

STRENGTHENING LOCAL FRESH FOOD MARKETS FOR RESILIENT FOOD SYSTEMS

A COLLABORATIVE DISCUSSION PAPER



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I. CONTEXT

Proclaimed at the highest international levels, the global food system is experiencing the worst crisis in history.¹ Unlike the food price crisis of 2007-8, in 2022 there is a convergence of multiple crises.² Hunger and malnutrition have soared in the wake of the coronavirus pandemic (COVID-19).³ Global conflicts (in particular, the Russian war in Ukraine) have triggered shocks to energy, food export-import, and fertilizer markets, spiking global inflation and economic instability. All these layered crises are overshadowed by the unfolding effects of climate change and severe biodiversity loss with powerful impacts on food production systems in all regions. The food supply chain vulnerability which became pronounced in the first and continuing COVID-19 surges remain precarious in the multi-layered context of crisis, particularly for longer distance

and transcontinental supply chains. Challenges of such magnitude are overwhelming governance capacities at all levels. The inequalities between high- and low- income countries, between formal and informal sectors, between urban and rural areas and between the wealthy and the poor certainly existed before the most recent crises, but have been sharply accentuated in the last two years. Response to challenges in the context of food and agriculture has led to the call for structural food systems transformation.⁴

In the analysis of the challenges and responses to this complex context, national governments and international organizations have continued to focus on interventions to fortify global food supply chains and accelerate the transformation of food systems. Missing from most of the top-level messages from media, think tanks, the UN system and internation-

¹ The Global Crisis Response Group (GCRG) was convened in 2022 by the UN Secretary General. See <https://news.un.org/pages/global-crisis-response-group/>

² For a comprehensive global report on the combined impacts of COVID-19, endemic inequalities and other crises, see *Voices from the ground: From COVID-19 to radical transformation of our food systems* (<https://www.csm4cfs.org/csm-global-synthesis-report-covid-19/>)

³ Food and Agriculture Organization (2021). *The State of Food Security and Nutrition in the World 2021*. (<https://www.fao.org/publications/sofi/2021/en/>)

⁴ The call for food systems transformation was at the centre of the first global UN Food Systems Summit (UNFSS) in 2021 (<https://www.un.org/en/food-systems-summit>). The debate on what transformation means continues beyond the summit

UN-Habitat and partners in 2022, including most recently at the 11th session of the World Urban Forum (WUF) in Katowice, Poland. Together these actors came to the conclusion that market systems are at the core of food systems and thus, for the transformation agenda to succeed, the catalytic role of market systems across the urban-rural continuum should be fully recognized. Local fresh food markets play a crucial role to ensure food security and access to healthy and sustainable diets around the world. Furthermore, these market structures contribute to sustainable management of local biodiversity,¹⁰ to more sustainable livelihoods at the territorial level and provide more access to markets for smallholders. In the last two years, territorial market systems demonstrated a high degree of resilience during the Covid-19 pandemic.

Nevertheless, the role of markets pre- and post-crisis recovery value could be improved if coordinated action is taken by national and local governments, private sector and civil society. These alliances are vital to strengthen the role and the resilience of local fresh food markets - both formal and informal - in the face of ongoing crises. This paper presents a synthesis of key messages from these multistakeholder events, a selection of concrete experiences from different regions that were presented during the meetings, and concludes with a set of recommended actions to foster the potential of fresh food markets to reach SDG goals and improve long-term accessibility to healthy diets for populations around the world. These coordinated actions are directed to local governments, market actors, national governments and international organizations, including relevant UN agencies. Overarching goals and next steps are presented below:

**CROSS-CUTTING GOALS
ACROSS ALL ACTORS:**

In addition to the actions specific to sectoral groups of market actors and their associations, from networks of local and regional governments, from national governments and from UN agencies, a simple roadmap and call for action can be summarized. An integrated and inclusive systemic approach needs to be taken to achieve these five goals:

- Improve technical capacity for different fresh food market actors, (including farmers, small traders, fresh

food market managers, small traders, direct market retailers, market associations and organizations, the informal food sector and especially small and medium scale enterprises) and for local authorities to unlock the potential of local and territorial food markets.

- Strengthen food and nutrition governance at the center of work on market and food systems, including across urban and rural jurisdictions and levels of governance (local, regional, national and international)
- Support new coalitions of countries and international organizations emerging from mobilization around the UN Food Systems Summit related to market systems including launching of the World Farmers Market Coalition, Urban Food Systems Coalition and Territorial Food System Governance Coalition, among others.
- Support multistakeholder alliances between actors in the market ecosystem who have been invisible to international organizations. This should include all the actors, from farm to fork, working in fresh food value chains.
- Collaborate to improve public policies, better legislation, and investment in infrastructure and programs to accelerate food system transitions to sustainability and resilience in the long term.

