

Proposal for a light-touch exploration of whether the world would benefit from the creation of a Food Systems Stability Board, akin to the Financial Stability Board

FSS ACTION TRACK 5 QUESTIONS

1. WHAT IS THE RISK, SHOCK, STRESS THAT THE SOLUTION IS TRYING TO ADDRESS?

The world is going through a period of unprecedented disruption due to the COVID-19 pandemic and the escalating impacts of climate change and nature loss – all of which are driven by and impact upon how we grow, process, trade, distribute and consume food.

Food systems underpin the security of the global economy, with an outsized impact on the health and wellbeing of people and planet. In many countries they are an issue of national security.

Food systems are critical to:

- **Food security:** More than 800 million people still go to bed hungry every day; 1 in 9 people are malnourished. This has been and will continue to be exacerbated by the impact of climate change – for example the likelihood of simultaneous production shocks affecting more than 10% of production in the top four maize-exporting countries, which account for 87% of global maize exports, rises from close to zero at present, to seven percent under a 2-degrees Celsius warming scenario and to a staggering 86 percent under a 4-degrees Celsius warming scenario.ⁱ
- **National security:** Climate change is one of the leading drivers of mass rural migration, which disproportionately affects women and the poor. It is also a key driver of political instability and conflict. Many countries increasingly rely on imports of agricultural commodities, which raises issues of import dependency and national security in the event of supply or trade disruptions.
- **Climate security:** Food and land use systems are responsible for 25% of global greenhouse gas emissions and a third of all food assets are linked to fossil fuels – meaning a third of the asset-based economy is linked to stranded assets! We cannot achieve Paris climate targets unless the food system rapidly decarbonizes.
- **Physical security:** Food systems are not only a driver of climate change but deeply exposed to it (e.g., through droughts, floods, fire etc.) 70% of the world's 60 largest publicly listed meat, dairy and aquaculture producers are failing to manage climate risk.
- **Market security:** Consumer norms and investor preferences are rapidly shifting to more sustainable solutions; transforming the food system has the potential to unlock \$4.5 trillion in annual new business opportunities. Given 80% of innovation resources currently go to the big five commodities, there are significant investment opportunities to transform innovation pathways as well, especially to shift away from the monoculture agricultural model.
- **Livelihood and job security:** More than 2 billion jobs are linked to the food system while stimulus spending linked to nature-positive food systems has been linked to higher rates of job creation. Transforming food systems could not only end hunger and malnutrition in all its forms, but also deliver gender equality, opportunities for youth and job security.

Given the food system is so critical to economic, social and physical security around the world, we propose that the Food Systems Summit launches a light touch, year-long, multi-stakeholder process to explore whether and how it might be beneficial to establish a global governance mechanism/institution to

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monitor and coordinate on risks in the global food system – for example, a **Food Systems Stability Board (FSSB)**.

Such a FSSB – if warranted – would be charged with the promotion of international food system stability and the transformation towards sustainable, equitable and resilient food systems. Playing a similar role to the Financial Stability Board and sitting at G20 level, the FSSB would build on the notion of collective stability for the food system, developing trade policies, responding to market disruptions and addressing regulation to increase food system stability. This would primarily be achieved by supporting the voluntary preparation and sharing of 5-year national food system risk assessments and resilience plans, but also through greater global efforts of key institutions to work together to monitor global risks to food system stability.

2. HOW DOES THE SOLUTION IMPROVE OR ENHANCE RESILIENCE OF FOOD SYSTEMS?

The Food System Stability Board would enhance the resilience of food systems by:

- Supporting countries in submitting 5-year food system risk assessment and resiliency plans which could be linked to NDCs.
- Integrating and sharing knowledge on vulnerabilities affecting the global food system such as those relating to climate change, lack of crop diversity, pollinator loss, and identifying and reviewing the regulatory, supervisory and related actions needed to address these vulnerabilities and their outcomes.
- Supporting initiatives like the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) in their efforts to integrate broader social and environmental risks into food and land-use sector corporate risk disclosures, acknowledging that continued investment into stranded food and agriculture assets might undermine the stability of the financial system.
- Promoting information exchange among authorities responsible for sustainable, equitable and resilient food systems.
- Monitoring and advising on global market developments (e.g., technologies or practices to improve resilience of crops) and their potential implications for national policies.
- Identifying and advising on best practice in meeting regulatory standards.
- Supporting contingency planning for cross-border crisis management, particularly with regard to systemically important food system firms.
- Collaborating with the International Monetary Fund (IMF) to include more consideration of climate and food and land use systems risk in its Article IV consultations. More resources may be needed in extended financing facilities to support countries that face balance of payments crises related to the impact of climate change on their food security.

