

Informal Consultation for Europe and Central Asia 4-5 May 2023

Background Note

Session 3

Key challenges and opportunities in the region that might affect the priority areas in the region, and should be addressed by the FAO work programme 2024-25

1. Introduction and background

FAO's new Strategic Framework¹ seeks to support the 2030 Agenda for Sustainable Development through the transformation to more efficient, inclusive, resilient and sustainable agrifood systems for better production, better nutrition, a better environment and a better life, leaving no one behind. FAO's Medium Term Plan (reviewed) 2022–25 and Programme of Work and Budget 2024–25² will be discussed at the Forty-third Session of the FAO Conference in July 2023.

Considering the 2030 Agenda as the overall framework for action along with the core mandate and functions of FAO, the **Regional Conference for Europe** in 2022 endorsed four key priorities of importance for FAO's work throughout Europe and Central Asia for 2022–23 and beyond:

- formulating effective policies, promoting innovation and digitalization, and facilitating rural livelihoods, with emphasis on smallholders, women and youth;
- food system transformation promoting nutrition-sensitive value chains and healthy diets through the alignment of trade, food safety, and sanitary and phytosanitary policies, facilitating One Health;
- promoting sustainable natural resources management and facilitating resilience in agriculture, forestry and other land use sectors, including mitigating and adapting to climate change; and
- addressing food insecurity and reducing all forms of malnutrition.³

The **war in Ukraine** since early 2022 has produced cascading effects on the global economy, which already had been suffering from the impact of the COVID-19 pandemic and the ongoing effects of climate change. The war has fueled uncertainty in an already fragile world economy trying to recover from the consequences of the pandemic, contributing to the global crisis already emerging in food, energy and finance systems. Steeply rising food and energy prices, disruptions and bottlenecks in the trade of food and agricultural inputs, and tightening financial conditions are impacting most countries in the world, including those in Europe and Central Asia.

¹ The FAO *Strategic Framework 2022–31* is available at <http://www.fao.org/3/ne577en/ne577en.pdf>.

² The FAO *Medium Term Plan (reviewed) 2022–25 and Programme of Work and Budget 2024–25* are available at <https://www.fao.org/3/nl239en/nl239en.pdf>.

³ For more information on these priorities, please read *Priorities for FAO in the Europe and Central Asia region under the FAO Strategic Framework 2022–31*, available at <https://www.fao.org/3/ni190en/ni190en.pdf>.

The FAO Regional Office for Europe and Central Asia started a process to **review** the challenges, opportunities and priority areas for the 2024–2025 work programme in February and March 2023. This review process builds on two tracks. On one hand, it considers the country needs reflected in the United Nations Sustainable Development Cooperation Frameworks and Country Programming Frameworks supporting the countries in achieving the Sustainable Development Goals (SDGs) and the national pathways from the United Nations Food Systems Summit preparation. On the other hand, it is based on the outcome of the Regional Stocktaking Moment preparatory meeting in Geneva in March 2023, the global United Nations Food Systems Stocktaking Moment in July 2023 in Rome, and the SDG and Climate Ambition Summits scheduled for September 2023. The process takes into consideration the evolving situation of the current crises.

This background document focuses on summarizing the outcomes of the internal review process in Europe and Central Asia, highlighting the main challenges and opportunities in the region that could affect the above-mentioned four key priority areas in Section 2 and the main areas of response to the challenges under the four key priorities in the region for 2024–2025 in Section 3. This document also contains a closing chapter, Section 4, that looks at the way forward with the development of the 2024–2025 work programme.

2. Challenges and opportunities in Europe and Central Asia in the transition to sustainable food and agriculture and agrifood systems

As countries focus their efforts to achieve the **SDGs**, the ambition of the 2030 Agenda calls for integrated programming, policy coherence, interdisciplinary synergy and multistakeholder coordination to maximize the impacts of national, regional and global efforts and investments geared towards sustainable development.

The transformation of agriculture and food systems is playing a key role in supporting the achievement of multiple SDGs. As a follow-up to the **United Nations Food Systems Summit** in September 2021, countries are supported in collecting and analysing evidence and data, addressing key policy issues, and using tools and guidance to bring multiple stakeholders together to implement national pathways towards the transformation of food systems.

