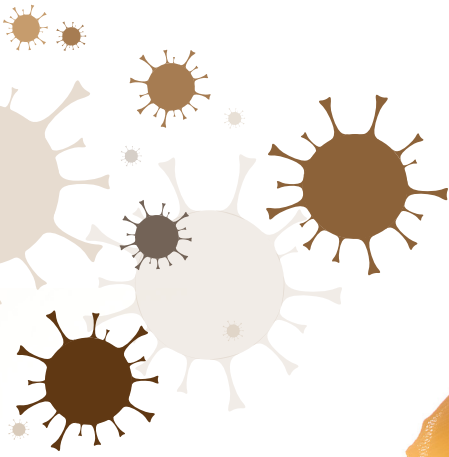




# Maximizing sustainable agri-food supply chain opportunities to redress **COVID-19** in developing countries



2020, United Nations Conference on Trade and Development

The findings, interpretations and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the United Nations or its officials or Member States.

The designations employed and the presentation of material on any map in this work do not imply the expression of any opinion whatsoever on the part of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

This document has not been formally edited.

# CONTENTS

Acknowledgements .....	4
Introduction .....	5
1. Long-standing causes of concern for developing countries in agri-food supply chains.....	7
2. Aggravated impact of COVID-19 on agri-food supply chains .....	10
3. Shifting to sustainable agri-food supply chains.....	13
1. Social dimension: Strengthening social protection systems .....	13
2. Environmental dimension: Addressing food losses and protecting natural resources .....	13
3. Economic dimension: Fostering inclusive economic growth.....	14
4. Recommendations .....	14
1. Aligning national goals to the SDGs: Leveraging sustainability standards as a common trade tool .....	14
2. Linking social protection in agricultural settings in order to support farmers .....	15
3. Harmonize global coordination along supply chains .....	16
4. Enhance market competitiveness in agri-food supply chains.....	16
5. Develop local sustainability capacity building programmes.....	16
References.....	17



## ACKNOWLEDGEMENTS

This paper has been prepared by Siti Rubiah Lambert, Niematallah E. A Elamin and Santiago Fernandez de Cordoba, Trade Analysis Branch, Division on International Trade and Commodities, UNCTAD.

This paper is a contribution to the UNCTAD COVID-19 Response. It has benefitted from comments from Ralf Peters and Graham Mott. Jenifer Tacardon-Mercado provided desktop publishing support.



## INTRODUCTION

The novel COVID-19 pandemic has been detrimental not just as a health crisis but also an economic and a humanitarian crisis. The nationwide lockdowns due to the spread of COVID-19 has forced developed and developing countries to halt their economies. With respect to its impact on the global food system, which also considers the pre-and post-production of food as well as its distribution and consumption interrelationship with political, social and environmental dimensions, this economic slowdown has greatly affected the progress towards achieving the 2030 Sustainable Development Goals (SDGs).

The pandemic's confinement measures and logistical disruptions limit the mobility of workers to perform their duties to operate food production. Workers are not able to farm and harvest their produce, and movements of produce along the supply chain are delayed. This affects sustainable development on many fronts; i) income instability for farmers, ii) with lower income, their access to nutrition is reduced which risks their food insecurity, iii) farm owners' access to farm inputs are limited which affects their production, iv) supply chain delays also risks food wastes, v) food waste affects the environment as the inputs used to produce and harvest have essentially gone to waste and rotten food itself produces methane, a greenhouse gas more potent than carbon dioxide, and vi) greenhouse gases generally affect human health.

From an economic standpoint, a recent UNCTAD report remarked on the vulnerability of developing countries facing exacerbated food crises through both supply-side and demand-side channels. The report suggested that the restrictions on movement due to the pandemic have slowed down economic activity, potentially affecting food production and reducing food supply (UNCTAD, 2020b).

The impacts caused by COVID-19 on agri-food supply chains and the food system in its entirety demonstrate precisely the dire need to advance the 2030 Sustainable Development Goals (SDGs). Recovery strategies must therefore be targeted to pursue goals that also reflects the quality of life, especially of the vulnerable stakeholders involved in agri-food supply chains, beyond public healthcare. This is in line with the United Nations push to incorporate the SDGs in the COVID-19 economic recovery strategy.<sup>1</sup> This crisis has in

<sup>1</sup> United Nations SDGs Framework for COVID-19 Recovery mentions: "Leveraging this moment of crisis, when usual policies and social norms have been disrupted, bold steps can steer the world back on track towards the SDGs. This is the time for change, for a profound systematic shift to a more sustainable economy, that works for both people and the planet ... The SDGs are vital for a recovery that leads to greener, more inclusive economies, stronger, and more resilient societies." <https://www.un.org/sustainabledevelopment/sdgs-framework-for-covid-19-recovery/>

fact re-enforced the interdependence of the world, where the response to the pandemic cannot be de-linked from the SDGs and requires a stronger collective multi-stakeholder approach to achieve the common global goal.

