Reducing inequalities for food security and nutrition HLPE-FSN 18th report

WBCSD Business Brief



World Business Council for Sustainable Development

Reducing inequalities for food security and nutrition

A WBCSD Business Brief

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Key messages

- The 18th High-Level Panel of Experts on Food Security and Nutrition (HLPE-FSN) report of the Committee on World Food Security explores how inequalities within food systems hinder efforts to combat food insecurity and malnutrition. It further identifies strategies for different stakeholders, including the private sector, to address these inequalities effectively.
- All parts of the world are affected by food security and nutrition challenges, although this
 varies significantly by region; while food insecurity particularly affects low-income
 households in countries in Africa, South Asia and the Caribbean, the importance of
 addressing other forms of malnutrition is increasingly recognized, with the highest rates
 of obesity being found in high-income countries. Moreover, ensuring food security and
 nutrition outcomes alone is insufficient; empowering individuals and groups to make
 decisions about what food they eat or produce, how that food is produced, processed
 and distributed, and to shape food system policies and governance, is increasingly
 recognized as essential for a just transition.
- Inequalities in food security and nutrition are driven by wider inequalities across food and broader social, economic and political systems, and the inequities at the heart of these. The report distinguishes between the proximate drivers of food security and nutrition inequalities, such as gender and farm size, and the deeper, systemic drivers and root causes, which widen pre-existing inequalities as the most vulnerable are least able to cope or adapt.
- The most effective approach to improve food security and nutrition is, therefore, to address the underlying drivers of inequity and inequalities in food, and other related systems.
- Business has a role to play in addressing inequality across all stages of the value chain, mainstreaming equity and nutrition action as part of their wider sustainability transition, in line with their commitments to human rights and the Sustainable Development Goals.
 WBCSD's Agriculture and Food Pathway and the Business Commission to Tackle Inequality (BCTI) enable companies to work together to develop solutions to these challenges. This Business Brief identifies specific actions for business covering the four main areas highlighted in the HLPE-FSN report:
 - Food production
 - \circ Food supply chains
 - Food environment and consumption and
 - Enabling environment, broader context and governance



Introduction

The report titled "Reducing inequalities for food security and nutrition" has been developed by the High-Level Panel of Experts on Food Security and Nutrition (HLPE – FSN) of the Committee on World Food Security (CFS), the United Nations body for assessing the science related to world food security and nutrition. It explores how inequalities within food systems hinder efforts to combat food insecurity and malnutrition and identifies strategies for different stakeholders, including the private sector, to address these inequalities, drawing on consultations, diverse knowledge sources and a rigorous peer review.

Inequalities in food security and nutrition (FSN)¹ exist globally, both within and between countries, leading to hunger and malnutrition in all its forms (such as undernutrition, obesity, stunting, anemia, etc.), even in wealthy nations. These disparities have wide-ranging economic, environmental, and social impacts, which hinder progress towards the Sustainable Development Goals (SDGs), and perpetuate poverty.

Furthermore, climate change, conflicts, and unequal outcomes in FSN exacerbate these inequalities, sometimes fueling food riots and/or political unrest, driving further inequalities in a vicious cycle. To address these issues, it is crucial for both the public and private sectors to prioritize reducing malnutrition and food insecurity and their underlying drivers, aligning with global goals and human rights standards, and embracing the principle of "leaving no one behind" as outlined in the 2030 Agenda for Sustainable Development and called for by <u>Tackling Inequality: An Agenda for Business Action</u>, the flagship report by the <u>Business Commission to Tackle Inequality</u>.

This business brief aims to summarize the HLPE-FSN report's findings as well as provide relevant information for businesses, including identifying opportunities for business to tackle inequalities in food and related systems to strengthen food and nutrition security.

¹ While the HLPE-FSN report refers to "food security and nutrition inequalities", this Business Brief uses this phrase interchangeably with the terms "food insecurity and malnutrition" and "food and nutrition insecurity" to reflect the language typically used by the private sector.



A snapshot of food and nutrition insecurity worldwide

While early definitions of food security primarily emphasized food availability and its production, the concept of food security is now widely understood to encompass six dimensions: 1) food availability, 2) access, 3) utilization, 4) stability, 5) sustainability and 6) agency, as seen in Diagram 1. As well as ensuring food security and nutrition outcomes, a key message from the HLPE-FSN report is that strengthening agency, the capacity of individuals or groups to make their own decisions about what food they eat or produce, as well as how that food is produced, processed and distributed, and to shape food system policies and governance, is essential for a just transition.

