

AND RESILIENT FOOD SYSTEMS:

Integrating Market Systems at the Centre of Urban-Rural Linkages



















FORMAT
Virtual technical
Consultation



DURATIONOver 1hr & half







115
Participants

Introduction and context

On the 21st of April, Earth Day 2022, a technical consultation was hosted by UN-Habitat. The subject was integrating market systems at the centre of urban-rural linkages as a pathway to building sustainable and resilient food systems. A concept note for the consultation can be found here. The topic of market systems builds on the worldwide crisis of food markets during the pandemic and the widespread innovations and lessons from food market responses to crisis

The crisis of food systems and the need for their transformation became a global conversation in the first United Nations Food Systems Summit in 2021. To bring market actors from the front lines of impact and response to the shocks of COVID-19 and other crises, three global market platforms were invited to be co-organizers of the consultation. They are the World Union of Wholesale Markets (WUWM), the Market Cities Initiative, and the World Farmers Markets Coalition (WFMC).

Because food markets at all levels -- from informal street and farmers markets to retail and wholesale markets -- are regulated, supported and in some cases constituted by local, regional and national governments, three associations of subnational governments were invited to take part in the consultation, bringing representatives of local or regional government to address food markets in their cities or regions.

These were United Cities and Local Governments (UCLG), Local Governments for Sustainability (ICLEI), and a regional government network, Regions 4. United Nations agencies that provide support and guidance related to food markets and subnational government include the Food and Agriculture Organization of the United Nations (FAO) and UN-Habitat. Representatives of both UN agencies provided overviews of their engagement with urban and territorial food markets.

In just over one and a half hours, fifteen speakers and discussants from Africa, Asia, Latin America, North America and Europe addressed the topic of market systems. Information-packed presentations were moderated by the three dynamic co-organizers in a virtual consultation attended by over 115 participants. The final agenda can be seen here. Many participants were market managers and technical experts from different agencies and their participation in the zoom chat was robust.

Key points and resources from the chat are referenced as well in this report. The full recording of the session is available here. What follows is a summary of the main concepts, challenges, opportunities, and proposals for action to prepare for and mitigate crises in order to maintain resilient market systems that provision communities in both rural and urban areas.

Key Messages for Market Systems at the Centre of Urban-Rural Linkages

- 1. COVID-19 and conflict induced price volatility has reinforced the importance of addressing both informal and formal markets across the urban-rural continuum and their interaction to promote synergy, fairness and inclusion.
- 2. Market systems are where urban and rural communities intersect on a daily basis, exchanging goods, services, information, social and monetary capital and these linkages are essential for resilience and sustainability for cities and territories.
- 3. A new narrative linking rural and urban components and actors in a holistic approach to market systems is needed to assess markets and provide evidence for policy to address challenges and improve fresh food markets for affordable and equitable access to healthy diets for all.
- 4. Public sector support for market infrastructure needs to be adapted to the new fragility of supply chains and support a more complex web of markets for resilience in food systems.
- 5. Processes of dialogue and policy formation for all markets critical to feeding human settlements need investment and capacity development.
- 6. Public and private sector investment in markets and market actors should be balanced between support for larger formal wholesale and retail markets, and support for informal and farmers markets.
- 7. Small and intermediary cities are vital to market systems as hubs for aggregation of small and medium size farms and food enterprises to supply larger markets and cities.
- 8. Informal markets are a major source of food supply for the urban and rural poor and their importance has been especially evident during the pandemic.
- 9. Small, medium and large farmers, traders and other intermediaries need fair and transparent economic conditions and governance frameworks for functional and mutually prosperous interaction.

The co-organizers and participants in the market systems consultation will carry these messages forward, including into coming 2022 venues and processes including the 9th session of the Africities summit in Kisumu, the 11th session of the World Urban Forum (WUF 11) in Katowice, the High Level Political Forum (HLPF) in New York to review progress towards the 2030 Agenda for Sustainable Development and other global processes. At subnational and national levels, mapping of market systems will be important for strengthening market systems as part of sustainable urbanization and preparation for future crises and shocks to cities and territories.