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3. IS THE SOLUTION RELEVANT TO BUILDING FOOD SYSTEMS RESILIENCE? PLEASE CHECK IF IT IS TARGETING THESE CAPACITIES:

- ✓ Anticipate shocks/risks/stress and/or reduce vulnerability
- ✓ Manage risks
- ✓ Prevent (reduce exposure)
- ✓ Absorb, respond/cope
- ✓ Adapt to shock-affected scenarios and evolving risk scenarios
- ✓ Transform the Food System when the current Food System is no longer sustainable

4. IN WHAT REALMS OF INTERVENTION IS THE SOLUTION DESIGNED TO ACT ON RESILIENCE?

- × Individual
- × Household
- × Community
- ✓ Land/sea-scape
- ✓ Institutional

5. EXPLAIN HOW THE SOLUTION IS ACTIONABLE (CONSIDERING POLITICS, CAPACITY, COSTS, AVAILABILITY OF FUNDS), SUSTAINABLE (ABILITY TO KEEP DELIVERING 2030 AND BEYOND) AND HAS IMPACT POTENTIAL TO SCALE (CONSIDERING RETURN ON INVESTMENT).

Actionable: If established correctly with a due process (sanctioned by the Food Systems Summit) and with legitimate institutions leading the yearlong, multi-stakeholder process to build a mandate for this, the FSSB could be actionable, particularly if it builds upon existing and successful global governance mechanisms and institutions such as the Financial Stability Board. This could be a light-touch governance model. The Food Systems Summit could add value to this process, highlighting the need for such a process of exploration of the issues, and structuring a process to develop appropriate governance and buy-in for it.

Sustainable: If set up in the right way, the FSSB could be sustainable because it would help strengthen economic, social and physical security around the world working with relevant ministries and international institutions.

Impact potential to scale: Again, since the FSSB could be central to economic, social and physical security, there would be a significant return on investment for participating nations, jurisdictions and non-state actors.

6. IS THERE ANY EVIDENCE GENERATED IN ACADEMIA TO SUPPORT THIS IDEA?

There is a wealth of evidence that the food system faces extreme vulnerability. A [recent paper from Cornell](#) which says that despite important agricultural advancements to feed the world in the last 60 years, global farming productivity is 21% lower than it could have been without climate change. The IPCC's work demonstrates the severe impacts that runaway climate change poses to food production and availability.

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7. WHAT CATEGORY DOES THE SOLUTION BELONG TO?

- × Technical and technological innovation
- × Process shift
- ✓ Policy
- ✓ Governance and Institutional Architecture

8. WHO ARE THE MAIN ACTORS THAT WOULD PUT THIS ACTION INTO PLACE?

- ✓ Policymakers (government)
- × Private (businesses, etc.)
- × Civil (NGOs, etc.)
- × Farmers
- × Scientists
- × Indigenous groups

9. WHAT IS THE POLITICAL SUPPORT FOR THIS IDEA? DOES THE IDEA HAVE ANY MEMBER STATES OR POLITICAL INTERESTS? ARE THERE ANY STAKEHOLDERS WORKING ON IT?

The World Business Council for Sustainable Development (WBCSD)'s Food and Nature Policy & Advocacy team recently convened a "Science to Policy Dialogue" on equitable and sustainable food production and the idea of the Food System Stability Board was discussed with delegates – the idea was well received and WBCSD makes reference to it in its outcome summary paper [published online](#).

The authors (representatives of the Food and Land Use Coalition) have yet to discuss the specifics of the idea with policymakers, but we know that food system resiliency is high on the political agenda in many countries, including as a result of the Food and Land Use Coalition's work in engaging with policymakers at both the national level – particularly through our country platforms in Indonesia, Ethiopia, Colombia, India and China – and international level. As such, we think that there is a political opportunity to explore this idea, and potentially to land it.

10. IS THE SOLUTION APPLICABLE AT GLOBAL LEVEL, OR SPECIFIC CONTEXTS AND PARTICULAR COUNTRIES?

The solution is applicable at a global level, but we believe that the G20 would be a sensible launch pad.

11. WHAT ARE THE KEY ACTIONS REQUIRED TO ADDRESS THIS SOLUTION?

We recommend that the Food Systems Summit launches a yearlong multi-stakeholder process to scope out the **Food Systems Stability Board (FSSB)**. This process should be led by legitimate institutions and should include, for example, the World Bank and the FAO.

12. ARE THERE ANY FINANCIAL SOURCES/FUNDS THAT IS SUPPORTING THIS IDEA?

Not currently.

