



Food systems and COVID-19 in Latin America and the Caribbean: Recovery with transformation: a mid-term overview

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1. Editorial



Privileged access to natural resources has allowed Latin America and the Caribbean to become a world leader in food production. This advantage, however, is not reflected in the diet of its inhabitants. While some do not even consume the minimum amount of calories to survive, a significant number of people have access mainly to ultra-processed foods that are high in salt, fat and sugar, with disastrous consequences for public health in terms of overweight and obesity.

As mentioned in other issues in this series, the COVID-19 pandemic has exacerbated some of the weaknesses and deficiencies of our societies. It has also shown that agriculture is an indispensable activity, producing essential goods. In that sense, the pandemic represents a huge opportunity to change, to start taking actions that will allow us to build a more modern, resilient and environmentally and people-friendly agriculture in rural areas. Nations have given this aspiration a name: rebuild and transform.

Fostering a reconstruction process that seeks to transform structures, habits and dynamics threatening the sustainability of the planet requires action to be taken as soon as possible, since the situation in which we will find ourselves in the post-pandemic world will undoubtedly be very different from the one we had by the end of 2019, posing even greater challenges than those we had at the end of last year.

Therefore, in this issue, we wanted to make a preliminary overview of the effects of this crisis on the regional agrifood system and list some initiatives and ideas on what to do to recover and transform the regional agrifood systems, with the aim of improving the social and economic conditions of the people living in the region, in complete harmony with nature.

2. Key messages



- The region is on a steady path to becoming the world's largest food producer. So, the agrifood sector appears to be more resilient than the other economic sectors, which have been hit hard by the pandemic.
- However, current agricultural production processes are not sustainable: they are responsible for 46 percent of greenhouse gases in the region and are critical agents in the loss of biodiversity.
- Besides, it is at least paradoxical to see that endemic food and nutrition security problems are present and that the crisis has exacerbated these.
- Immediate recovery measures should focus on protecting existing jobs, creating new ones and strengthening the social protection network, whether through direct investment or policies.
- Still, recovery can be the opportunity for transformation, that is, for making the adjustments that agrifood systems require to develop resilience to future risks.
- It is possible to enhance the resilience of agrifood systems by correcting the multiple social, economic and territorial inequalities present in the rural environment, and by establishing a more sustainable relationship between humans and nature.
- Although the objectives for immediate recovery and transformation of agrifood systems are not identical, the actions should start simultaneously so that recovery WITH transformation is indeed possible.
- The need to respond quickly to the crisis caused by the COVID-19 pandemic has generated a strong tax pressure, in a context of high public debt.
- Recovering our food systems is costly, but promoting a transformation of the sector is even more costly.
- Public funding for our agrifood systems is a scarce resource, which contradicts the importance of agrifood systems.
- It is necessary to look for new sources of financing, in addition to the traditional ones, such as: parafiscal charges, payments for environmental services (PES), tax discounts or a new Corporate Social Responsibility (CSR) to finance the necessary post-pandemic actions.



3. The importance of agriculture in Latin America and the Caribbean



Agriculture and food systems are crucial to some Latin American and Caribbean economies, both in terms of GDP and employment. Many jobs are generated due to the work of small producers, as more than half of the region's food production comes from small farms. Although agriculture is very diverse across countries, there is enormous heterogeneity in terms of scale and sophistication, as well as its contribution to the national economy (Trivelli and Berdegú, 2019).

The importance is also strategic, as the pandemic and the imminent risk of a food crisis remind us of the crucial importance of agriculture and food systems. Agriculture is an indispensable activity, producing essential goods. It is precisely in the area of food production that the region has positioned itself as one of the world's major producers.