The **repositioning of the United Nations development system** at national and regional levels, with the reinvigorated United Nations resident coordinator system, the [Regional Collaborative Platform](#), the Issue-based Coalitions, the regional working groups, and FAO's value proposition at the regional level within Regional Collaborative Platform,⁴ has helped consolidate regional knowledge and technical capacity.

Climate change, including increasing and severe climate weather extremes, has impacts on the production and productivity of agrifood systems and affects food security.⁵

The **COVID-19** pandemic has generated a health and economic crisis across the globe, the impacts of which are difficult to single out today from other triggers of the current crisis.

⁴ FAO is co-chairing the Issue-based Coalition (IBC) on Sustainable Food Systems and contributing to a number of other IBCs and working groups, including the IBC on Gender Equality; the IBC on Environment and Climate Change; the IBC on Large Movements of People, Displacement and Resilience; the Regional Coordination Group on Data and Statistics; and the United Nations Digital Transformation Group.

⁵ For more information on the basic concepts of food security, please see <https://www.fao.org/3/al936e/al936e00.pdf>.

The war in Ukraine and the evolving humanitarian crisis affecting Ukraine and neighbouring countries hosting a large number of refugees is threatening the socioeconomic stability in the region, resulting in a widespread food, energy and finance crisis. The region is facing a challenging scenario for food security and nutrition due to high energy prices, which are driving up agricultural input and food prices. FAO notes with concern the evolution changes in trade policies that could impact the flow of food across the region, as well as the evolution of food prices.

Additional factors and trends in the region continue to influence the transition to sustainable food and agriculture and agrifood systems in the coming years, such as urbanization, the occurrence of La Niña and El Niño weather events, migration and displacement, and political instability. Current and emerging challenges in the region are presented through the four key priorities, as follows.

Regional Priority 1 – Formulating effective policies, promoting innovation and digitalization, and facilitating rural livelihoods, with emphasis on smallholders, women and youth

- Farm structures in most of the FAO programme countries in Europe and Central Asia are dominated by smallholders and **family farms**, which often have limited access to production factors and natural and financial resources. The multiple crises in the region have further deepened the challenges and generated additional constraints through increased agricultural input prices, production levels, pressure on producer prices and shifting of existing domestic and export markets (SDG 2.3).
- The **key constraints** for value-adding opportunities are limited access to digital and non-digital technologies, knowledge, innovations and investments; low input quality; low labour skills; and inequalities among the members of smallholder farms. These are accompanied by a lack of enabling political environment and inclusive policies (SDG 2.3, SDG 8.3).
- The difficulties among smallholders and family farmers have increased in terms of **accessing both domestic and international markets**, hindered by inefficient supply chains, poor infrastructure, weak market linkages, instability of state support measures, inadequate food safety and quality standards, and inability to comply (SDG 2.3, SDG 9.3).
- Nearly one-third of the region’s population resides in rural areas. In most FAO programme countries in the region, rural women and men are the poorest and most vulnerable members of the population, and demographic trends in **rural areas** are characterized by a lack of agriculture-based livelihood options for **youth**, intensive outmigration to urban areas and abroad, and ageing rural populations (except in Central Asia) (SDG 5.a, SDG 4.4).
- The multiple crises often lead to the deprioritization of inclusive policies, which further widens pre-existing inequalities, contributes to increasing gaps between the standards of living in urban and rural areas, and disproportionately affects women and girls (SDG 10.4).

Regional Priority 2 – Food system transformation promoting nutrition-sensitive value chains and healthy diets through the alignment of trade, food safety, and sanitary and phytosanitary policies, facilitating One Health