Diagram 1: The six dimensions of food security



- While food insecurity particularly affects populations in Africa, South Asia and the Caribbean (with a recent increase in Latin America), malnutrition, in forms such as undernutrition, obesity, stunting, and anemia, and diet-related non-communicable diseases (NDCs) exist worldwide. Indeed, the global rise in overweight and obesity among adults and children, most common in high-income countries but also affecting regions such as North Africa, is hindering progress made in nutrition.
- Food insecurity and child undernourishment are concentrated in low-income households across the globe. However, for overweight and obesity, the rate in Asia and Africa is higher in households with higher income levels. In contrast, it is more prevalent among lower-income households in Europe and North America. The coexistence of undernutrition and overweight, obesity or diet-related NDCs, known as the double burden of malnutrition (DBM), is increasingly common.
- Studies on DBM have identified in different setting Indigenous, ethnic minorities and women as the most vulnerable groups to DBM risks. It is well established that gender inequality frequently intersects with ethnic, geographical divides and indigeneity to exacerbate vulnerability to food insecurity, but there is insufficient data to identify those most vulnerable on a consistent basis.

• Economic growth and **average income increases are insufficient to ensure equality in food security** across groups. Indeed, even in places where food security prevalence improves with income, food security and nutrition inequalities often persist or even grow. Therefore, investment is needed to overcome inequality across a range of complementary areas to reduce food insecurity and malnutrition.

Drivers of food and nutrition insecurity

The report describes how susceptibility to food and nutrition insecurity results from significant inequalities in food systems more broadly, and that these system-level inequalities, in turn, result from deeper structural or distant drivers that overlap, intersect and emerge through time. Specifically, it distinguishes between **proximate drivers** of food security and nutrition inequalities, and the deeper, systemic drivers and **root causes**.

Inequalities vs Inequities

Inequalities: variations in outcomes (such as unequal food and nutrition security, or unequal access to resources for food production)

Inequities: variations in circumstances (such as social, economic and geographical positions) which lead to an uneven distribution of food and nutrition security and systemic disadvantage

It is worth noting that this section of the HLPE – FSN report raises some concerns about the role of businesses in relation to the systemic drivers and root causes of FSN inequalities. Key concerns include large-scale land acquisitions, the potential negative influence of multinational food companies and commodity trading firms on inequality in food security and nutrition, the extension of patent rights, the concentration of market power among major food companies, and the prioritization of profits over promoting optimal human diets, as seen in Table 1. Nevertheless, it is essential to recognize that responsible business practices can also have positive impacts. Many businesses, including WBCSD members, strive to ensure that their operations positively impact food security and nutrition outcomes, actively engage in sustainable agriculture practices, support local communities, and promote inclusive value chains.

In the broader context of food systems, there are significant and persistent inequalities that hinder food and nutrition security across the entire food chain. These proximate drivers include the **uneven distribution of resources for food production**, **limited knowledge and access to financial resources**, **unequal participation in modern value chains and markets**, **disparities in storage**, **processing and distribution capacities**, **as well as inequalities in international food trade**.

Factors such as gender, farm size and economic status play a significant role in these inequalities. Often, they are reinforced by other factors such as indigeneity and geographical location. Food environments also provide unequal opportunities for healthy and sustainable diets, particularly affecting low-income populations and minority groups already at risk.

Furthermore, inequalities in other interconnected systems, such as education and health, exacerbate these disparities in food security and nutrition outcomes.