This paper elucidates the long-standing causes of concern caused by agri-food supply chains and how these have been aggravated by COVID-19. Based on these concerns, this paper also presents several recommendations on post-COVID-19 provisions for sustainable agri-food supply chains, paying particular attention on the use of sustainability standards as a tool to foster transparency and traceability along the supply chain. The issues raised here are especially important to developing countries, as almost one-third of the world's exports in agri-food products come from developing countries.<sup>2</sup> The economies of many developing countries are based on the exploitation of agriculture and agro-based manufacturing and are therefore vital to their economic development.

This paper is positioned to focus on better and more sustainable ways to operate, produce, trade and handle food throughout the entire supply chain – that do not harm those who produce them and do not contribute to the negative impact on the environment.

Voluntary Sustainability Standards (VSS)<sup>3</sup> are widely used today to govern environmental, social and ethical issues in global supply chains. Today, there are over 270<sup>4</sup> VSS available in the market. Agriculture is the sector most covered by VSS and today many food industries are putting certification schemes at the centre of their sustainability approaches.

In that regard, this paper firstly highlights the long-standing causes of concern in agri-food supply chains, followed by its aggravated impact due to COVID-19 in chapter 2. The proceeding chapter 3 illustrates the opportunities of turning to sustainable development to redress COVID-19 in developing countries.

These opportunities are supported with clear recommendations in chapter 4 in order to facilitate sustainable agri-food supply chain in developing countries.

---

<sup>2</sup> Own calculations based on UNCOMTRADE data source.

<sup>3</sup> The United Nations Forum on Sustainability Standards (UNFSS), describes VSS as “specifying requirements that producers, traders, manufacturers, retailers or service providers may be asked to meet, relating to a wide range of sustainability metrics, including respect for basic human rights, worker health and safety, the environmental impacts of production, community relations, land use planning and others”. Therefore, VSS are expected to enhance the export potentials from developing countries to developed ones, and at the same contribute to sustainable development by safeguarding public health and safety and ensure consumer, environment, and social protection.

<sup>4</sup> The number of VSS in the Standards Map database is constantly increasing. See [www.standardsmap.org](http://www.standardsmap.org) for the most up-to-date information



# 1. LONG-STANDING CAUSES OF CONCERN FOR DEVELOPING COUNTRIES IN AGRI-FOOD SUPPLY CHAINS

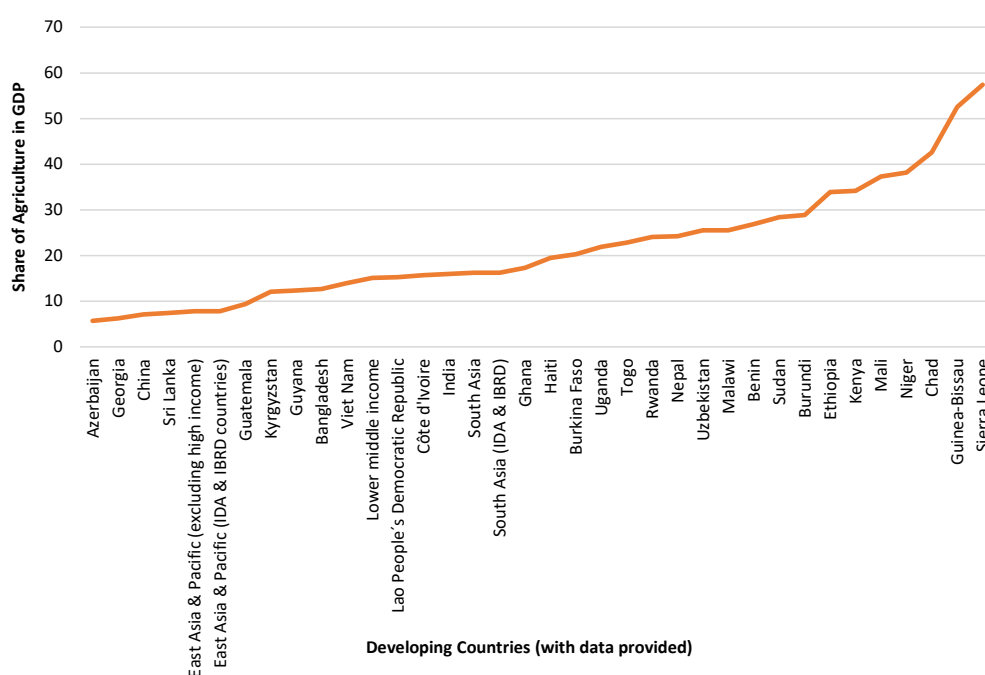
Agri-food global supply chains witnessed rapid and profound changes in the last decades, including a strong increase in agri-food trade and a consolidation of supply chains (Dequiedt, 2018). These changes have had a huge impact on smallholder farmers: positive if they are able to participate in the global value chain and exploit the opportunities it offers in terms of access to new markets for inputs and/or products; and negative if they are excluded from global value chains because they are unable to meet the requirements for entry. Reaching those markets is often not direct and necessitates intermediaries that may act as gatekeepers of the global value chain.

