employment opportunities.
 - c) dietary transformation or nutrition transition, which takes place in all income groups and during which demand for and consumption of meats, fats, oils and sugar as well as processed and convenience products increase.
 - d) social transformation, which describes a transition of different fragments of a society and includes demographic changes and urbanization

Priorities as expressed in COAG 2016

- Continue active collaboration with the World Health Organization (WHO) and the World Organisation for Animal Health (OIE) and other relevant stakeholders in implementing the UN Declaration on AMR, including strengthening the capacity of countries and regions using One Health and multi-sectorial approaches.
- Develop new and affordable tools and approaches for countries and to assist in the development and implementation of national action plans with a focus on strengthening awareness and surveillance, improving governance and best practices.
- Strengthen coherent intersectoral coordination in the development of food systems.
- Support to work related to the Global Agenda for Sustainable Livestock which builds consensus on the path towards sustainability and catalyzes coherent and collective practice change through dialogue, consultation and joint action.
- Support a more inclusive process of rural transformation (migration), one that generates decent rural employment, and making agriculture production and valueadding activities more attractive to displaced populations and youth (to address migration).
- Develop capacities to implement systems supportive of improved food safety, plant health and animal health.
- Play a greater role in assisting countries and local communities in the development of their Agricultural Innovation System strategies through comprehensive diagnosis and needs assessments in partnership with farmers, academia, private sector, research, extension institutions and other relevant stakeholders.
- Intensify food safety work and technical support to smallholders at local level concerning the safe use of fertilizers and pesticides.
- Play a greater role as an intergovernmental stakeholder, and as a programmatic collaborator in providing technical expertise, as well as to strengthen its role as the Secretariat, promote stronger cooperation among countries, as well as better regional balance.
- FAO, countries and all relevant stakeholders to continue their work on pulses, including their promotion beyond 2016.

Committee on Commodity Problems (CCP) 4-6 October 2016 (C 2017/22)

Trends and challenges in trade and markets

2030 Agenda

➤ Trade-related targets under a number of SDGs provide scope for strengthening the role of trade in addressing sustainable development and food security and nutrition. Ultimately, the capacity to realize the transformative potential of the SDGs also depends on delivering on the Addis Ababa Action Agenda. The new vision taking shape puts trade at the core of international cooperation with the recognition that trade and related policies can play a major role in creating the enabling conditions for facilitating structural transformation.

Market transparency and stability

➤ International food markets appear to be calmer than in recent years, but price volatility and mechanisms to limit price spikes continue to be matters of concern. There is a need for more timely and reliable information on commodity markets, improved food security and vulnerability information as a measure to enhance market transparency and reduce price volatility. Constant and strengthened monitoring and assessment and improved understanding of short-term market developments remains critical.

Global and regional trade agreements

- ➤ The Tenth WTO Ministerial Conference resulted in the successful conclusion of a ministerial declaration and six ministerial decisions, four of which refer particularly to agriculture: on Export Competition, on the Special Safeguard Mechanism for developing countries (SSM), on Public Stockholding for Food Security purposes and on Cotton. Importantly, the commitments on Export Competition foresee immediate elimination of export subsidies by developed countries, except for a small number of agriculture products, while developing countries will do so only by 2018 and at a slower pace of elimination in certain cases.
- ➤ Regional trade agreements and in particular the 'mega-regionals' which are under negotiation are gaining momentum and will likely influence the directions of global agricultural trade.

Priorities as expressed in CCP 2016

- In collaboration with relevant stakeholders, assist countries, upon their request, to strengthen institutional frameworks and processes and technical capacity to promote sustainable agriculture and integrated cross-sectoral approaches to climate change, including addressing the adaptation needs and mitigation potential of agriculture as identified in Nationally Determined Contributions (NDCs) under the Paris Agreement.
- Conduct further analysis on the interfaces between climate change, trade, commodity markets and food security.
- Continue FAO's market commodity market monitoring and outlook work for global food security, especially for better market transparency and for informed policy decisions
- Strengthen capacity in food price monitoring and analysis to inform evidencebased policy decisions in order to help limit extreme food price volatility.
- Maintain the annual production of the OECD-FAO Agricultural Outlook as the global reference publication for medium-term projections and market analysis for the agricultural sector
- Strengthen the human and institutional capacities of developing countries to better undertake analysis of the implications and opportunities of trade and related policies for food security and nutrition
- Provide assistance to developing countries to facilitate policy dialogue for improving alignment and coherence between agricultural development strategies and trade-related frameworks and policies.
- Provide assistance to developing countries to engage in regional and multilateral trade and trade-related processes, to ensure that these processes are coherent with, and supportive of, countries' pursuit of food security objectives and the WTO multilateral process.
- Support countries for effective participation in trade negotiations and formulation of trade policies, through the provision of the evidence base, capacity development and facilitation of fora for dialogue.
- Support countries in effective engagement in the formulation of trade policies and agreements
- Continue to collaborate with the UNFCCC, WTO and other relevant organizations in order to address, in an objective manner and within FAO's

Committee on Commodity Problems (CCP) 4-6 October 2016 (C 2017/22)

Trends and challenges in trade and markets

Value chain development and trade

- Along with its potential benefits, increased participation in international trade can bring various challenges. The growing interdependence of markets can result in wider repercussions of global economic or health-related crises, influencing domestic food prices and potentially contributing to food safety issues. Alignment of trade and sanitary and phytosanitary measures (SPS) to meet WTO commitments can create challenges for countries in accessing international markets. Many import-dependent countries are vulnerable to price and supply risks.
- ➤ Tackling trade-related challenges will require actions to enhance the reach toward new markets both through alignment of trade, food safety and SPS policies and legislation to meet WTO commitments under trade agreements, and through value chain development for meeting international food safety requirements. In addition, efforts are needed to ensure that developments in value chains are inclusive of disadvantaged groups.

Investment

- ➤ Foreign investment has a significant impact on agricultural trade and, reciprocally, greater trade flows can contribute to attracting more foreign investment. International investment in agriculture rose markedly in the years following the food price hike of 2007-2008 and has remained at a higher level than before the crisis. Some forms of investment may carry risks for rural people. The broad endorsement of the Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI) by the CFS in 2014 indicates the importance that Member countries, companies and civil-society organizations give to responsible agricultural investment.
- ➤ As the share of agricultural production that enters global supply chains continues to rise, the activities of companies operating in these chains have an increasing impact on the countries where they produce or purchase. By applying recognized standards for responsible business conduct, in particular due diligence procedures, multinational companies can reduce the risk of adverse effects on the host country.

Priorities as expressed in CCP 2016

- mandate and scope of work, the knowledge gaps and the need for more evidencebased and quantitative impact assessments of climate change on commodity trade at the country level, including analysing and quantifying commodityspecific impacts.
- Pay greater attention to the increasing droughts in different regions, particularly
 Africa and the Near East, and to support Members for sustainable drought
 management in the adoption of drought-, pest- and disease-resistant cultivars and
 pasture species.
- Engage in systematic collection of quantitative information on trade policies as a work priority under trade and markets
- Promote the active use of the CFS-RAI by all relevant stakeholders.
- Provide syntheses, expertise, technical assistance and policy advice on responsible agricultural investment.
- Support the development of multi-stakeholder, more inclusive partnerships for sustainable commodity trade.
- FAO's Intergovernmental Commodity Groups (IGGs) should ensure that they
 keep abreast with contemporary commodity issues and strengthen their roles in
 capacity development and international cooperation to enhance smallholder
 producers' income and food security
- Continue the work on pulses, along with countries and international stakeholders including their promotion beyond 2016.