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Trade, Food Security, and the 2030 Agenda

Eugenio Díaz-Bonilla

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International Centre for Trade
and Sustainable Development

Think Piece

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LIST OF ABBREVIATIONS

BMI	body mass index
FAO	Food and Agriculture Organization of the United Nations
LDC	least developed country
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goal
UN	United Nations
WTO	World Trade Organization

FOREWORD

The United Nations 2030 Agenda for Sustainable Development adopted in September 2015 (the 2030 Agenda) establishes an ambitious, integrated and universal agenda for the global community for the next 15 years. One of its key objectives is improving food and nutrition security; it includes commitments to end hunger (Sustainable Development Goal, or SDG, 2) and to end all forms of malnutrition (SDG target 2.2), that go far beyond previous international agreements. International trade and trade policy will form a crucial part of the policy frameworks required to make progress towards these commitments.

This think piece is one of a series that analyse the contribution trade and trade policy could make to achieving key development objectives reflected in the 2030 Agenda. It examines how policies affecting trade and markets are relevant to the new global commitments on hunger and malnutrition, looks at past progress and projected trends and examines options for government action in the years ahead. Like the other papers in the series, this think piece is grounded in the goals, targets and commitments articulated in the 2030 Agenda but also looks beyond these to consider each development objective more holistically. Together, the think pieces are designed to help policymakers and other stakeholders to think through the role of trade policy in the implementation of this broad new framework of global commitments.

The paper was written by Eugenio Díaz-Bonilla, Visiting Senior Research Fellow at IFPRI, the International Food Policy Research Institute, and Jonathan Hepburn, Senior Programme Manager, Agriculture at ICTSD. The authors set out succinctly the challenge of addressing the triple burden of malnutrition facing the world's population, and point readers to important policy options they could consider in thinking through how to shape policies affecting trade and markets so that they facilitate access to sufficient, safe and nutritious food for all people.

The 2030 Agenda should spur policymakers to think about how trade policy can support its clear and ambitious objectives on food and nutrition security. We hope that this paper proves a useful contribution to this effort.



Ricardo Meléndez-Ortiz
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EXECUTIVE SUMMARY

The new 2030 Agenda for Sustainable Development sets a ground-breaking new commitment for all countries: to end hunger and “all forms of malnutrition” by 2030. This paper examines how policies affecting trade and markets are relevant to those new commitments on hunger and malnutrition, looks at past progress and projected trends, and examines options for government action in the years ahead.

The new goals will require governments to address the “triple burden of malnutrition”: undernourishment, micronutrient deficiencies, and overnutrition. Trade policy and rules can help governments to achieve the 2030 Agenda targets, such as doubling productivity and incomes for small producers by improving access to markets and opportunities for value addition, and creating rural jobs. While the new goals say explicitly that tackling trade restrictions and distortions in global agricultural markets could help, actions to implement the new commitments that affect non-agricultural markets could be just as important for food and nutrition security—such as ending poverty, ensuring equitable access to sustainable energy, or adopting sustainable production and consumption patterns.

Governments have made rapid if uneven progress in fighting global hunger, with 200 million fewer people undernourished in recent years. However, recent success in reducing micronutrient deficiency has still been too slow to end malnutrition by 2030, while overweight and obesity has worsened. Better functioning food and agriculture markets will be critical in ensuring that governments can achieve the new commitments, especially as undernourishment disproportionately affects rural populations in low-income countries. Many poor countries remain vulnerable to sudden market shocks, given the evidence that climate-related extreme weather events will become more frequent and intense. Changing climatic conditions are also causing fish stocks to migrate, with potential consequences for nutritional outcomes in low-latitude countries. Projections indicate that governments must now go beyond a “business as usual” approach if the new hunger and nutrition goals are to be achieved.

Current World Trade Organization (WTO) rules provide considerable scope for governments to boost farm productivity and raise rural incomes—for example, by allowing unlimited support for “public goods” such as pest control, research, rural infrastructure, or farm advisory services. However, governments will now need to fast-track multilateral talks on meaningful new rules in areas such as agricultural domestic support, fisheries subsidies or access to markets for farm goods. Governments could usefully prioritise trade policy initiatives that aim to create jobs and raise incomes among food-insecure groups. They will also need to expand domestic food aid for poor consumers, perhaps financed through international collaborative action. Effective trade policy measures to mitigate volatility in global markets are also likely to become more important—such as better global rules on export restrictions, to prevent price spikes from harming consumers in poor food-importing countries. Negotiators will nonetheless need to demonstrate they are determined to take action on other difficult questions, such as agricultural domestic support, with many hoping that the WTO’s 2017 ministerial conference can achieve progress in this area, despite the historical difficulties in doing so.

While policymakers may feel daunted by the scale of the task ahead, recent steps forward on agricultural export subsidies suggest that incremental progress is feasible and realistic. Government officials now have an opportunity to take concrete measures towards ensuring that more equitable and sustainable markets actually contribute to the goals of ending hunger and malnutrition.

1. INTRODUCTION

In September 2015, the United Nations General Assembly approved the 2030 Agenda for Sustainable Development—a new framework to guide government policies and international cooperation over the next 15 years. Among other things, the 2030 Agenda establishes ground-breaking new commitments for both developed and developing countries: to end hunger as well as “all forms of malnutrition” by 2030. The objective of this paper is to help policymakers understand better the contributions that policies affecting trade and markets could make to the achievement of the objectives affecting food and nutrition security set out in the new agenda.

The 2030 Agenda involves two major components: a resolution including 17 new Sustainable Development Goals (SDGs), with supporting targets and means of implementation (United Nations 2015); and the Addis Ababa Action Agenda,¹ which focuses primarily on financing and other implementation aspects. The two documents together establish

aspirations and commitments that succeed and go further than those established in 2000 by the Millennium Development Goals. In particular, the commitments to end hunger and all forms of malnutrition go significantly beyond other targets to which governments have previously agreed, such as the 1996 World Food Summit commitment to halving the number of undernourished people, and the Millennium Development Goals, which sought to halve the percentage of hungry people by 2015.²

The 2030 Agenda commitments on food and nutrition security³ are mainly addressed in Goal 2 of the SDGs. However, the implementation of other SDG commitments is likely also to have significant implications for trade and markets in ways that affect food and nutrition security. Indeed, the declarations from New York and Addis Ababa make clear that ending hunger must be part of an integrated agenda aimed at helping the world become more peaceful, just and equitable.

1 Third International Conference on Financing for Development. Addis Ababa, 13-16 July 2015. A/CONF.227/L.1. Endorsed by the General Assembly in Resolution 69/313 of 27 July 2015, and integral to the 2030 Agenda approved in New York.

2 These targets can further be seen as giving effect to the progressive realisation of the right to food, as recognised in the Universal Declaration on Human Rights and the International Covenant on Economic, Social and Cultural Rights.

3 This paper uses the landmark definition of food security agreed at the 1996 World Food Summit in Rome, which includes nutrition as an integral aspect: “Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life” (FAO 1996). It also adopts the four aspects of food security established at this conference: availability, access, utilization, and stability. We refer more generally to “food and nutrition security” to acknowledge the broader considerations related to other determinants of individual nutrition depending on the safety and quality of the food, as well as on other factors determining how easily individuals can absorb nutrients, such as water and sanitation, health services, and the family environment, particularly considering women’s empowerment.