- The war in Ukraine has resulted in substantial trade **disruptions, impacting markets and value chains** for key food commodities, as well as food and agricultural inputs. Uncertainties surrounding food availability, combined with the ad hoc imposition of trade policy restrictions, have contributed to increased volatility in food commodity prices.-These circumstances have drawn attention to the risk implications of high food **export and import dependency**, as well as to the need for **reliable data** for evidence-based decision-making on trade, food security and value chain development (SDG 17.12).
- Various countries in the region are struggling to fully engage in the global economy because of their difficulties in aligning national **trade** policies and requirements with international standards and agreements – notably, the World Trade Organization Agreement on Agriculture (SDG 2.b; SDG 17.11).
- Insufficient responsible investment in agrifood systems in the region, due to poorly developed financial ecosystems, has resulted in limitations in the development of **sustainable and inclusive value chains** with strong internal governance and connectivity. This is further exacerbated by limited access to technological solutions, which prevents smallholders and food processors from accessing markets and seizing value-addition opportunities, all of which impair the overall transformation of agrifood systems (SDG 2.a).
- The reduction and prevention of **food loss and waste** have been undermined by poor infrastructure, limited data and evidence, low use of innovation, limited access to technologies, inefficiencies in the supply chain and the distribution of food, and consumer behaviour (SDG 12.3).
- There are limited **changes in mindset and behaviour** among food systems actors that could bring desirable shifts in food production, marketing and supply and consumption patterns and lead to more inclusive and equitable agrifood systems (SDG 12.3).
- **Risks in food chains** – including pathogens, zoonotic diseases, antimicrobial resistant organisms, endemic and emerging animal and plant pests and diseases, chemical residues and contaminants, and contaminated food and water – threaten the health of people, animals, plants and the environment. This is not being adequately addressed due to the limited awareness and knowledge on preventive control measures for harmful pathogens and preparedness, as well as the lack of legal and policy frameworks in the relevant areas (SDG 3.d).

Regional Priority 3 – Promoting sustainable natural resources management and facilitating resilience in agriculture, forestry and other land use sectors, including mitigating and adapting to climate change.

- Europe and Central Asia (ECA) countries face institutional and technical barriers to overcoming and reducing the impacts of **climate change**, natural resources depletion, and environmental pollution due to limited capacities to access climate finance sources and a lack of knowledge and capacities on climate adaptation and mitigation, disaster risk reduction, preparedness and resilience (SDG 2.4).

- The lack of **enabling political environment and scientific data** and the limited access to digital and non-digital technologies, knowledge and investments hamper the implementation of climate-resilient and green agriculture practices (SDG 2.4, SDG 13.1).
- With the new and updated **nationally determined contributions** (NDCs), there has been increased ambition in the past few years in fighting against climate change. Although the progress towards reaching the NDC targets in the region is promising, overcoming institutional, legal, technological, financial and associated bottlenecks remains a challenge in many countries (SDG 13.2).
- **Biodiversity and diverse ecosystems** in the region – including vulnerable forest and fishery ecosystems – are threatened by changes in land use; intensification in agricultural sectors; the degradation of agricultural land, pastures and forests; the spread of invasive alien species; and genetic erosion (SDG 2.5, SDG 15.1).
- In Central Asian countries, the combination of **excessive water use, limited water resources, limited irrigation area and poor irrigation infrastructure**, as well as the increasing frequency and severity of droughts, puts considerable stress on aquatic ecosystems (SDG 6.6).

Regional Priority 4 – Addressing food insecurity and reducing all forms of malnutrition

- The current **food security** situation in Europe and Central Asia is marked by stagnation in the reduction of hunger and the multiple burden of malnutrition⁶ – defined as the coexistence of more than one form of malnutrition, such as undernutrition, overweight or obesity, and micronutrient deficiencies in human populations. This is associated with rapidly changing dietary patterns and high costs and unaffordability of healthy diets (SDG 2.1, SDG 2.2).
- Potentially increasing the displacement of people, increasing prices of food, energy and agricultural inputs and the disruption of supply chains due to socioeconomic shocks caused by conflicts, trade tensions, pandemics and disasters increase the difficulties among the urban and rural poor and vulnerable groups in **accessing nutritious and diverse food** (SDG 1, SDG 2.1).
- **Limited data, analysis and capacity** for strengthening the evidence base for policy development and implementation related to food security and nutrition, including agrifood production and trade policy decisions, are of key concern in addressing the root causes of stagnation in the reduction of food and nutrition insecurity as well as in responding to the implications of the multiple crises in the region (SDG 2.1, SDG 17.18).