13. HOW DOES THIS SOLUTION CONTRIBUTE TO (A) EMPOWER WOMEN AND COMBAT GENDER INEQUALITIES, AND (B) THE FULFILMENT OF HUMAN RIGHTS, ESPECIALLY THE RIGHT TO FOOD AND

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THE RIGHT TO WATER, (C) MAKE USE OF INNOVATIONS (TECHNOLOGIES, INSTITUTIONS, PROCESSES)?

A. Empower women and combat gender inequalities:

- It is clear that women play a pivotal role in the transformation of food systems and that the disproportionate lack of support for women food producers is a critical source of vulnerability within the system. Women make up 43% of the global agricultural workforceⁱⁱ, yet receive only 10% of total aid for agriculture, forestry and fishing and as little as 5% of all agricultural extension services.ⁱⁱⁱ Beyond their work in producing, processing and marketing food, women also store, clean, prepare, cook and serve much of the food that is consumed, and care for children. In many households, women make the key decisions for their families related to nutrition and health.^{iv} These decisions are particularly important during pregnancy and the first two years of a child's life, since the nutrition of babies and children as they develop affects their future health.^v
- Women's pivotal role in food production and household nutrition means that efforts to systemically transform food systems can only be delivered if they explicitly promote gender equity in all aspects of their implementation. Consider the ownership and control of productive assets, especially land and water. Clarifying ownership of and access rights to these assets is a critical step towards achieving sustainable intensification of agriculture and reducing poverty. This is because having secure rights over land and water stimulates farmers and others to invest in these resources and related ecosystems. Recognition of women's control of productive assets has been accompanied by positive outcomes at the household and individual levels.^{vi} Improving women's access to knowledge and information is also critical. For example, women farmers have so far had fewer opportunities to adopt climate-smart agriculture because most know relatively little about it. Even those who do may have limited access to finance. In some areas, literacy rates among women are low.^{vii} Moreover, women are often excluded from household and community decisions about changes in production, making it difficult for them to take advantage of new opportunities.
- Since the Food System Stability Board's purpose would be to assess vulnerabilities affecting the global food system and identify and review the regulatory, supervisory and related actions needed to address these vulnerabilities and their outcomes – empowering women and addressing gender inequalities is central to its mission.

B. Fulfilment of human rights, especially the right to food and the right to water

- The purpose of the FSSB would be to promote the resilience and stability of food systems globally with the objective of, in turn, delivering greater ecological, societal, political, economic resilience and security. As such, the fulfilment of human rights and the right to food and water is central to its mission.

C. Make use of innovations (technologies, institutions, processes)

- The FSSB could make use of innovations relating to:
 - Early warning systems and systemic risk modelling
 - Innovative financial models and associated technological infrastructure e.g., strengthening e-commerce ecosystems and ensuring they are more accessible for farmers and e-commerce ecosystem broader actors who will provide supportive

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services such as payment, credits, storage, marketing, packaging, transportation and delivery services.

- Moreover, the FSSB would look to monitor and advise on market developments (e.g., technologies or practices to improve resilience of crops) and their implications for regulatory policy.

14. AND ARE YOU AFFILIATED WITH... *

- ✓ Civil society group or NGO
- × UN organization
- × Private sector / business
- × Government
- × Academic / Research
- × No affiliation / private citizen
- × Other

15. IF YOU ARE WILLING TO BE CONTACTED IN CASE WE NEED ANY ADDITIONAL INFORMATION ABOUT THIS IDEA, PLEASE PROVIDE YOUR NAME AND EMAIL ADDRESS.

- ed.davey@wri.org
- Scarlett.benson@folu.org

ⁱ Tigchelaar, M., Battisti, D., Naylor, R. and Ray, D. 2018. 'Future Warming Increases Probability of Globally Synchronized Maize Production Shocks'. *Proceedings of the National Academy of Sciences* 115, no. 26 (26 June 2018): 6644. Available online at: <https://doi.org/10.1073/pnas.1718031115>.

ⁱⁱ FAO. 2011. *The State of Food and Agriculture: Women in Agriculture*. Rome: Food and Agriculture Organization of the United Nations.

ⁱⁱⁱ FAO. 2012. *Rural Women and the Millennium Development Goals*. Inter-Agency Task Force. Available online at: <http://www.fao.org/3/an479e/an479e.pdf>

^{iv}; FAO, 2012, Women in Agriculture, closing the gender gap for development

^v <https://www.who.int/topics/early-child-development/child-nutrition/en/>; The Lancet's special series on [Maternal and Child Undernutrition in 2008](#) and on [Maternal and Child Nutrition in 2013](#)).

^{vi} <http://wle.cgiar.org/solutions/briefs/gender-equitable-pathways-achieving-sustainable-agricultural-intensification>

^{vii} UNICEF data. Available online at: <https://data.unicef.org/topic/education/literacy/>