The combination of climate change, the impacts of COVID-19 and the war in Ukraine have demonstrated just how fragile food systems are. From production to distribution and consumption, the food security of cities and nations are at risk for hundreds of millions of people, both rural and urban.



Eugenia Carrara, General Secretary for the World Union of Wholesale Markets

Eugenia Carrara, General Secretary World Union of Wholesale for the Markets, opened the consultation with the stark reality on the ground, where all markets have faced logistical challenges and disruptions, price volatility and unpredictability. Three quarters of the world's population are expected to be living in cities by mid-century. The challenges of today and tomorrow require planning and developing more integrated networks of market systems and their infrastructure. Constructive interaction between urban

and rural communities, informal and formal market systems may be the only way to ensure long term food security, sustainability, and resilience. Urban and rural communities need to join forces and open new spaces for collaboration and create and mainstream sustainable food policies for sustainable food environments. Global policy agendas as represented by the 2030 Agenda for Sustainable Development and the New Urban Agenda call for integrated urban, peri-urban and rural planning.



Anne Amin, UN-Habitat's Policy, Legislation and Governance Section (PLGS)

Anne Amin, representing UN-Habitat's Legislation and Governance Policy. Section (PLGS) reported on facilitation of a multistakeholder process to mainstream the importance of urban-rural linkages to help implement the global goals and leave no one behind. Since 2019 UN-Habitat has developed guiding principles, a framework for action, and piloting of tools and partnerships to support integrated territorial development of urban and rural areas. These tools for strengthening URLs have been piloted in 11 countries in Africa and Latin America.

An essential component of integrated urban and rural planning, policy and development is the inclusion of different types of markets from street vendors to farmers markets to retail and wholesale markets. It is at the operational levels of food distribution logistics from farms to markets and consumers, market management for the safety, protection and prosperity for women, Indigenous Peoples and smallholders that market and food system governance must be directed.



Richard McCarthy, Acting President of World Farmers Markets Coalition

Richard McCarthy, Acting President of World Farmers Markets Coalition, noted the dramatic rise of civil society and farmer-organized markets in both rich and poor countries. These mostly informal or partially formal markets became more visible during the pandemic. These are managed civic spaces where rural and urban people interact around the flows of foods, money and services.

The informal and direct markets proved to be agile and creative in response to the need to accommodate health practices such as increased social distancing or adapting supply and distribution to markets and to households. Even before the pandemic it was clear that informal markets are a majority of the food supply for urban poor in many cities.

These markets are centres for microinvestment enterprise, and microphilanthropy, conditional cash transfers, and are incubators for public and civic leadership. Together with wholesale and retail markets, combinations of informal and formal markets are a complex web, a market ecosystem. What became clear during the pandemic is that the trust and transparency of pre-pandemic relations between farmers, intermediaries and consumers was a crucial ingredient to effective crisis response.

Market systems need to be mapped, not only farmers markets, but retail and wholesale markets, street markets and other informal market. Market actors understand the interplay between types of markets in a given territory but often local authorities and the general public do not understand the complex relationships that combine to feed small settlements to megacities.



John Taylor, FAO office in Bangladesh

John Taylor from the FAO office in Bangladesh described in colorful detail the complexity of the more than 400 markets that feed over 25 million residents in the city of Dhaka. As found in other rapidly urbanizing regions, Dhaka has grown so rapidly that the infrastructure service to feed the city has not kept pace with the rapid growth. Here as in other megacities in Asia, Africa and Latin America the informal fresh markets supply a majority of the food consumed by the city's population. As in most cities worldwide, there is not a municipal department of food and responsibility for components of the food system is spread across many uncoordinated municipal and national agencies.