3. Main areas of response under the key regional priorities for 2024–2025

To meet the newly emerging challenges of the multiple crises in the region, in addition to the structural problems and stable challenges the countries are facing, the following main areas of response have been identified under the key priorities:

⁶ For more, please see the 2022 *Regional Overview of Food Security and Nutrition in Europe and Central Asia* at <https://www.fao.org/documents/card/en/c/cc4196en>.

PRIORITY 1 – Formulating effective policies, promoting innovation and digitalization, and facilitating rural livelihoods and sustainable development for smallholders, women and youth

- Support evidence building regarding the impact of multiple crises on **smallholders and family farmers**, considering an agrifood systems approach and strengthen governments’ capacities to develop and implement inclusive policies for investment in agriculture and investment subsidies.
- Support rural livelihoods through promoting **community development and territorial approaches**; supporting income generation and access to state financial resources for smallholders; supporting the economic empowerment of women, in line with the FAO Policy on Gender Equality 2020–30;⁷ and creating employment opportunities for rural youth, in line with the FAO Rural Youth Action Plan.⁸
- Strengthen the enabling environment, knowledge transfer and cooperation to support equal access to scalable **innovations, digital solutions and innovative technology** through support for national research and strategies, digital literacy and capacity development at all levels, including extension and advisory services and rural institutions, as well as local interventions to foster the uptake of technologies and innovations by smallholders.
- **Increase the competitiveness** of smallholders and family farms, help smallholders become commercial family farms, address inefficient farm structure (excessive land fragmentation and land abandonment, in many countries) and improve access to natural resources, markets and rural livelihoods.
- **Enhance smallholders’ resilience** to climate change, shocks and crises through the promotion of preparedness, sustainable production practices and technologies (including in the area of aquaculture and fisheries) and improve rural populations’ access to insurance and social protection.

PRIORITY 2 – Food system transformation promoting nutrition-sensitive value chains and healthy diets through the alignment of trade, food safety and sanitary and phytosanitary policies and facilitating One Health

- Engage policymakers **to keep trading routes open** for food and agricultural input supply; increase **diversification of trade and markets**; and invest in short value chains, market access and value addition by means of market monitoring and analysis, digitalization and data- and evidence-based decision-making.
- Follow up on the **United Nations Food Systems Summit and the United Nations Food Systems Stocktaking Moment 2023**, raising awareness for the food systems approach, creating evidence and building capacity at national and regional levels in promoting food systems, including through support for the Issue-based Coalition on Sustainable Food Systems.
- Support the mainstreaming of **food systems sustainability and nutrition-sensitive value chains** in national policies, enhancing the relevant legal frameworks, strengthening consumer perspectives and aligning national standards and controls with global food safety, human, animal and plant health standards and requirements.

7 The *FAO Policy on Gender Equality 2020–2030* is available at <https://www.fao.org/3/cb1583en/cb1583en.pdf>.

8 The *FAO Rural Youth Action Plan* is available at <https://www.fao.org/3/cc0583en/cc0583en.pdf>.

- Encourage Members to take the ownership of **One Health approach**, including by means of the One Health Joint Plan of Action (2022–2026) being implemented by FAO, the World Health Organization, the World Organisation for Animal Health and the United Nations Environment Programme and by policy development, capacity-building and awareness-raising.
- Strengthen political and legislative frameworks for all risks in the food chain, including **zoonotic diseases**, and develop mechanisms of control for agricultural inputs, pesticides and veterinary drugs, with associated surveillance, using risk analysis approaches and emergency preparedness.
- Support the implementation of **food loss and waste** strategies, including strengthening actions on food loss from farm to market, improving the availability of data and evidence, transforming food supply chains to prevent loss, and informing all food system actors on food waste prevention.