2. MEANING AND COVERAGE OF SDG 2

Goal 2 commits governments to “end hunger, achieve food security and improved nutrition and promote sustainable agriculture.” The goal is complemented by five specific targets, each of which contains deadlines for their achievement.⁴ The first two targets refer to hunger and malnutrition: SDG 2.1 pledges to “end hunger and ensure access by all people ... to safe, nutritious and sufficient food all year round” by 2030; in turn, SDG 2.2 commits governments, also by 2030, “to end all forms of malnutrition,” with the additional promise to reach internationally agreed targets on stunting and wasting in children under five years of age, and the commitment to “address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.”

SDG 2 also has three additional targets linked to support for small-scale food producers and vulnerable groups: SDG 2.3, which aims at doubling “the agricultural productivity and incomes of small-scale food producers ... including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment”; sustainability and resilience of food production systems (SDG 2.4); and maintaining genetic diversity and promoting equitable access to it (SDG 2.5).

SDG 2 also includes three “means of implementation” targets specifying actions to help governments achieve the objectives in this area. They include the need to “increase investment ... in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks” (SDG 2.a); “correct and prevent trade restrictions and distortions in world agricultural markets,” referring to the mandate of the WTO’s Doha Development Round

(SDG 2.b); and “adopt measures to ensure the proper functioning of food commodity markets” (SDG 2.c). In paragraph 40, the Declaration states that “the means of implementation targets under Goal 17⁵ and under each SDG are key to realizing our Agenda and are of equal importance with the other Goals and targets.” The five targets under SDG 2 can therefore be seen as existing independently of one another, although there are clearly also relationships between them. For example, because many malnourished people are poor food producers who lack economic access to adequate food, achieving SDG 2.3 is likely in practice also to contribute towards the achievement of SDG 2.1 and SDG 2.2. More generally, if “the dignity of the human person is fundamental” (paragraph 4 of the 2030 Agenda for Sustainable Development) and therefore human beings, present and future, are the main focus of these commitments, then even within the goals and targets there may arguably be an intrinsic hierarchy, with some goals and targets more directly linked to specific human outcomes (e.g. elimination of poverty and hunger), while others could be interpreted as means towards those ends. By improving people’s well-being, better food and nutrition security could contribute towards SDGs focused on human development, in particular SDG 3 on healthy lives, and goals like SDG 8 on full and productive employment and economic growth.

Significantly, the SDG 2 targets relating to ending hunger and *all forms* of malnutrition echo the universality of previous commitments on food and nutrition security (such as those in the Millennium Development Goals, or the Rome Declaration on World Food Security (FAO 1996)).

The commitment on nutrition can furthermore be understood as referring to the “triple burden of malnutrition” (Pinstrup-Andersen 2007):

4 The full text is included in the Annex to this paper.

5 Goal 17 refers to different aspects of global governance and partnership, considered necessary to achieve the whole SDGs.

- insufficient intake of calories (referred to as acute undernourishment or hunger), the traditional focus of food insecurity;
- deficiencies in proteins, vitamins, minerals, and micronutrients, causing various health problems (sometimes called “hidden hunger”); and
- excess consumption of calories (sugar, fats, and others), leading to problems such as obesity, diabetes and cardiovascular diseases (which can be called “overnutrition”).

SDG 2.4, which commits governments to ensuring sustainable food production systems, can usefully be seen in conjunction with other relevant undertakings, such as those in Goal 12 on ensuring sustainable consumption and production patterns and Goals 14 and 15 on marine and terrestrial ecosystems. Together, these can be seen to constitute a recognition that governments need to set in place more robust systems in order to address problems associated with environmental degradation. Meanwhile, other SDG commitments effectively recognise that many people are still often too

poor to be able to afford the food they need. Seen as a whole, the 2030 Agenda proposes a set of responses that would address the twin problems of poverty and environmental degradation, including through actions that would affect trade and the functioning of markets.

Finally, commitments under other goals might also require governments to pursue policies and rules affecting trade and markets in ways that have significant consequences for food and nutrition security. While all of the goals are arguably relevant, the following may be considered particularly important:

- Goal 1 (“End poverty in all its forms everywhere”)⁶
- Goal 4 (“Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”)⁷
- Goal 5 (“Achieve gender equality and empower all women and girls”)⁸
- Goal 7 (“Ensure access to affordable, reliable, sustainable and modern energy for all”)⁹

6 Commitments in this area are likely to be important in overcoming barriers to economic access to food. Trade policies and rules could help to achieve this. Furthermore, SDG 1.3 addresses the importance of implementing social protection systems for all, including floors, and target 1.a refers to the importance of mobilising resources, including through enhanced development cooperation. Josling (2011) has suggested that a global “food stamp” scheme could help raise the purchasing power of poor consumers, with less trade-distorting implications, while a more recent paper by the FAO, IFAD, and WFP (2015) has proposed establishing a “transfer to cover the poverty gap” as part of efforts to end hunger. Finally, paragraph 1.5 refers to building the “resilience” of poor people, an undertaking which is likely to require countries to adopt trade measures that improve the food security of the poor in areas otherwise vulnerable to climate-related shocks.

7 Commitments under this goal could be particularly relevant to achievement of SDG Target 2.3, which refers to “secure and equal access to ... knowledge” in the context of doubling the productivity and incomes of small-scale food producers.

8 Means of implementation 5.a refers explicitly to “reforms to give women equal rights to economic resources”: implementation could have significant ramifications for food and agricultural markets, for example in the area of land title.

9 Target 7.2 commits governments to increase substantially the share of renewable energy in the global energy mix. Seen together with other commitments such as SDG 12.c on fossil fuel subsidy reform, this could imply a significant expansion in the production and consumption of biofuels, which could have other implications for supply and demand trends in food and agricultural markets (see Babcock 2011; De Gorter 2014). More generally, Goal 7 could have implications for input costs such as fertilisers, operating costs for farm machinery, transport costs, and costs associated with heating and refrigeration during production, storage and retail.

- Goal 8 (“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”)¹⁰
- Goal 10 (“Reduce inequality within and among countries”)¹¹

In summary, governments have committed to ending hunger, achieving food security and improved nutrition, and promoting sustainable agriculture, as part of a holistic policy approach

which includes supporting small-scale food producers, making food systems more resilient, sustainable and genetically diverse, and ensuring that all consumers (particularly the poor and vulnerable) can afford healthy food, while helping overall consumption patterns become healthier, less wasteful, and more sustainable. Policies affecting international trade and markets can play a role in supporting these objectives, within a more equitable and better functioning global governance structure (as envisaged in SDG 17).

10 Job creation in both the agricultural and non-agricultural sectors is likely to be critical to achieving the SDG 2 targets on ending hunger and malnutrition: government policies affecting trade and markets are furthermore likely to have significant implications in this area. SDG 2.3 makes explicit reference to non-farm employment, although given the importance of agriculture in generating incomes and employment in rural areas, it is likely that both farm and non-farm employment will be relevant. The commitment in SDG 8.5, to achieve by 2030 “full and productive employment and decent work for all women and men” is also likely to be key, as is SDG 8.8, committing governments to protect labour rights for all workers, including migrants.

11 Target 10.6 could be seen as particularly relevant, insofar as the reference here to “global international economic and financial institutions” is interpreted to cover the WTO; and also in means of implementation 10.a.

3. TRADE IN THE 2030 AGENDA

The 2030 Agenda makes clear that trade is a means to achieve broader objectives, rather than an end in itself (Bellmann and Tipping 2015). The United Nations (UN) resolutions adopt a positive view of international trade, while also calling for governments to take action to improve the functioning of global markets.