Biophysical and	• Physical factors include availability and access to water (rainwater, surface and ground water) and soil quality.
environmental drivers	 Inequalities in public health and the disease profile of populations more broadly, which are both impacted by and in turn impact FSN.
	 Food systems contribute to climate change and nature loss. These, in turn, negatively impact food systems and those who depend on them.
Technology, innovation and infrastructure drivers	 Lack of knowledge of small-scale and informal actors on climate information, clean technology and insurance limit their capacity to adapt to extreme weather events. Disparity in access to infrastructure, science, and technology due to economic, cultural, and educational obstacles impacts first and foremost the most vulnerable populations. The extension of patent rights has made food and seed production increasingly concentrated within a small number of companies.
Economic and	• Large-scale land and ocean acquisitions have resulted in the concentration of ownership and the eviction of local communities.
market drivers	 Power imbalance in global trade negotiations, with consumer nations holding more sway than producer nations, have meant costs often fall on producers, and made low quality diets more affordable, exacerbating nutrition inequalities. Speculative investments in food commodities can exacerbate price hikes.
Political and institutional drivers	 Violence and armed conflict are the principal drivers of acute hunger.
	 Historical context and ideologies (i.e., colonialism, communism, land enclosure, etc.) continue to impact agriculture practices and land policies, failing to recognize the rights of Indigenous communities.
	• Siloed government policies have exacerbated FSN vulnerability for marginalized groups: public health policies prioritized calorie availability over FSN outcomes and labor regulations disregarded the needs of those in lower-paid or semiformal work such as seasonal farm workers.
Sociocultural drivers	• Sociocultural drivers are shaped by both historical (traditions, legacies of colonial systems, etc.) and contemporary contexts (modern events, lifestyles, culture, etc.), and associated inequalities will persist until challenged.
	 National and customary laws, social norms, and traditional roles around gender, class, disability, ethnicity and race permeate all aspects of food systems, influencing individuals' access to and control over resources.
Demographic	 Population-control measures have been used to control and oppress marginalized communities, especially women.
drivers	 Urbanization has transformed food systems and FSN outcomes, resulting in demand increase, purchasing power changes, shifting food preferences, the formalization of complex value chains and a rise in land use change.

Table 1: Selected root causes of inequalities in FSN outcomes highlighted in the report

Moreover, as most agricultural commodities and fertilizers are traded in US-dollar, the recent depreciation of many least developed countries' currencies against the US dollar has meant fertilizer prices in local currencies have become significantly less affordable for many farmers. While this issue was not addressed in the report, this is a key factor impacting the state of food security and nutrition.



Action areas and recommendations

Given this context, **the most effective approach to improve food security and nutrition is to address the underlying drivers of inequity,** including considering power imbalances and fair engagement rules. In light of the scale and embeddedness of this challenge, multistakeholder collaboration is needed, with all stakeholders sharing the responsibility to reduce inequalities in food systems.

For businesses, it is essential to integrate equity considerations across their governance processes, **positioning equity and nutrition as key imperatives at the center of their sustainability strategies**. The <u>Business Commission to Tackle Inequality</u> identifies key opportunities for business-led equity action, which levels the playing field, ensuring everyone has access to the same opportunities.

To this end, actions to address inequalities in food security and nutrition, both in food systems and in wider economic, political and social systems, must promote:

- 1. **Recognition** (acknowledging the specifics and history of inequity in each context)
- 2. **Representation** (ensuring that marginalized groups are genuinely empowered to have agency over the choice of actions to address inequity), and
- 3. **Redistribution** (ensuring the opportunities and resources are allocated fairly and that costs do not fall on those with less political power)

Addressing these systemic issues, considering intersectional, intergenerational and interterritorial inequity, will improve all dimensions of food security, leading to improved food and nutritional security outcomes for all.

More specifically, the HLPE-FSN report clusters recommendations for all stakeholders into four main action areas: 1) food production, 2) food supply chains, 3) food environment and consumption, and 4) the enabling environment, broader context and governance – with some actions spanning multiple categories. WBCSD members are taking action across all four areas, although a significant scaling of efforts is needed across all stakeholders, including the business community, to ensure food and nutrition security globally, leaving no one behind.

Food production

Food security amongst producers and in rural settings is driven by several factors, including access to food production resources, access to markets, agroecological potential and non-farm opportunities. To reduce inequalities in the food production area, it is crucial to 1) enable more equal access to land, livestock and fisheries, 2) apply agroecological principles across production and broader food systems, 3) establish inclusive producer organizations, and 4) invest in equity-sensitive agricultural research and infrastructure.

Companies can work together to address food security and nutrition inequalities related to food production through the <u>Positive Agriculture</u> collective action area of WBCSD's Agriculture and Food Pathway. Opportunities for business action include:



- Setting high ambition targets to scale regenerative production in key landscapes and providing farmers with <u>financial incentives and technical support</u> to address the short-term costs and risks of adopting regenerative agriculture, with farmer profits expected to increase following a three-to-five-year transition period.
- Accelerating <u>end-to-end access to robust and transparent climate and nature data</u> to adequately and fairly compensate farmers for their environmental stewardship activities.
- Partnering with producer organizations to develop solutions to food production challenges WBCSD partners with producer organizations to align on outcomes to incentivize farmers and value chain actors to accelerate the transition to regenerative production systems through its engagement in <u>Regen10</u>.