PRIORITY 3 – Promoting sustainable natural resource governance and facilitating resilience in agriculture, forestry and other land use sectors, responding to mitigation and adaptation to climate change

- Regionalize and implement the **FAO Strategy on Climate Change 2022–2031 and Action Plan**, focusing on sustainable natural resources governance, climate change adaptation and mitigation, and **disaster risk reduction and emergencies, supporting countries on the review**, update and implementation of nationally determined contributions, national action plans and long-term low-emission development strategies, as well as on tracking progress, monitoring and reporting.
- **Implement the Regional Action Plan on Science and Innovation** for strengthening the use of science and innovation and intersectoral work, paying particular attention to digitalization, climate change and biodiversity for the potential for a bigger impact.
- Support the mobilization of **climate finance** and the preservation and restoration of **biodiversity**, in line with the FAO Strategy on Mainstreaming Biodiversity across Agricultural Sectors,⁹ and promote digital and non-digital green technologies and innovative and **integrated approaches**, such as climate-smart agriculture, nature-based solutions, agroecology and ecosystem services.
- Integrate resilience dimensions in forestry, aquaculture and fisheries into national policies and promote **sustainable and climate adaptive forest, aquaculture and fisheries management**, including the regeneration of native forests, the restoration of degraded forests, the development of integrated agroforestry systems, and the conservation of aquatic biodiversity.
- Enhance support on **water governance**, regional collaboration on sustainable water management, work on irrigation schemes, and the application of green, water-saving technologies and practices.
- Facilitate **solid scientific approaches and create appropriate data and evidence** for natural resources governance and evidence-based decision-making.
- Promote the **green agriculture platform** as a strategic tool to facilitate the sharing of knowledge for green agrifood systems and building regional green agriculture partnerships.

⁹ The *FAO Strategy on Mainstreaming Biodiversity across Agricultural Sectors* is available at <http://www.fao.org/3/ca7722en/ca7722en.pdf>.

PRIORITY 4 – Addressing food insecurity and reducing all forms of malnutrition

- Provide technical support for guiding the development and implementation of policies and programmes that aim to support informed dietary choices and provide an enabling environment for better nutrition through the selection and utilization of nutritious foods, including support for the development of evidence-based national food system-based dietary guidelines.
- Mainstream food and nutrition security to **increase investments** in agrifood systems in line with the Hand-in-Hand Initiative – particularly in influencing consumer desire for healthy diets, nutrition-sensitive agrifood policy and the engagement of food chain actors – to produce and responsibly market nutritious and safe foods by means of consumer education (particularly for youth and rural people), food labelling and the promotion of school food programmes.
- Enhance support in **food price monitoring, disaggregated data collection** and advocacy and provide policy advice based on data and analysis for national food security and nutrition programmes and social protection support, among other programmes.
- Support regional and subregional coordination mechanisms and platforms that will contribute to effective food security and nutrition governance, including the Economic Cooperation Organization Coordination Centre for Food Security and the Regional Nutrition Capacity Development and Partnership Platform in the Caucasus and Central Asia.
- Provide **regional, subregional and country-level food security analysis** and monitoring, including progress towards SDG 2 and in-depth analysis on key challenges for its achievement through publications such as the *Regional Overview of Food Security and Nutrition* and digital data platforms.
- Consider the **United Nations Decade of Action on Nutrition, the Vision and Strategy for FAO’s Work in Nutrition**,¹⁰ the Committee on World Food Security Guidelines on Food Systems and Nutrition and the FAO Strategic Priorities for Food Safety within the FAO Strategic Framework 2022–2031¹¹ and promote the Urban Food Agenda and the Leave No One Behind principle.

4. Way forward with the development to the 2024–2025 work programme

The objective of this session – as well as Session 4 on priority areas for the work programme in the region for 2024–2025 in light of the key challenges and opportunities – is to seek the Members’ views on the key challenges and opportunities in Europe and Central Asia and the main areas of response by FAO under the key priorities in the region for 2024–2025.

The feedback and views of the Members will be considered during the internal review of the Regional Initiatives, taking place in May and June 2023, to better address the newly emerging challenges, as well as during the corporate work planning exercise to set country and regional outputs for the next biennium, taking place between July and October 2023. The FAO work programme 2024–2025 for the Europe and

10 The *Vision and Strategy for FAO’s Work in Nutrition* is available at <http://www.fao.org/3/ne853en/ne853en.pdf>.

11 The *FAO Strategic Priorities for Food Safety within the FAO Strategic Framework 2022–2031* is available at <https://www.fao.org/documents/card/en/c/cc4040en>.

Central Asia region will be submitted for consideration and endorsement to the Thirty-fourth Session of the Regional Conference for Europe in May 2024.