Both the SDGs resolution (United Nations 2015, paragraph 68) and the Addis Ababa Action Agenda (paragraph 79) state that “international trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development” and commit countries to the promotion of “meaningful trade liberalization.”

Specifically, SDG 17.10 commits countries to “promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization.” The same target, and paragraph 68 of the SDGs resolution, refer to the importance of concluding negotiations under the Doha Development Agenda.¹²

As noted, “means of implementation” for achieving SDG 2 include commitments to “correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect” (paragraph 2.b). In December 2015, the WTO’s tenth ministerial conference put in place a

framework to eliminate agricultural export subsidies, along with disciplines on other measures seen as having similar effects—although, as discussed below, other more significant types of trade distortions remain to be fully addressed by international rules.¹³

Paragraph 2.c, dealing with the functioning of food commodity markets, food reserves and extreme price volatility, is also directly relevant to policies related to trade and markets. Initiatives such as the G20’s Agricultural Market Information System are clearly important in achieving the stated objective here, although WTO frameworks are also relevant (such as the trade body’s arrangements for notifying agricultural domestic support levels to its Committee on Agriculture, or its 2013 Bali Ministerial Decision on Public Stockholding).

Arguably, although the implementation of paragraph 2.b would represent a useful step towards the objectives set out in 2.1 to 2.5, policymakers will also need to consider whether more comprehensive action on trade may in fact be necessary, extending beyond agricultural markets in order to be effective in overcoming food insecurity. For example, governments will need to address trade policy challenges in the fisheries sector (an issue addressed in part under SDG 14), as well as distortions affecting the markets for farm inputs such as fertilisers, seeds, farm equipment, and energy.¹⁴ Furthermore, they will also need to address services such

12 However, only three months later at the WTO’s Nairobi Ministerial conference, members acknowledged that there was no consensus on whether to reaffirm the Doha mandate, even though they all agreed that it was important to advance negotiations on remaining Doha issues (including agricultural market access, domestic support and export competition).

13 Target SDG 2.b (a means of implementation) refers to the “elimination” of “all export measures with equivalent effect.” At the WTO’s Hong Kong ministerial in 2005, governments agreed to “disciplines” on these measures (language which is repeated in paragraph 83 of the Addis Ababa Action Agenda), rather than eliminating them as specified in 2.b. The Nairobi agreement can be seen as “disciplining” but not “eliminating” those other “export measures with equivalent effect.” See Díaz-Bonilla and Hepburn (2016) for further analysis of the Nairobi agricultural export competition outcome.

14 See Meléndez-Ortiz (2016), suggesting that policymakers and negotiators could usefully consider whether food security could be improved by adopting a value chain approach to markets for food and agriculture.

as credit markets, agricultural insurance,¹⁵ transport and logistics; and trade policies affecting employment markets in both rural and urban areas, including those related to trade in manufactured goods.¹⁶

As noted above, all of the SDGs could have direct or indirect implications for trade and markets in ways that have consequences for the achievement of Goal 2. Other explicit references to trade-related issues with implications for food and nutrition security include commitments to:

- maintain flexibilities for developing countries on intellectual property protection where public health is concerned (SDG 3.b);¹⁷
- increase “aid for trade” for developing countries, in particular least developed countries (LDCs) (SDG 8.a);
- implement the principle of “special and differential treatment” for developing countries, in particular LDCs (SDG 10.a);¹⁸
- “rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions” (SDG 12.c);¹⁹
- prohibit types of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate those that contribute to illegal, unreported and unregulated fishing (SDG 14.6);
- significantly increase the exports of developing countries, and double the global export share of LDCs by 2020 (SDG 17.11);
- implement duty-free, quota-free market access for all LDCs, with appropriate preferential rules of origin (SDG 17.12).

15 Examining the cotton sector in the United States, Lau, Schropp and Sumner (2015) suggest that distortions affecting insurance markets could have significant implications for global prices, production and trade.

16 SDG 2.3 mentions the importance of secure and equal access to financial services, among other things.

17 While the protection of public health is directly relevant to food and nutrition, language elsewhere in the SDGs has implications for rules on intellectual property protection in the WTO and their compatibility with other governance frameworks (e.g. the Convention on Biological Diversity, or the International Treaty on Plant Genetic Resources for Food and Agriculture) in ways that may have consequences for food security. In particular, SDG 2.5 addresses genetic diversity for plants and animals, and fair equitable sharing of benefits arising from their use.

18 ‘Special and differential treatment’ in the multilateral trading system has historically meant that developing countries have been able to undertake lesser obligations or receive greater benefits than other countries.

19 Furthermore, the commitment in SDG 12.2 to achieve “the sustainable management and efficient use of natural resources” by 2030 could have far-reaching implications for food and agriculture markets and for the achievement of SDG 2. For example, it could lead to further disciplines to subsidies and trade barriers that incentivise unsustainable and inefficient production and consumption patterns. Similarly, the reference in SDG 12.3 to halving per capita global food waste and reducing food losses along production and supply chains affects both availability and access to food. The commitment in paragraph SDG 12.4 to achieve the environmentally sound management of chemicals and all wastes may have consequences for government policies affecting fertiliser markets, such as input subsidies or spending on extension services providing advice to producers on sustainable production techniques.

4. TRADE AND FOOD SECURITY: CURRENT CONDITIONS, PAST TRENDS AND FUTURE SCENARIOS

Monitoring and reviewing movement towards the 2030 Agenda commitments is likely to be a significant task for governments and UN agencies in the years ahead (Tipping and Wolfe 2016), albeit one which has already begun, with efforts to identify indicators and improve monitoring processes (United Nations 2016).²⁰ The discussion of historical trends and future projections in the following section is therefore by no means intended to be a comprehensive or exhaustive overview, as this would be beyond the scope of this short paper. Instead, the analysis seeks to illustrate a few key developments in trade and food

security that are likely to be relevant to the achievement of the goals and targets set out in Agenda 2030.

4.1 What Progress Has Been Made So Far in Reducing Hunger and Malnutrition?

Table 1 shows the estimates of the Food and Agriculture Organization (FAO) of undernourishment (population falling below a minimal caloric requirement), the first burden of malnutrition. The early 1990s are compared to the last years in the database (corresponding to the period 2014-16).

Table 1. Undernourishment at global level and in world regions

Prevalence of undernourishment	Percentage of total population (%)			Number (millions)			
	1990-92	2014-16	Difference	1990-92	2014-16	Difference	% change
World	18.6	10.8	-7.8	1010.7	792.5	-218.2	-21.6
Developing countries	23.3	12.9	-10.4	990.7	777.8	-212.9	-21.5
Africa	27.6	19.8	-7.8	181.7	230.3	48.6	26.7
(Sub-Saharan Africa)	33.2	23.0	-10.2	175.7	217.8	42.1	24.0
Asia	23.6	12.1	-11.5	741.9	511.7	-230.2	-31.0
(Southern Asia)	23.9	15.7	-8.2	291.2	281.4	-9.8	-3.4
Latin America and the Caribbean	14.7	5.5	-9.2	66.1	34.3	-31.8	-48.1
Low-income food-deficit countries	27.6	18.7	-8.9	407.7	353.4	-54.3	-13.3

Source: FAO Food Security Indicators.