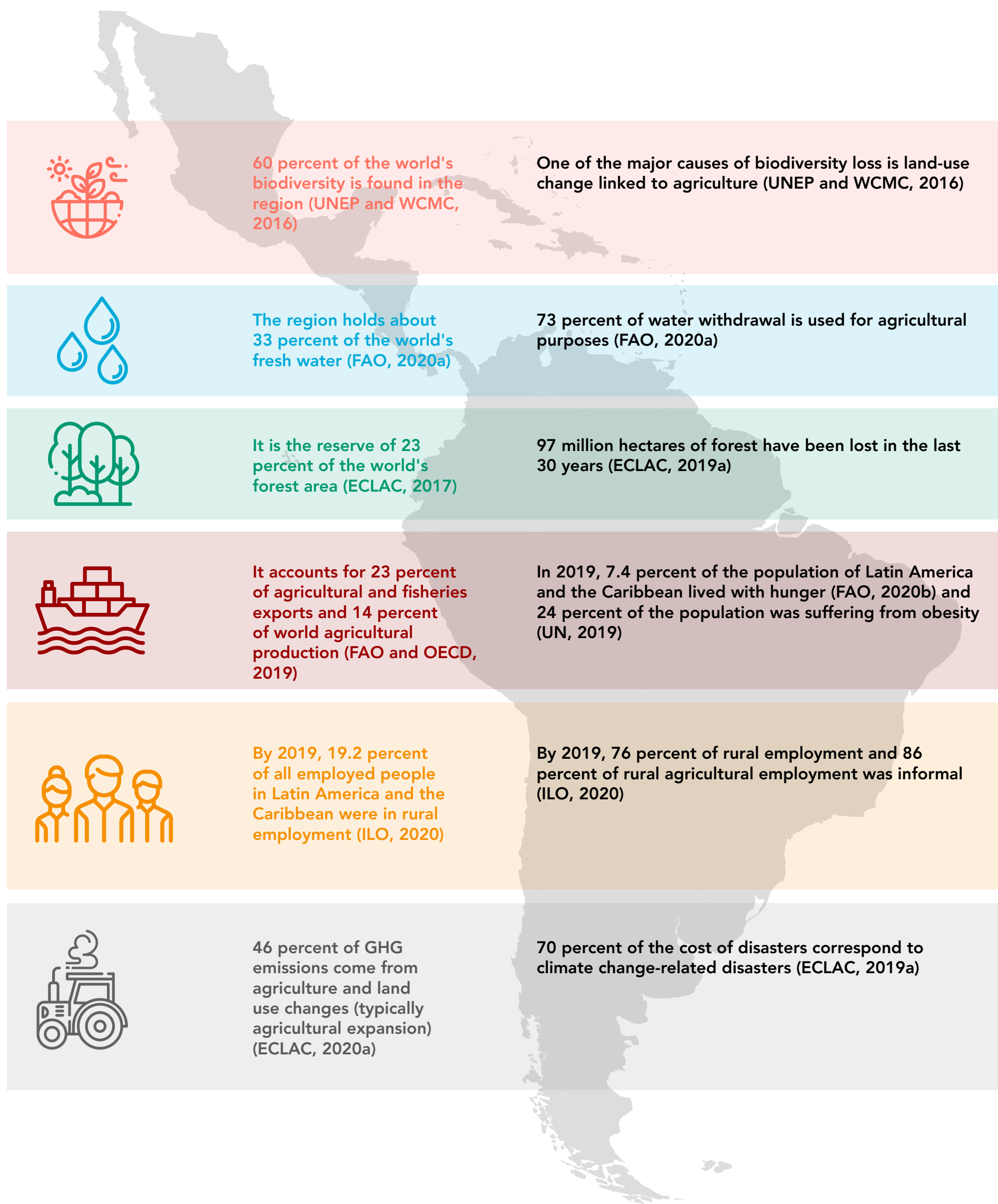
Besides, Latin American and Caribbean countries have very abundant natural resources, which, in a way, has allowed the region to position itself as a major food producer. Hence, agriculture plays a critical role in the regional and global environmental balance since the environment in which agriculture and fishing take place is where ecosystem services are generated, benefitting the whole planet (Díaz-Bonilla and Del Campo, 2010).

This productive capacity has meant spending more water, cutting down more trees and degrading more soil than in any other region of the world. And there is no trade-off: natural resources are being consumed at an extremely rapid rate, and their renewal does not run at the same speed.

Therefore, agrifood systems have a vital role to play in taking care of natural resources in Latin America and the Caribbean, and conserving them. This will make it possible to guarantee future production and thus meet the challenge of feeding more and more people, since the demand for food is expected to grow by 22.5 percent by 2050 (Morris, Sebastian and Perego, 2020).