In Dhaka, partly as a consequence of the pandemic impacts on markets there has been an effort to convene and bring people together across the different kinds of markets. In assessing and mapping the market system of Dhaka it has been necessary to address other non-food challenges such as hygiene in crowded conditions, lack of power, water, and storage space both in markets and households. In order to truly understand where and how to improve the market system of Dhaka it has been necessary to engage many different

groups including multistakeholder urban food councils, government departments, neighborhood level farmers markets and wholesale markets and build awareness and technical expertise. In Dhaka the improvement of informal markets and strengthening value chains has been popular and market actors and other stakeholders have worked well together.

Wholesale markets in 53 countries represented by WUWM also work across different types of markets and with farmers associations, food businesses and cooperatives. The relationships between local authorities and public wholesale markets tends to be formalized through legislation, regulation and creation of public corporations. They may be integrated with national ministry agencies or municipal departments or both and are often private-public partnerships. There are many logistical and transport companies, distributors and other intermediary businesses that transact with wholesale markets. According to WUWM 50% of fresh food is sold through wholesale markets worldwide. The pandemic has hit wholesale markets hard as well and there has been much exchange of experiences, good practices, and lessons for crisis response to better adapt for future crises.

- World Union of Wholesale Markets (WUWM) website: https://wuwm.org/
- UN-Habitat Urban Policy Platform Urban-Rural Linkages Programme: https://urbanpolicyplatform.org/urban-rural-linkages/
- Urban-Rural Linkages and COVID-19: Lessons for resilience and recovery from crisis: https://urbanpolicyplatform.org/wp-content/uploads/2022/03/URLs-COVID%20and%20Lessons%20for%20
 Resilience%20and%20Recovery%20from%20Crisis.pdf
- World Farmers Market Coalition (WFMC) website: https://worldfarmersmarketscoalition.org/
- video presentation of WFMC http://worldfarmersmarketscoalition.org/2021/11/introducing-the-world-farmers-markets-coalition
- Video on farmers markets restarting in New Orleans, Louisiana, in the United States after Hurricane Katrina. "From Disaster to Dessert": https://www.youtube.com/watch?v=cxlbm-EyATs&t=29s
- On sustainable and resilient territorial food systems, and the key role of markets https://www.uncdf.org/article/7177/territorial-food-systems-for-sustainable-development-issue-brief-for-un-food-systems-summit



One of the lessons learned by members of WUWM and by other market associations is that it is crucial to join efforts to strengthen and integrate markets across the world. It is clear that organizing prior to crisis makes all the difference when unexpected change or emergencies arrive. Experiences from markets and from the analysis of FAO, UN-Habitat and academic/NGO research have shown that cities and regions that had integrated markets across different types of markets at a territorial level were capable of rapid adaptation to new conditions and were able to operate continuously to deliver food to citizens and institutions in whatever ways were required, such as in food hubs, temporary markets or direct household or institutional delivery to schools, hospitals, canteens or food banks, fresh food markets, etc.



João Tiago Carapau, Director General, Lisbon Wholesale Markets

As an example of pre-pandemic market integration, the experience of the wholesale markets in Lisbon and Portugal were described by João Tiago Carapau, Director General, Lisbon Wholesale Markets. Over the past two decades the wholesale market system of Portugal has been rehabilitated and modernized. This has been done in close coordination with farmers groups and with municipal governments. The wholesale markets in Portugal are committed to support for local production and are the sponsor of a new "Love Your Local Market" Initiative, taken worldwide by WUWM in May 2022. The wholesale markets also include food banks and farmers markets within their market facilities and provide training to cooperatives and famers.

From pandemic experiences this commitment to local farmers and agriculture in Portugal has been key to keeping the wholesale markets open when the supply disruptions were at their worst in the spring of 2020. SIMAB, the public corporation that is the national network of wholesale markets in Portugal has evolved a strategy to support farmer presence in wholesale markets by maintaining specific areas for local farmers, by providing logistical support linking famers, wholesalers and retailers, by engaging local associations and providing technical assistance, and by consulting with municipal councils to rehabilitate public food markets to reinforce the link between local production, markets and consumers.