Note: The differences between periods are presented first in percentage points, and then in numbers. In the last column, the percentage change in the numbers of undernourished people is also included. The categories and regions of countries are explained in the notes of FAO's database.

Between the early 1990s and 2014-16, both the percentage and the number of the world's people suffering from undernourishment declined, from almost 19 percent to about 11 percent, equivalent to a reduction of close to 220 million people. Most of the decline happened in developing countries (almost 213

million people), even though population in those countries increased by about a third during that period.²¹ However, the progress achieved has not been even across different world regions. The improvements in developing countries have been driven by Asia, particularly China. On the other hand, in Africa in general (and in

²⁰ Paragraph 57 of the resolution adopted in New York explicitly acknowledges the need for better data, and stronger data collection systems, in order to measure progress towards the new goals and targets (United Nations 2015).

²¹ The FAO estimates that undernourishment also declined in developed countries by about 5 million people between 1990-2 and 2014-16 (FAO, Food Security Indicators).

sub-Saharan Africa within that group), although the *percentage* of people undernourished declined (by about 8 and 10 percentage points, respectively), the *number* of underfed people increased by almost 49 million and 42 million respectively (or about a quarter more people than in the early 1990s). Relatively rapid population growth during this period has not been matched with corresponding improvements in opportunities for income generation and access to economic resources among the poor.

Furthermore, FAO estimates show that almost 800 million people are still undernourished at the world level, 98 percent of whom live in developing countries, mainly in Asia (512 million)²² and in sub-Saharan Africa (230 million).

Moving to the second “burden of malnutrition,” Table 2 shows the prevalence of anaemia in women and in children under five, as an example of one of the most common indicators of micronutrient deficiency.²³

Table 2. Prevalence of anaemia (% of the population group)

	Women		Children under 5	
	1990s	2010-11	1990s	2010-11
World	40.2	33.2	44.2	38.2
Developing countries	44.1	35.9	51.9	44.6
Africa	50.6	43.5	67.9	58.7
Asia (developing)	40.7	32.6	46.0	36.1
Latin America and Caribbean	38.2	29.4	37.3	34.5

Source: FAO Food Security Indicators.

Note: Figures above represent the average of country values within each region, without weighting by population size, based on available data. The categories and regions of countries are explained in the notes of FAO's database.

Percentages have declined in the last two decades, but they still appear high, if the target of eliminating all forms of malnutrition by 2030 is to be reached.

Finally, the third burden of malnutrition appears to be increasing as measured by both the prevalence of overweight (body mass index (BMI)²⁴ ≥ 25) and obesity (BMI ≥ 30) in people 18 years of age and older, and by the prevalence of high blood glucose or diabetes among people 18 years of age and older. There was no decline in adult

overweight and obesity between 2010 and 2014 in any of the more than 190 countries with data. Global prevalence of overweight and obesity together is 39 percent for women and 37 percent for men (IFPRI 2016). A significant majority of countries also show rising rates of adult diabetes (IFPRI 2015). An increase in demand for “convenience” in food consumption in particular has led to the expansion of fast foods and highly processed products, which appear correlated with health problems associated with overnutrition and non-communicable diseases.²⁵

22 The Southern Asian subregion (identified separately in Table 1) alone represents 34 percent of the world's undernourished people, within which India accounts for about 24 percent. China, which is part of the separate East Asian subregion, still has about 19 percent of the undernourished at the global level.

23 Different factors can cause anaemia (the lack of sufficient red blood cells), but iron deficiency is the most common. Other indicators, such as Vitamin A deficiency, are not available with wide coverage and periodicity.

24 The BMI is calculated (using metric units) as body weight in kilogrammes divided by height in metres squared.

25 A number of factors can be seen as behind this preference, including urbanisation, increases in incomes, and greater participation of both women and men in the formal workforce. Trade and trade policies may lead to a greater availability of products that support a more diverse diet, especially as poor people diversify away from an over-reliance on staple grains, but policymakers also need to be aware that trade can increase the availability of nutritionally poor food, and take suitable measures to address this. SDG 3.4 establishes the objective of reducing by one third premature mortality from non-communicable diseases.

In summary, the first burden of malnutrition is declining but still there is a large number of people suffering from undernutrition; the second burden is also declining but at a slower pace, and the prevalence of nutrient deficiencies is still high; finally, the third burden is becoming more worrisome. It should be noted that although the first and second burdens are more prevalent in lower income countries and the third burden is more acute in rich countries, the triple burden is increasingly present simultaneously in several middle income countries (where all three problems may even be present in the same families).

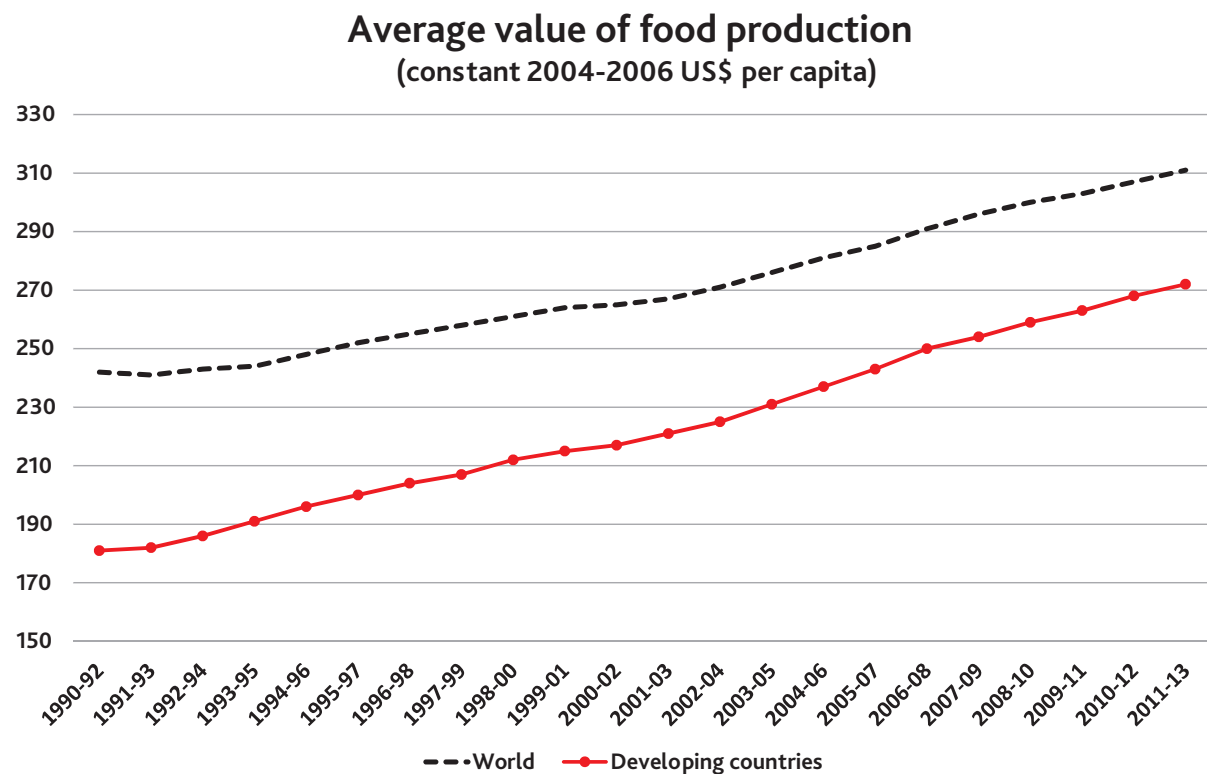
4.2 How Have Markets for Food and Agriculture Evolved in Recent Years?