The diversification, differentiation and improvement of agriculture in developing countries is critical for the growth of the poorest countries and for poverty eradication. Increasing production and export of agricultural products can be an effective way of reducing rural poverty in developing countries. The case for promoting agricultural exports is therefore strong.

There are however some obstacles in the agriculture sector exports from developing countries, such as the high sensitivity to the quality of transport and trade-related infrastructure. A 10% improvement in transport and trade-related infrastructure quality has the potential of increasing developing countries agricultural exports by 30% (Moïse, E. et al., 2013). This also means that shocks impacting the quality of transport and trade-related infrastructure will affect the sector massively.

The economies of many developing countries are based on the exploitation of agriculture that are correspondingly important in relation to their economic development. Figure 1 shows the share of agriculture in GDP in 2019 where most African countries topped the charts – Sierra Leone (57.4%), Guinea-Bissau (52.5%), Chad (42.5%), Niger (38.2%), Mali (37.3%), Kenya (34.1%), Ethiopia (34%), Burundi (29%), Sudan (28.4%), Benin (27%) and Malawi (25.5%). Uzbekistan's share of agriculture in GDP also points slightly over 25%.

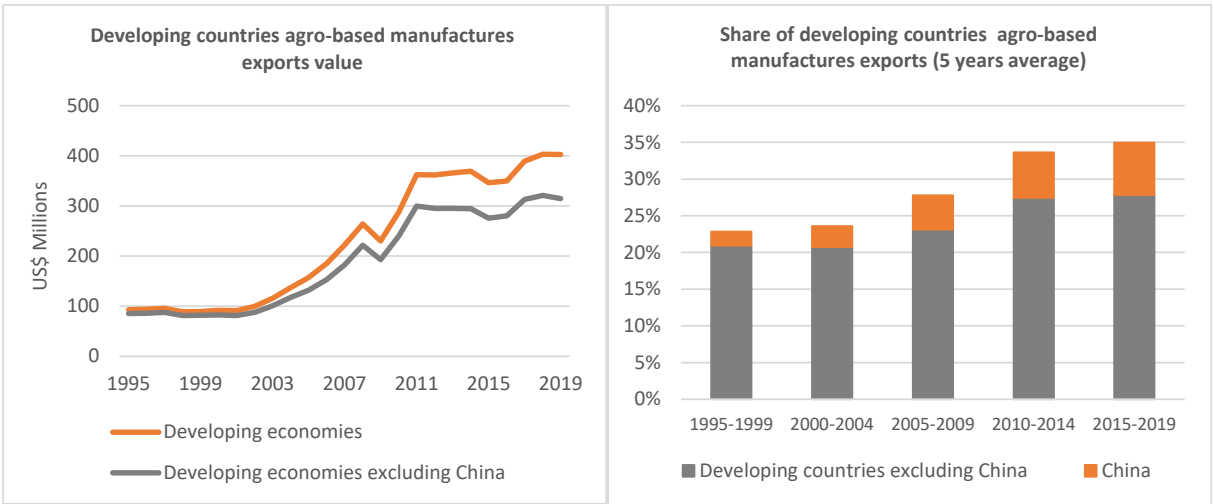
**Figure 1.**  
Share of agriculture in GDP in 2019



Source: World Bank data.

Figure 2 shows the integration of developing countries in the agro-based manufacture value chain. In 2019, the value of their exports was about 28% of the world's exports, excluding China; China alone accounted for around 7% of the world's export. In value terms, in 2019, developing countries agro-based manufacture exports was approximately 310 United States dollars.

**Figure 2.**  
Developing countries agro-based manufactures exports



Source: Author calculations using data from UNCTAD Statistics.

Agro-based manufacturing contributes to the economic strength of an area by increasing the value of the raw materials, either by extending the product life or by converting them into more desirable commodities. In this way, they stabilize the economy by rendering the primary products of the country into more marketable forms. Such products can be sold more steadily, consistently, and reliably over a period, whereas the primary products of agriculture may normally sustain only a limited storage period and are generally seasonal in nature (FAO, 2000).

Hence, traditional exports of raw agricultural products from one country to another have been complemented by the intense integration of global food supply chains. Agriculture and agro-based manufacturing are thus considered as engines for development, allowing for additional and consequential development of other industries that lead, in turn, to overall growth of the community and the country.

Despite playing an important role in national economies and providing a link with the global structures of agriculture and trade, many agricultural workers (including subsistence smallholder farmers) engaged in the sector in developing countries are characterized by precarious working conditions and little or no social protection

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_8667](https://www.yunbaogao.cn/report/index/report?reportId=5_8667)