Naima Akter, Better Bandladesh

A specific market experience in Dhaka, related to the larger effort to map and support farmers markets reported earlier, was offered by Naima Akter from Work for a Better Bangladesh. Like many nongovernmental or civil society organizations who work to ensure affordable access to healthy, fresh, local food for urban dwellers, there are a number of challenges that development of new markets face.

Farmers may be reluctant to participate, either because of worry that consumers will not pay adequate prices or because there has been negative experiences with market

actors or middlemen who may take a large portion of the price that would otherwise go to the farmer. Through dialogue and building trust, these and other barriers can be overcome. Support from agricultural and extension agencies and support from the FAO country office and local authorities helped locate and organize new markets, but positive feedback from the community at the neighborhood level helped to create the trust between farmers and consumers that made the market work. The role of civil society and community-based organizations are often key to successful market creation.



Donny Phakwago, Executive Director of Social Development in the City of Johannesburg

From South Africa Donny Phakwago, Executive Director of Social Development in the City of Johannesburg (representing UCLG) said his department's focus is on small scale farmer participation in the formal wholesale market, the largest in South Africa. The city also supports small farm supply for the local food bank and the formation of farmers cooperatives to use the market facility for packing and distribution. The City is also assisting with conversion of farming practices to organic methods as a climate action.

Informal markets are supported to sell products at the community level. Nonetheless, there is greater demand than supply, but the City is committed to help build small farm and urban agriculture capacity, recognizing that it is very difficult for the small farmers to compete with larger farms that have more volume and can control prices. Commitment to urban and peri-urban food production using greenhouse and hydroponic technology for climate change adaptation is a relatively new focus for local and regional governments.



Luis Felipe Villani Purquerio, Sao Paolo Agronomic Institute, Sao Paolo State Government, Brazil

Luis Felipe Villani Purquerio, Sao Paolo Agronomic Institute, Sao Paolo State Government, Brazil is a vegetable and greenhouse researcher. As a regional government representing a global network of regional governments (Regions4), Sao Paolo has 12 million residents, the largest city in Brazil, with other smaller

municipalities, and significant agricultural lands as well. Promoting local food production for a growing population in the context of climate change is also a food security strategy in Sao Paolo and other cities in Brazil and in other Latin American countries

- Market Cities Initiative website: https://www.marketcities.org/
- Founding members of Market Cities Initiative:
 - Project for Public Spaces: Market Cities Initiative: https://www.pps.org/marketcities
 - Healthbridge Canada, Liveable Cities division: https://healthbridge.ca/livable-cities
 - Slow Food Earth Markets network: https://www.fondazioneslowfood.com/en/what-we-do/earth-markets/
- United Cities and Local Governments website: https://www.uclg.org/
- ICLEI Africa website: https://africa.iclei.org/
- Regions4 Sustainable Development website: https://www.regions4.org/
 - Public market infrastructure for African small cities: insights from Arusha, Tanzania: https://www.tandfonline.com/doi/full/10.1080/23748834.2020.1816758
 - Formal market support for informal market vendors in South Africa: https://www.urban.org/sites/default/files/publication/31436/411604-An-Urban-Rural-Focus-on-Food-Markets-in-Africa.PDF



The rise of municipal engagement with a food systems approach to feeding cities, stimulated by the Milan Urban Food Policy Pact and even more by the experiences of COVID have brought to the surface a need to have a more integrated narrative on urban and rural food production. This means an integrated approach to urban and school gardens, rooftop and vertical farms, peri-urban and rural small to medium scale farm and food enterprises (SMEs).



Paul Currie, Associate Director for Urban Food Systems at ICLEI Africa

Paul Currie, Associate Director for Urban Food Systems at ICLEI Africa spoke to how the narrative in urban food dialogues needs to move beyond a focus on urban agriculture towards the what the mandate of local government should be on improving food systems and embedding food in planning for infrastructure and food production, marketing and distribution and social protection for the most vulnerable. He mentioned examples such as Cape Town through which 40% of the city's produce flow and efforts to improve cold storage, transport, retail hubs and services for both farmers and buyers. These are measures that help move more volumes of product from smallholders and address some of the barriers to smaller producers, some of whom may be urban and periurban farmers.