While food security is affected by market dynamics across different economic sectors,

food and agriculture markets remain particularly important in determining food security outcomes—not least because of the extent to which undernourishment continues to affect rural populations in particular, especially in the developing world.²⁶ In fact, despite rapid urbanisation in recent years, small farms are still estimated to be home to around half of the world's hungry, suggesting that agriculture and rural development remain key to achieving the SDGs (IFPRI 2016).

Food production and trade have evolved significantly during the last decades. Figure 1 shows that food production per capita coming from agriculture in general (fisheries are briefly discussed below) has been increasing at the world level and for developing countries as a whole.²⁷

Figure 1: Global food output is growing, including in developing countries



Source: FAO Food Security Indicators.

²⁶ This is less clearly the case for the other components of malnutrition (micronutrient deficiencies and overconsumption) which are also significant challenges in urban areas, and in both developed and developing countries.

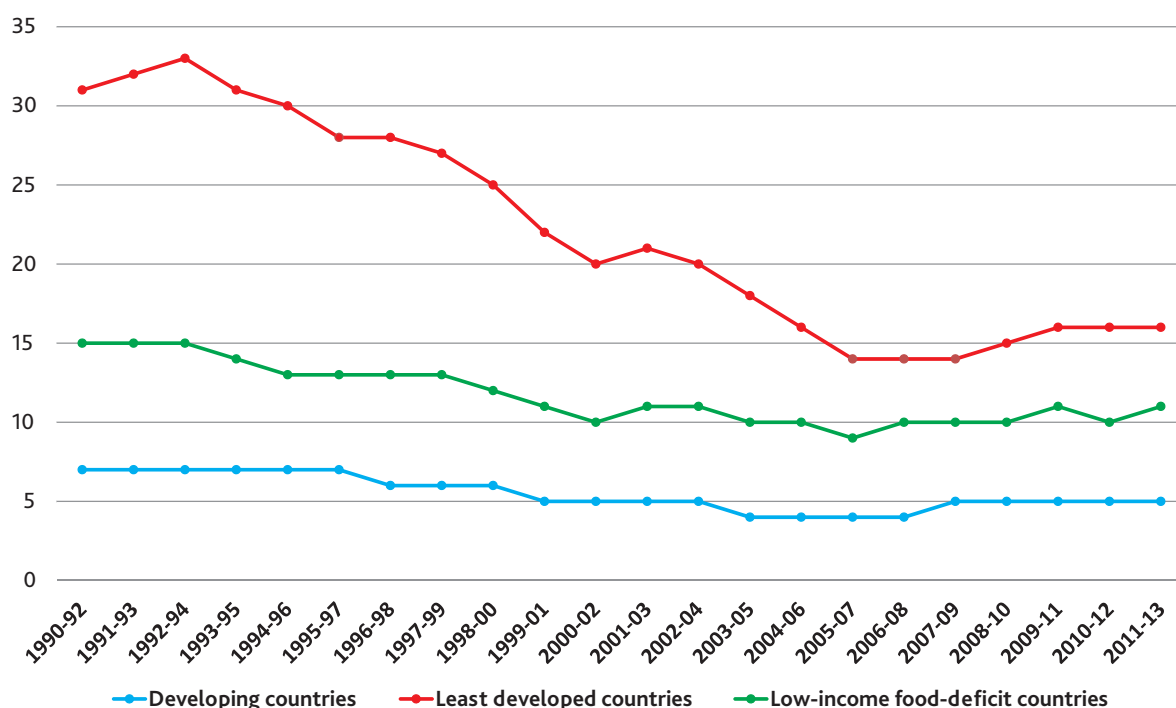
²⁷ Food production per capita is an indicator of overall availability, measured in constant international US dollars.

Despite these aggregate positive developments, food production per capita in almost 36 percent of the 143 developing countries examined is both below the average for that category of countries and, most importantly, has also declined during that period.

Regarding trade, food imports have increased in nominal terms for most (if not all) developing countries, many of which have become net food importers (Valdés and Foster

2011). But at the same time, and related in part to the expansion of global trade, the percentage of total exports that has to be allocated to import food has declined since the 1990s for developing countries as a whole, and also for two important subcategories, the low-income food-deficit countries (an FAO category) and least developed countries (a UN category) (see Figure 2, which shows food imports as a percentage of total merchandise exports).²⁸

Figure 2: Food imports as a share of total exports have declined since the 1990s



Source: FAO Food Security Indicators.

Note: The categories and regions of countries are explained in the notes of FAO's database.

The decline in the percentage indicates that the food import bill has become more affordable, at least for the average of the developing country groups shown. Still, there are about 30 developing countries that need to allocate more than a third of their total merchandise exports to import food, when the average for developing countries is about 5 percent.

Agricultural and trade policies have also changed in the last decades. Some developed countries which in the past heavily subsidised their farm sectors have now somewhat reduced the extent to which they do so, or changed to less distorting forms. However, according to the Producer and Consumer Support Estimates database of the Organisation for Economic

²⁸ A country's vulnerability can be measured by the extent to which the cost of food has been increasing relative to the means it has to buy that food (represented by total exports) (Díaz-Bonilla et al. 2000). This is a more meaningful indicator than simply examining whether a country is a net food importer. For other indicators which convey a similar message, see Díaz-Bonilla 2015. This measure should be seen as indicative, insofar as it masks inequalities in access among different groups and individuals within a country, and also because it excludes services exports.

Co-operation and Development (OECD), direct support²⁹ to farmers in the European Union in 2015 still amounted to US\$51 billion (of which two-thirds were considered to be decoupled from production), and the United States provided US\$17.6 billion (about 55 percent of which was considered decoupled). At the same time, several large developing countries that historically taxed agriculture have moved towards providing various types of domestic support for the sector (Brink 2014; ICTSD 2015). For example, the same OECD database shows that in 2015 China provided almost US\$35 billion in direct support (of which about 10 percent was decoupled). Levels of agricultural investment in many of the poorer developing countries nonetheless remain low, with public goods provision often lagging behind governments' own stated objectives in this area (FAO 2012).

Applied agricultural tariffs have also fallen in all world regions since 2001 (Bureau and Jean 2013), both for multilateral and preferential trade, as a result of the combination of unilateral liberalisation and of the impact of preferential bilateral and regional trade deals. Many analysts also see these as important in reshaping the dynamics of agricultural trade negotiations at the multilateral level (Ash and Lejarraga 2014; Falconer 2015), as major trading powers are able to advance their negotiating objectives on market access without having to make concessions in other areas such as agricultural domestic support. Tariffs and other non-tariff barriers nonetheless remain significant on a number of "sensitive" goods such as beef, dairy, rice, and sugar (ICTSD 2009).

In addition to agricultural production, fisheries contribute an important part of human food consumption with a source that is rich in proteins and a range of other key nutrients,

particularly essential fats (crucial for optimal development of the brain and neural system), minerals and vitamins. Global per capita consumption of fish has more than doubled since the early 1960s, reaching about 19.7kg in 2013, and accounted for about 17 percent of the global intake of animal proteins and 6.6 percent of all proteins consumed (FAO 2016). This share, however, can exceed 50 percent in some countries in Africa and Asia. Employment in fisheries and aquaculture directly and in handling, processing and distribution (where women are heavily represented) may amount to 660-880 million people (FAO 2014b). Sustainable fisheries are therefore important not only as an important source of nutrition in themselves, but also as the mainstays of livelihoods, and thus the ability to buy food, for millions of people.