Figure 1/ Natural resources and agriculture in Latin America and the Caribbean.



4. The Sustainable Development Goals (SDGs) and recovery with transformation



Reconstruction or recovery has often been conceptualised and designed for a country to return to the development conditions it enjoyed before a disaster or crisis. This, however, has led to the repetition of pre-existing risk situations and, therefore, the possibility of falling back into the same past emergencies or crises (UNDP, 2012). This way of analysing risks has evolved over time. Thus, a few years ago it was established that the **reconstruction phase** should be the opportunity to rebuild by creating resilience to manage or handle future risks, namely, **build back better** (UN, 2015).

As a result, more and more voices are pointing to the health, economic and social crisis caused by the **pandemic** as an **opportunity** to reflect on what kind of responses are required to emerge from a crisis of this magnitude. For this reason, it has been pointed out that in order to build back better, it is necessary to **transform the development model** of Latin America and the Caribbean (ECLAC, 2020b; UN, 2020a).

Transformation refers to the adjustments that **agrifood systems** require to develop resilience to future risks (Torero, 2020a). Furthermore, it has been said since before the pandemic that food and agriculture systems require transformation – that should be aligned with the **Sustainable Development Goals (SDGs)** (Trivelli and Berdegue, 2019).

After the **pandemic** became a reality in the region, the Food and Agriculture Organization of the United Nations (FAO) and Fundación Democracia y Desarrollo (FDD) held a seminar to discuss whether investments in the COVID-19 recovery could be the necessary catalyst for a reorientation of Latin American and Caribbean economies and societies to meet the 17 **Sustainable Development Goals** (FAO and FDD, 2020). Achieving these goals depends largely on agriculture, food, and terrestrial and marine ecosystems, which offer an irreplaceable space for the development of solutions that allow to **rebuild and transform**, with public policies aimed at improving socio-economic indices, mitigating climate and environmental effects, and increasing adaptation and resilience to climate change in the region.

Perhaps it is time to address not only the direct consequences of the COVID-19 pandemic, but also other problems besetting society, such as the **climate and environmental crisis** affecting all human activities – especially fishing and agriculture, which are highly vulnerable to climate change (Morris, Sebastian and Perego, 2020; UN, 2020b).

This is why it has been stated that **recovery with transformation** of agrifood systems must incorporate **social, economic** and **environmental** dimensions (ECLAC, 2020a; UN, 2020a), in order to achieve the objective of moving towards more **resilient, sustainable** and **inclusive agrifood systems** (FAO, 2020a; Morris, Sebastian and Perego, 2020).

4.1. Recovery is immediate

The pandemic has deepened the economic slowdown that has been present in the region since 2014. Average GDP growth in recent years was a weak 0.4 percent. The arrival of COVID-19 in 2020 is expected to cause an impressive contraction of -7.7 percent (ECLAC, 2020b).

However, the agrifood sector seems to be behaving differently from the other economic sectors. Before the crisis, Latin America and the Caribbean was expected to become the main food producing region in the world, contributing more than a quarter of the world's agricultural and fishery products (OECD and FAO, 2019); and after almost a year of crisis, it seems that the projection has not changed much. Moreover, exports of agricultural and fishery products produced in the region have increased by 6 percent during the first half of 2020 (FAO and ECLAC, 2020).

Given the amount of food produced in Latin America and the Caribbean, it is at least paradoxical to see that endemic food and nutrition security problems are present and that the crisis has exacerbated these. This can be explained by the serious impact on poverty and employment levels that the pandemic has had, and by the high price of healthy diets in the region.

Figure 2/ Poverty, extreme poverty, unemployment and hunger observed and projected in Latin America and the Caribbean, 2019 and 2020



Source: FAO, based on ECLAC (2020c).

Thus, immediate recovery measures should focus on protecting existing jobs, creating new jobs and strengthening the social protection network, whether through direct investment or policies. However, if the resilience of agrifood systems is to be enhanced, the recovery should incorporate transformational aspects, which will be addressed in the next section.

In the immediate recovery process, it is considered necessary to explore mechanisms to provide all poor people with basic emergency income. This may include the possibility of providing the equivalent of the national poverty line. To address food insecurity and malnutrition, these measures could be complemented, where necessary, by anti-hunger vouchers for people living in extreme poverty (UN, 2020a).