These issues were also prominent in the 2021 UN Food System independent dialogues with 15 local governments from African cities. Smallholders supply the majority of food consumed in African cities, but the challenges of the lack of adequate infrastructure, finance, and business assistance are found almost everywhere.

Platforms hosted by governments or supporting organizations including UN agencies, donors and NGOs are being developed to address these issues of territorial markets for informal and formal market actors within and between cities and (territorial) regions.



Lawrence Dickson Cobblah, Focal Person on Food Systems for Accra's Metropolitan Assembly

Lawrence Dickson Cobblah, Focal Person on Food Systems for Accra's Metropolitan Assembly in Ghana agreed that organizing and educating in advance of the pandemic and other crises has enabled the continuous functioning of the major markets in Accra that supply the city with food produced in the hinterlands. He stated that the larger vision for evolving markets to be sustainable and resilient must be also very specific to address all the moving parts that make these complex markets function well.

Both wholesale and farmers markets operate in a complex ecosystem of actors including governments from municipal to national levels, and it is vital to be able to influence legislation and policies that supports and regulates both formal and informal markets in ways that support market actors including producers, buyers, vendors, distributors and market managers, among others. But the first step to inform decision makers about the needs of well-functioning markets is to map the markets in each city region.



Florence Tartanac, FAO's Food and Nutrition Division

Florence Tartanac, from FAO's Food and Nutrition Division spoke to this need to map markets to strengthen markets which importance was showed greatly during the pandemic. Now this mapping has become a key strategy for ensuring the access to nutritious food, and healthy diet for all and for sensitizing to purchase and consumption of fresh seasonal and diverse foods. Much more data is needed on territorial markets and FAO has launched an initiative to map markets in relation to the FAO Framework for the Urban Food Agenda. FAO would be interested to team up with UN-Habitat and other UN agencies to support cities and local governments in mainstreaming food systems in policy and

planning related to the retail environment, food waste management and public food procurement among other topics. Small and intermediary cities are a focus now, as they are where the urban growth will be greatest and they are closer to rural production areas. They are also where food processing and food storage is often located to supply larger metropolitan regions. Improving technical capacity and investing in different market actors, such as traders, retailers, market associations and organization, small and medium scale enterprises (SMEs), larger businesses, and local authorities is necessary for unlocking the potential of the local food market.

- Fostering Territorial Approaches for Development: https://www.donorplatform.org/publication-agenda-2030/fostering-territorial-perspective-for-development-white-paper-jointly-released-by-platform-members-and-partners.html
- Issue brief for UNFSS on territorial food systems for sustainable development: https://www.uncdf.org/article/7177/territorial-food-systems-for-sustainable-development-issue-brief-for-un-food-systems-summit
- FAO tool for mapping territorial markets. For information contact Marcello Vicovaro (marcello.vicovaro@fao.org) https://www.fao.org/documents/card/en/c/cb5217en/
- FAO Territorial markets initiative: https://www.fao.org/nutrition/markets/tms
- FAO Investment Center page on wholesale market case studies: https://www.fao.org/support-to-investment/news/detail/en/c/1397083/



Investing in local markets linking urban and rural communities goes far beyond investing in productivity and efficiency. It means investing in public health, local economies, local identity, culture, and the quality of public spaces. More information on the territorial market initiative that FAO is launching can be visited here. The process for the first edition has been participatory with market actors (producers and traders) A second edition of the methodology will include more consumer data. The purpose of this data collection for territorial markets is to provide support for evidence-based decisions by policymakers. Analysis so far shows the potential of territorial markets for improved accessibility, availability, and profitability of local, regional, and seasonal food. These markets contribute to food security and to progress for sustainable development goals in particular SDG 2. A territorial approach to markets will build food system resilience as revealed by food system impacts of COVID-19. A network for territorial market actors from selected cities has been launched by FAO that will build on many of the experiences and lessons shared in this consultation.