Fish and fishery products represent one of the most traded food commodities, with about 40 percent of total fishery and aquaculture production being traded internationally. This international trade is particularly important for developing countries, which have a share of more than 50 percent in value and 60 percent in quantity of all exports of fish and fishery products (FAO 2014a). Fisheries production and trade are affected by a series of problems, including illegal, unreported, and unregulated fishing and harmful fisheries subsidies, which need to be addressed to make this important source of food sustainable into the future (Sumaila 2016).

4.3 What Do Projections Suggest Might Happen in Years Ahead?

The OECD and FAO's *Agricultural Outlook 2016-2025* estimates a global decline of about 19 percent in the number of undernourished at the world level (the first burden of malnutrition) by 2024 under business as usual conditions (OECD

29 Here we refer basically to policies that imply transfers to farmers from the taxpayers, as direct support, unrelated to market protection and other trade/border measures. The numbers from the OECD Producer and Consumer Support Estimates database (accessed on 14 July 2016) exclude the component of the Producer Support Estimate (PSE) generated by market protection and related measures (which are a transfer from consumers to farmers). Therefore, these numbers do not reflect the full PSE values. Also, the data in the text do not include general services in support of farmers, which are also calculated separately by the OECD. The issue of market protection is discussed later in the text.

and FAO 2016). However, this would still leave more than 600 million people undernourished, of which about 220 million are projected to be in sub-Saharan Africa. These projections imply that governments will have to introduce policy changes in order to reach the zero hunger target by 2030.

The high levels of prevalence of nutrition deficiencies (second burden of malnutrition) and the current and projected increases in overweight and obesity (third burden) (Kelly et al. 2008) also indicate that governments will need to take bolder steps to reach the SDG 2 target of ending all forms of malnutrition by 2030.

Considering future prices and availability of food, several points should be noted. Between 2007 and 2011, a period of price spikes and increased price volatility led some analysts to speculate that the long-term downward trend in real prices that has characterised agricultural commodity markets in recent decades may have been reversed (Schmidhuber and Meyer 2014; see also De Gorter 2014). On the other hand, falling prices since then—due in part to changes on global energy markets, slowing world growth, and a robust supply response to the high price episode—appear to indicate a reversion to the previous downward trends.³⁰ However, efforts to project future market trends over the period of the 2030 Agenda will have to contend with the potential impact of extreme weather events, which are likely to become more frequent and intense in the medium term, as a result of climate change.³¹

Medium-term projections for food and agricultural markets over the next decades (for instance, the *OECD-FAO Agricultural Outlook*) suggest that both production and consumption are due to grow. Demand for food is likely to increase due to the requirements of a growing global population (albeit one which is growing at slower rates than in the past), which is more urbanised, and with higher average incomes

(although world growth is also most likely to be lower than many projections; Díaz-Bonilla 2016). However, significant differences are projected across world regions, with Africa's consumption of product groups such as rice, wheat, vegetable oil and sugar expected to grow much faster than production, leading to larger trade deficits. In contrast, Latin America is expected to continue producing considerably more oilseeds, coarse grains, meat products, fruit and vegetables, and sugar than the region is set to consume.

Similarly, fish production and trade is also projected to expand in the next decades, based mainly on the expansion of aquaculture (World Bank 2013), with the volume of trade in fish products growing by some 40 percent towards 2030. Africa is also projected to import more, while Asia would become a larger exporter.

While governments in many developing country regions still have significant scope to take actions that would boost agricultural productivity sustainably (see i.e. FAO 2011), increased trade can also be expected to become more important as a means to ensuring that countries can meet growing demand in the future. Policymakers will need to take into account several factors that are likely to influence markets for food and agriculture, and hence also food security, in the future. First, climate change is likely to place some constraints on potential increases in food production, particularly due to changes in temperature and precipitation patterns and an increase in the frequency and intensity of extreme weather events, and land and water constraints. Fisheries appear to already be affected by climate change, with some marine fish stocks moving to higher latitudes or to cooler waters (IPCC 2014), which could potentially impact access and nutrition in low-latitude countries. Secondly, crucial unknowns are the path of technological developments in energy production and consumption, and along the whole value chain of agricultural production, processing, distribution and consumption, which could increase productivity, reduce

³⁰ OECD and FAO (2016) explores these issues in depth.

³¹ Some analysts nonetheless observe that humanitarian emergencies necessitating external assistance have already become an almost permanent reality in some countries and world regions (Konandreas 2012).

emissions, and curtail waste and losses. Thirdly, another large unknown is the extent to which governments will be able to work together within improved world governance structures that allow the management and peaceful resolution of different global problems without conflict.

As projections suggest that trade in food and farm goods will become more important in meeting growing demand, policymakers will need to establish both suitable trade policies at the national level and an adequate framework of international trade rules.

5. HOW CAN GOVERNMENTS ENSURE THAT POLICIES AND RULES AFFECTING TRADE CONTRIBUTE TO ACHIEVING THE 2030 AGENDA GOALS ON FOOD SECURITY?

Policies and global rules that affect trade and markets can have impacts on food and nutrition security in a number of ways, by affecting the four components of food security: the availability of food, or its aggregate supply; access to food, including the ability of consumers to be able to afford food purchases; stability, meaning whether food is both available and accessible over time; and use, meaning whether food which is both available and accessible can be used and absorbed effectively by consumers in ways that lead to improved nutritional outcomes.³² Government policies can make it easier or harder to produce, buy, or sell food, not least by affecting the costs associated with doing so; these policies can furthermore affect constituencies within a country and abroad in different ways, including over time (Díaz-Bonilla and Ron 2010; Díaz-Bonilla 2015; FAO 2015). Furthermore, governments can take steps to address market failures and efficiency issues, and to improve the functioning of markets by providing public goods,³³ in ways which can have significant consequences for food security. Finally, some of the interventions may be related to equity, and not efficiency, considerations.³⁴

The channels through which domestic and international trade policies affect food and

nutrition security are multiple, and the results must be considered in the context of their overall impacts and outcomes. For example, lowering a tariff on maize in one country might make it easier for urban consumers to afford the food they need, but could adversely affect rural producers in the same country if they were unable to compete with the price of the imported maize. The same policy change could bring benefits to maize producers in other countries, but also have adverse effects on consumers elsewhere, especially if the country lowering its tariff represented an important share of consumption on world markets. Furthermore, in some circumstances the lower tariff could affect markets both upstream and downstream, such as markets for livestock that were affected by feed prices, or markets for farm inputs. The reduced tariff could also have varying impacts over time—for example, if it incentivises more or less sustainable natural resource use. Other border measures, such as export taxes or quotas, can similarly affect markets in ways which have consequences for food security—as can domestic measures such as subsidies and taxes.

This complexity needs to be taken into account when considering domestic and international policy options, such as those discussed below.

32 Díaz-Bonilla (2015) presents a conceptual framework to analyse the links between trade and food security and analyse empirical evidence on the channels of transmission of policies.