Food supply chains

Small-scale food producers and small businesses along food supply chains often face significant obstacles in accessing formal financial services, information and updating their skills through programs and training. To reduce inequalities in the food supply chains area, it is crucial to 1) adopt more inclusive value chain approaches, 2) develop labor-protection policies, strategies, and programs for food system workers, 3) consider territorial approaches and regional development planning, 4) invest in equity sensitive storage, food processing and distribution infrastructures and 5) invest in improving information systems and digital technologies.

Companies can work together to address food security and nutrition inequalities related to food supply chains through the <u>Equitable Livelihoods</u> collective action area of WBCSD's Agriculture and Food Pathway. Opportunities for business action include:

- Adopting best practices on <u>protecting</u>, <u>respecting</u> and <u>remedying human rights</u> for vulnerable supply chains workers, including sharing experiences with other companies via WBCSD's upcoming Human Rights Masterclass series.
- Engaging in the development of, and committing to adopting, the Responsible Procurement Framework, aimed at leveraging procurement functions to distribute value fairly along the supply chain and <u>strengthening supply chain partners.</u>
- Accelerating living incomes by adopting the upcoming Living Income Business Toolkit as a framework to improve the livelihoods of farm workers.
- Investing in <u>Digital Climate Advisory Services</u>, engaging farmers and farmers' collectives in their design, as well as leveraging start-ups and local micro, small and medium enterprises to address challenges like last mile access.
- Accounting for the <u>True Value of Food</u>, including its direct and indirect natural, social and economic impacts, in business decisions.

Food environments and consumption

Consumer behavior is informed by the external food environment (including food availability, physical and economic access, advertising and information, and food quality and safety), and their personal circumstances (related to access, affordability, convenience and desirability). The HLPE-FSN report highlights three main action areas to address inequalities within the food environment: 1) environmental planning and governance, 2) integrating behavior insights into policymaking and programming and 3) strengthening social protection.



Companies can work together to address food security and nutrition inequalities related to food supply chains through the <u>Healthy and Sustainable Diets</u> collective action area of WBCSD's Agriculture and Food Pathway. Opportunities for business action include:

- Increasing the affordability of nutritious foods, drawing on industry best practices.
- Leveraging behavior insights with consumers and business partners to increase the share and diversity of plant-based foods through the <u>plant-forward behavior change toolkit</u>.
- Promoting beans, an affordable, healthy and sustainable food source, by engaging with the <u>Beans is How Coalition</u>, which aims to double the global consumption of beans by 2028.
- Deploying social and cultural actions that shape consumer preferences for nutritious and sustainable food through supporting multistakeholder initiatives such as the <u>Demand</u> <u>Generation Alliance</u> (DGA)
- Shaping consumer awareness and demand for healthy and sustainable food options through <u>effective labeling and clear information</u>, which can be understood by all consumers.

Enabling environment, broader context and governance

Many FSN outcomes are the result of inequalities in factors beyond the food system. The HLPE-FSN report highlights several action areas pertaining to the enabling environment, broader context and governance, which include: 1) food- and nutrition-sensitive policy and planning, 2) addressing corporate power asymmetries, 3) universal health care that integrates nutrition care, 4) a holistic approach to climate and sustainability; and 5) inclusive growth for FSN, and policy that goes beyond growth.

• Companies can contribute to the enabling environment by putting equity and nutrition at the core of their individual and collective policy and advocacy efforts, while aligning with best practices in responsible policy engagement.



About WBCSD

WBCSD is the premier global, CEO-led community of over 200 of the world's leading sustainable businesses working collectively to accelerate the system transformations needed for a net zero, nature positive, and more equitable future.

We do this by engaging executives and sustainability leaders from business and elsewhere to share practical insights on the obstacles and opportunities we currently face in tackling the integrated climate, nature and inequality sustainability challenge; by co-developing "how-to" CEO-guides from these insights; by providing science-based target guidance including standards and protocols; and by developing tools and platforms to help leading businesses in sustainability drive integrated actions to tackle climate, nature and inequality challenges across sectors and geographical regions.

Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability, united by our vision of creating a world in which 9+ billion people are living well, within planetary boundaries, by mid-century.

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