The engagement of local and subnational governments in the improvement of markets and the food wholesale and retail environment is critical. Their support for market improvement is connect with other priorities beyond food security including health, job creation, public safety, etc. Establishing multistakeholder food governance mechanisms such as food councils has been instrumental in developed and developing countries to connect multiple actors and constituencies to assessment and decisions related to urban and territorial food systems.

Food governance is at the center of work on market and food systems and governance is necessary across urban and rural jurisdictions and levels of governance (local, regional, national and international). National support for multilevel food governance is just as important as local and subnational government support. Resources from national and international donors are needed in many countries where the resources at local and subnational governance levels is nonexistent. New international efforts responding to these and related governance challenges include the Multistakeholder Mechanisms Initiative of the One Planet Network Sustainable Food Systems programme as well as the UNFSS coalitions on Urban and Territorial Food Systems.

There are several new coalitions of countries and international organizations emerging from mobilization around the UN Food Systems Summit related to market systems. Among these are the already mentioned World Farmers Markets Coalition, but also an Urban Food Systems Coalition, and a Territorial Food Systems Coalition. What this consultation shows is how important the field level market experiences are for the gathering of data and information to improve market systems going forward. There are new alliances between actors who were previous to COVID-19 either somewhat invisible to global institutions or were perceived to be in competition rather than complementary parts of a holistic market ecosystem. These new alliances can collaborate to improve public policies and programs for food system sustainability and resilience in the long term.

- The transformation of food systems will require the revision of the legal and regulatory framework at territorial level. https://www.fao.org/family-farming/detail/es/c/1443336 _
- Multistakeholder Mechanisms Initiative of the One Planet Network- Sustainable Food Systems
 Programme: https://www.oneplanetnetwork.org/programmes/sustainable-food-systems/multi-stakeholder-mechanisms
- Urban Food Systems Coalition: https://foodsystems.community/commitment-registry/coalition-on-sustainable-and-inclusive-urban-food-systems/
- Territorial Food Systems Coalition: https://foodsystems.community/coalitions/coalition-to-promote-territorial-food-systems-governance/
- ILO webpages on the informal economy: https://www.ilo.org/global/topics/employment-promotion/informal-economy/lang--en/index.htm

Conclusion

Food systems approaches to food security and nutrition solutions have brought urban-rural linkages (URLs) into focus. URLs are all about the flows of people, goods, services, information, and capital essential in markets of different types. Consequently, food market systems have URLs at their core and the complexity of these market systems needs to be better understood. This technical consultation on market systems will help build towards a typology of markets across the urban-rural continuum. Market actors have been front lines of market innovation and they need to be represented in policy debates at local, national and international decision venues such as parliamentary or intergovernmental spaces.

COVID-19 and conflict induced price volatility has reinforced the importance of addressing both informal and formal markets and their interaction to promote synergy, fairness and inclusion. Public sector support for market infrastructure needs to be adapted to the new fragility of supply chains and support a more complex web of markets for resilience in food systems. Processes of dialogue and policy formation for all markets critical to feeding human settlements need investment and capacity development.

Public and private sector investment in markets and market actors needs to be balanced between support for larger formal wholesale and retail markets, and informal and farmers' markets. In many countries wholesale markets are a major source of food for informal street markets. Smallholder farmers and small and medium food enterprises supply a large proportion of the diets of urban and rural communities, especially for the poor and marginalized. Small, medium, and large farmers, traders and other intermediaries need fair and transparent economic conditions and governance frameworks for functional and mutually prosperous interaction.

The issues, challenges and lessons brought into this consultation will contribute to policy discussion and programmes focused on urban and territorial markets for organizations such as those who supported this event and for future processes. The real test will come with policy decisions and planning that takes these lessons into account with the result that market systems linking urban and rural will be improved and strengthened in coming years.