Also, health and social protection measures should be targeted at workers in the informal sector, which is mainly composed of women, youth, indigenous peoples and migrants (UN, 2020a). It is also essential to maintain feeding programmes for children, the elderly and other vulnerable people, giving priority to the public purchase of healthy and perishable food from small-scale agricultural producers and artisanal fishers in the region (FAO, 2020b).

Finally, it is important to implement actions aimed at preserving productive and management skills and capacities, so that production can respond when demand recovers, such as emergency grants for micro, small and medium-sized enterprises (MSMEs), especially to cover labour costs. Policies and investments should facilitate equal access to information and communication technologies, tools and platforms (ICTs). For larger enterprises, financial support could be provided with conditionalities, such as protecting jobs, investing in research and development (R&D), making green investments and refraining from distributing dividends to shareholders (UN, 2020a).

4.2. Transformation is a long-term work

4.2.1. Inclusiveness, diversification and equality of rural territories

Although transformation is a long-term process, it must start alongside the immediate recovery process, focusing on the economic, social and environmental aspects that need to be corrected in the long term.

Since before the pandemic, rural population faced significant lags and gaps in development indicators. In 2017, one out of two rural inhabitants in the region faced monetary poverty and one in five faced extreme poverty (ECLAC, 2019b). These rates double and triple, respectively, the incidence of the same indicators in the urban environment.

These social differences are not static, but tend to be reproduced and passed on from one generation to another, as a result of the interaction of the multiple social, economic and territorial inequalities present in the rural environment. This is the manifestation of the territorial traps of poverty, inequality and low social mobility (Bebbington *et al.*, 2016). Hence, ending poverty is not on the horizon for a large part of the rural population (Trivelli and Berdegúe, 2020), and achieving it by 2030 will be difficult for most countries in the region.

Therefore, poverty in rural areas is not only based on lower levels of economic growth, but also on the prevalence of high levels of multidimensional inequality. In other words, poverty must be analysed together with other dimensions, such as nutrition.

The prevalence of undernutrition has increased in the region over the past five years, probably because of stagnant economic growth. In 2019, undernutrition levels reached 6.7 percent in Latin America and 16.6 percent in the Caribbean, when the global average was 8.9 percent. Besides, it should be recalled that poor nutrition is associated with obesity and overweight – diseases that affect almost half of the regional population (FAO *et al.*, 2020).

Economic conditions, structural imbalances (income, assets and resources) and the lack of social protection policies are the main causes of hunger and malnutrition in the region, added to disasters and crises that make it more difficult to escape this vicious circle (FAO *et al.*, 2020). This situation can be illustrated by the clear territorial inequality in Latin America and the Caribbean. While child overweight in highly underdeveloped territories is 13.1 percent, it is 6.6 percent in those with no underdevelopment (FAO *et al.*, 2020).

In short, today more than half of the regional population is suffering from hunger or malnutrition, and the pandemic has only made the numbers worse. To achieve the goals of the 2030 Agenda, the efforts made so far will have to be redoubled.

FAO proposal

Transforming food systems: healthy diets for all

This proposal comprises two main focus, which require renewed public institutions based on science and technology, integrating all actors, including consumers and the private sector. Therefore, dialogue and collaboration with the business sector will be a priority for FAO.

Also, reliable information and policy monitoring are required to reduce rates of hunger, overweight and obesity. Achieving this requires effective governance that balances the interests of all actors in the food system, with a greater role for the public sector.

Focus 1. Ensure greater supply and physical access to diversified and nutritious diets for all people

- Increase the production of healthy and nutritious food by providing assets, financing and training to small and medium agricultural producers and artisanal fishers.
- Boost the circular economy and reduce food loss and waste.
- Improve food distribution systems (including distribution systems and supermarkets, which must have a greater food supply), promoting short marketing circuits and local supply premises.
- Establish trade policies that promote greater food security.
- Improve food safety and quality, a cornerstone of marketing.

Focus 2. Facilitate economic access to food and improve information and consumption patterns to promote healthy diets

- Promote fiscal and social policies that facilitate access to healthy food.
- Regulate food advertising and labelling to empower the population.
- Promote food education and school feeding.

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