33 Economists define “public goods” as goods that are non-rivalrous (the use of the public good by one person does not reduce the availability for others to also use it) and non-excludable (once a public good has been created, people cannot be excluded from its use). Therefore producers of this type of goods or services cannot internalize their full value, and fewer of those goods will be produced than is socially efficient without governmental intervention. Under this strict definition, however, there are few “pure” public goods. So, in general, the notion refers more loosely to goods and services generated by governments that try to benefit the society in general, rather than individual persons (“private goods”). Agricultural research and development is usually considered a public good, although patents can eliminate the non-excludability. Also, general infrastructure (such as rural roads) may be also considered as public goods, even though congestion affects the non-rival aspect of their use.

34 A proper justification for public policy usually falls under two broad categories of efficiency and equity: the presence of some type of market failure that generates inefficiencies that need to be corrected through public sector actions (such as public goods); or distributional and equity concerns, linked to undesirable levels of inequality or poverty that must be rectified.

Governments will have to move quickly to achieve the food security and nutrition objectives of the 2030 Agenda. This is partly because of the scale of the challenge remaining; the imperative to ensure that government policies contribute to the rapid realisation of fundamental rights; the lead time required to ensure that investments today deliver results by 2030; and the time needed to negotiate improvements in global rules and set up new collective international mechanisms where these may be required.

The rest of this section identifies key policy challenges governments may face as part of this effort and suggests actions they could take to meet them. These policy actions would contribute, in different ways, to achieving the four components of food security outlined above through their impacts on food producers, consumers and other related economic actors.

5.1 Increasing Investment in Public Goods to Help Food-Insecure Producers and Consumers

As the 2030 Agenda declarations acknowledge explicitly, many of the actions that governments need to take to improve the functioning of food and agriculture markets, reduce poverty and improve the sustainability of farming must be undertaken at the domestic level.³⁵ These kinds of measures could presumably be accomplished in a shorter time-frame than those requiring international cooperation. Current WTO rules impose relatively few constraints on many of the types of policies required, such as spending on pest and disease control, research, off-farm infrastructure or farm advisory services, which are all “public goods” allowed without limits under the WTO green box (which covers

support deemed to cause no more than minimal distortion to trade and production) (see Díaz-Bonilla and Ron 2010; Oduro 2009).

The targets on productivity and sustainability (SDG 2.3, 2.4 and 2.5) would nonetheless benefit from stronger international collaboration, building on existing mechanisms such as the CGIAR system (Tangermann 2016).³⁶ Those targets also require important investments in agricultural research and development, and, more generally, in innovation systems that focus on smallholders.

Furthermore, many policies and programmes with implications for trade that affect food security may need to be addressed at least in part within dedicated governance frameworks (such as, for example, collaborative efforts to reduce global greenhouse gas emissions).³⁷

5.2 Ensuring Markets Are Not Distorted and Function Adequately to Support Food Security

Given the importance of inadequate economic access to food in contributing to malnutrition, and especially to undernutrition, governments may wish to emphasise interventions that specifically target poverty reduction, including especially the needs of poor people who are vulnerable to climate-related extreme events (SDG 1.1, 1.2, 1.5).³⁸ Trade policy reforms aimed at improving both on-farm and off-farm employment and creating opportunities for decent work could help by raising income levels among food-insecure population groups (SDG 2.3, 8.5), such as measures to correct and prevent trade restrictions and distortions in world agricultural markets (SDG 2.b), to expand LDC and developing country exports

35 See, for example, paragraph 9 of the Addis Ababa Action Agenda.

36 The CGIAR Consortium, formerly the Consultative Group of International Agricultural Research Centers, comprises 15 international research centres in several countries (mainly in developing countries) doing agricultural and policy research for poverty alleviation, food security, and environmental sustainability.

37 Negotiations within existing trade governance frameworks could complement these initiatives and also contribute towards the achievement of the food security SDGs: for example, talks on phasing out harmful fossil fuel subsidies pursuant to SDG 12.c.

38 OECD (2016) finds that measures to improve the equality of people’s access to food would enable more people in more countries to become food secure, compared to other scenarios analysed.

in agriculture and other areas, including through duty-free, quota-free treatment (SDG 17.11, 17.12), or to provide secure and equal access to markets and opportunities for value addition (SDG 2.3). Arguably, governments could therefore usefully take cooperative action to address distortions and improve the functioning of markets in several discrete areas set out below.

5.2.1 Agriculture

Governments could agree to discipline all forms of trade distorting domestic agricultural support measures under a unified cap and then reduce these further (SDG 2.b), particularly considering those that may lead to unsustainable uses of inputs and energy. They could also usefully review disciplines on domestic support in the WTO green box so as to ensure that policies aimed at the provision of public goods (e.g. pest control and public agricultural research) are treated differently from other measures, such as those targeted at decoupled income support (Tangermann 2016).

A separate issue in talks on WTO farm subsidy rules is the operation of public food stocks in developing countries when governments purchase stocks at administered prices. Members of the WTO are already committed to finding a “permanent solution” to the problems that some developing countries say they face, and there are different options that can be considered (Bellmann et al. 2013; Díaz-Bonilla 2014 and 2016; Matthews 2014; Montemayor 2014; Glauber 2016).

Similarly, expanding secure and equal access to markets for food and agriculture could be achieved through global trade negotiations aiming at the reduction of high import tariffs and phasing out tariff-rate quotas. Special attention to the issue of “tariff escalation” (unusually high tariffs on processed products) could allow negotiators to address problems

related to “tariff peaks,” which directly affect opportunities for value addition (SDG 2.3).

5.2.2 Fisheries

Governments can also take steps to improve the sustainable contribution of fisheries to food security by concluding negotiations that realise their commitments on the conservation and sustainable use of oceans, seas and marine resources (SDGs 14.4 and 14.6). In order to ensure that fisheries are managed sustainably, governments will need to negotiate outcomes which help to eliminate illegal, unreported, and unregulated fishing and harmful fisheries subsidies, as well as achieving the other objectives set out under goal 14.³⁹

5.2.3 Energy and environment

To improve the environmental sustainability of food production, governments should consider phasing out fossil fuel subsidies (SDG 12.c), a move which could usefully be accompanied by measures to address distortions affecting the production, trade and consumption of biofuels, a review of how domestic support measures are linked to environmental objectives under the WTO Agreement on Agriculture and other legal texts, and complementary measures that operate at the border to avoid “carbon leakage” (Blandford 2013). Governments could also consider better notification procedures to address the expansion in mandates and production of biofuels, and their impacts on food markets, along with effective disciplines on the magnitude and use of support (Babcock 2011; Josling 2013; Blandford 2013).

5.2.4 Other goods and services

Governments could usefully explore options for fast-tracking talks at the multilateral level to improve the operation of markets in specific goods relevant to food security, such as farm equipment, fertilisers and seeds,

³⁹ For further analysis and trade-related policy options that could support sustainable fisheries and aquaculture production, see Sumaila 2016.

and relevant services such as transport and logistics, credit markets and agricultural insurance. These could be organised as part of existing negotiations, or as a new stand-alone process, potentially building in other aspects of the unfinished multilateral negotiating agenda such as farm subsidy reforms.

5.2.5 *Intellectual property rules*

Governments need to ensure that the ability of developing countries to use technologies necessary for food and nutrition security is not unduly constrained by the WTO's Agreement on Trade Related Aspects of Intellectual Property Rights, nor by preferential trade agreements that include provisions establishing higher levels of protection for intellectual property (see Pardey, Wright, and Nottenburg 2001).

5.3 Ensuring Consumers Have Adequate Access to Safe, Sufficient and Nutritious Food

Governments could also prioritise the introduction of targeted social protection systems of the sort envisaged under SDG 1.3, as these would have the advantage of improving access to food and expanding, rather than suppressing, trade (Josling 2011). Annex 2 of the WTO Agreement on Agriculture already allows food consumer subsidies for poverty reasons; it would be useful to distinguish income payments to farmers in general (which should be capped and disciplined) from poverty-focused safety nets (which should not be). Conceivably, an international mechanism for doing so could provide a framework for donor governments to collaborate with recipient countries in order to overcome financial constraints some developing countries might otherwise face. The lead time required to establish a collaborative mechanism of this sort would be another reason why governments might need to prioritise action in this area.

Governments also need to ensure that they have established adequate tax and regulatory frameworks to ensure healthy foods and consumer education and guidance. Government policies affecting production, consumption and trade in products whose excessive consumption can be unhealthy, such as sugar and some fats, may be relevant to the broader set of actions needed to tackle malnutrition in this area. These policies could include, for example, subsidies that have the effect of artificially lowering global prices and incentivising higher consumption levels than would otherwise be the case, or, perhaps more controversially, taxes and stricter regulations to reduce consumption of some products. Those policies may require that sanitary and phytosanitary measures and technical barriers to trade provisions, investment treaties and related agreements do not limit the scope to apply science-based, non-discriminatory domestic policies to limit unhealthy consumption of food.

5.4 Reducing the Impact of Market Volatility on Poor Consumers and Producers

Policymakers might also seek to fast-track interventions aimed at improving the resilience and adaptive capacity of poor food producers and consumers in low-latitude regions, and especially those reliant on rain-fed agriculture, given their particular vulnerability to the sorts of extreme weather events mentioned in SDG 2.4. More effective instruments to help governments mitigate price volatility and risk could also become necessary if markets become more volatile during the 2030 Agenda period and beyond. Currently, global trade rules contain only limited disciplines on the ability of major exporting countries to impose agricultural export bans and restrictions, meaning that policy interventions by governments in these countries can exacerbate the impact of price spikes on poor consumers in food-importing

40 Anania (2014) identifies issues and options around trade and food security in this area.

countries at times of global shortages. Governments could usefully prioritise action in this area as part of a broader strategy for implementing SDG 2.4.⁴⁰ Export restrictions should be subject to better notification systems and stricter disciplines in their use.⁴¹ In particular, as agreed in the G20 but not yet agreed in the WTO, food aid to countries in an emergency should not be subject to export limitations.

Procedures for monitoring and surveillance of agricultural policies should be further strengthened, in line with target 2.c which commits countries to “facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility.”

Similarly, governments could ensure that existing trade mechanisms protect poor producers from sudden shocks or surges in imports of agricultural commodities. A number of food-importing developing countries have argued for a more robust safeguard mechanism at the WTO which would allow them to raise tariffs temporarily in an event of this sort. At the same time, agricultural exporting countries have argued that any new safeguard should not hinder the normal growth of trade. The Nairobi Ministerial decision on the special safeguard mechanism (WT/MIN(15)/43 -WT/L/978. 21 December 2015) commits WTO members to negotiate such an instrument to be used for developing countries. As in other areas, governments will need to seek a careful balance between the interests of agricultural producers and consumers, while also ensuring that all countries have access to the sort of instruments they will need to mitigate against increased risks and volatility on global markets. Negotiators will also need

to be aware of the types of commitments being included in this area under the fast-growing number of preferential trade deals.

5.5 Balancing Pragmatic Steps Forward with Ambitious Action

Progress on specific new international trade rules such as safeguards or stronger export restriction disciplines, along with a permanent solution for the operation of public food stocks, could be other steps that governments could quite easily take towards the type of multilateral trading system envisaged under the 2030 Agenda (SDG 17.10), building on the achievements in 2015 of the WTO’s Nairobi Ministerial Conference in disciplining agricultural export restrictions (SDG 2.b).

At the same time, policymakers and negotiators should not lose sight of the importance of pursuing more ambitious measures to correct and prevent trade distortions (SDG 2.b), such as in the controversial area of agricultural domestic support. Indeed, trade negotiators from the bulk of the WTO membership have identified this area as a potential deliverable for the global trade body’s upcoming ministerial in 2017. Conceivably, focusing on measures that would improve the sustainability of production and consumption patterns could improve the prospects for establishing the consensus needed to achieve progress (SDG 12.2, 12.3). However, given the complexity of talks in this area and the political obstacles to establishing more equitable global markets, governments will need to front-load their efforts to reach agreement on this topic in order to have a realistic chance of ensuring that negotiating outcomes make a meaningful contribution to efforts to improve food security ahead of the 2030 target date.

41 This is very relevant to avoid volatility in the world market and lack of access by net food-importing countries if they are to maintain their faith in the international trading system.

6. CONCLUSION

The 2030 Agenda sets out an ambitious vision for tackling some of the critical sustainable development challenges that the world faces today. Among other things, it establishes groundbreaking new commitments on food and nutrition security, key among which are the 2030 target dates for ending hunger and all forms of malnutrition. The new agenda also lays out explicit steps which governments will need to take, both individually and collectively, in order to ensure that policies and rules affecting trade and markets contribute to the realisation of these objectives.

Despite historic progress in reducing undernutrition over the last few decades, governments will need to adopt new approaches and new methods to meet the ambition of the 2030 Agenda. Especially in the areas of micronutrient deficiencies and

overconsumption, governments will need to reconsider how policies affecting markets for food and agriculture impact on their food and nutrition security objectives. At the same time, there is no room for complacency over undernutrition: at current rates of progress, sub-Saharan Africa in particular will be unable to achieve the SDG targets.

Policymakers confronting the new food security landscape may feel daunted by the scale of the task ahead of them. However, recent progress in agreeing new disciplines on global farm trade suggests that incremental steps forward are both feasible and realistic. Trade policy makers and negotiators have an opportunity to demonstrate that they can shape more equitable and sustainable markets to contribute towards the goals of ending hunger and malnutrition.

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ANNEX 1: TEXT OF SDG 2

SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.

2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.

2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

2.5 By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.

2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries.

2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round.

2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility.

ICTSD has developed a series of papers that explore the contribution that trade and trade policy could make to key objectives of the 2030 Agenda for Sustainable Development.

- Trade in *Transforming Our World: Options for Follow-up and Review of the Trade-related Elements of the 2030 Agenda for Sustainable Development*. By Alice Tipping & Robert Wolfe, 2016.
- Priority Trade Policy Actions to Achieve the 2030 Agenda and Transform African Livelihoods. By Lily Sommer & David Luke, 2016.
- The 2030 Agenda and the Potential Contribution of Trade to Gender Equality. By Jeni Klugman, 2016.
- Trade, Natural Resources, and the 2030 Agenda. By Richard King, 2016.
- Trade, Public Health, and the 2030 Agenda. By Xavier Seuba, 2016.
- Climate Change and Sustainable Energy in the 2030 Agenda: What Role for the Trade System? By Kasturi Das & Kaushik Ranjan Bandyopadhyay, 2016.

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The International Centre for Trade and Sustainable Development (ICTSD) is an independent think-and-do-tank, engaged in the provision of information, research and analysis, and policy and multistakeholder dialogue, as a not-for-profit organisation based in Geneva, Switzerland. Established in 1996, ICTSD's mission is to ensure that trade and investment policy and frameworks advance sustainable development in the global economy.