**OPERATIONAL STEPS TO STRENGTHEN
INCLUSIVE MARKET SYSTEMS:**

In conclusion and to realize the five goals above, here are five concrete steps that actors can all take to implement the goals, in order to strengthen both informal and formal markets across the urban rural continuum:

- Assess and map market systems based on shared principles and practices through participatory processes across the urban-rural continuum.¹¹
- Co-create crosscutting principles for inclusive and resilient market systems (with market actors, international partners, local and national government reps, NGO/CSO and private sector actors).
- Translate new capacity in government and market actors to manage inclusive market system improvement.
- Deliver roadmaps for coordinated policy and programs in local and national governments and development partners (community based organizations.
- Design and implement creative finance measures linking public and private sources through appropriate governance mechanisms.

¹⁰ There is more data needed on the link between informal and local fresh food markets and management of biodiversity healthy ecosystems and healthy diets. Issue briefs from FAO's Territorial Markets Initiative begin to present evidence from these market systems (<https://www.fao.org/nutrition/markets/territorial-markets-initiative/en/>)

¹¹ The most relevant recent guidance to market actors and other stakeholders for mapping territorial market systems is the process developed through wide consultations by the FAO and partners in the FAO methodology and guidelines for participatory data collection. See <https://www.fao.org/3/cb9484en/cb9484en.pdf>





III. BEYOND VALUE CHAINS: A SYSTEMS APPROACH TO FOOD MARKETS

The definition of food systems includes all the components and stages of food from growing, transport, processing, distributing, consuming and waste management.¹² Within food systems there are also complex market systems - where informal and formal, small and large, physical and digital markets function. The focus of this issue brief is on physical and mostly fresh food markets in villages, towns, and cities small and large.¹³ A market system approach is necessary to consider a basket of products on sale, not only single products. This is more appropriate for addressing diversity in consumers' diets, as well as integrate sustainable producers to markets, who have highly diverse agroecological production systems.

Market systems comprise many different types of supply chains and are equally vital to rural and urban livelihoods and to the food security, nutrition and economic viability of cities and regions. Every day in regions across the world fresh food products (vegetables, fruits, meat, fish..) are moving constantly from farms to markets across the urban-rural continuum. Fresh food markets -- and the systems of food production, handling, transport, distribution, and marketing through informal and formal channels -- are central to the provisioning of food to citizens around the world. There is also a circular flow of people, goods (including food and waste), information, money and services across the urban-rural continuum.¹⁴ Territorial food markets are important for a resilient food supply to

¹² The High Level Panel of Experts (HLPE) of the Committee on World Food Security (CFS) defined food systems in the 2017 report on "Nutrition and food systems": A food system gathers all the elements (environment, people, inputs, processes, infrastructures, institutions, etc.) and activities that relate to the production, processing, distribution, preparation and consumption of food, and the outputs of these activities, including socio-economic and environmental outcomes. (page 11) (<https://www.fao.org/3/i7846e/i7846e.pdf>)

¹³ Food markets include the entire retail and wholesale food environment. This paper more narrowly focuses on geographically located fresh food markets that may have multi-ingredient or prepared foods, but are primarily fresh or minimally processed fruits, vegetables, meat and fish products.

¹⁴ The definition of urban-rural linkages is the "reciprocal and repetitive flow of people, goods and financial and environmental services between specific rural, peri-urban and urban locations [that] are interdependent" (from Urban-Rural Linkages: Guiding Principles and Framework for Action to Advance Integrated Territorial Development launched by UN-Habitat in 2019. See <https://unhabitat.org/sites/default/files/2020/03/url-gp-1.pdf>)

villages, small, intermediary and large metropolitan cities. Characteristically these markets also bring together different actors (such as producers, vendors, local governments, market committees and managers, communities, nongovernmental organizations, etc.).¹⁵

Fresh food markets are also at the intersection of multiple public policies (from agriculture to health, welfare, infrastructure, transport, energy and economics), and multiple enterprises (including the "hidden middle" of food systems, including micro, small, and medium enterprises, NGOs and food banks). For the purposes of this discussion paper, **"market systems" include all the actors and sectors, and all relevant public policies and programs that result in functioning formal and informal local retail**

food markets. The combined components of market systems make for complex spaces, as they intertwine multiple actors and are at the crossroad of multiple policies. Nevertheless, beyond their complexity, markets have the potential to be one of the key entry points to solve some of the most pressing challenges that the food sector is facing. Stakeholders working in local and territorial market systems call for action, on the basis that local fresh food markets have the potential to be one of the key entry points to solve some of the most pressing challenges that the food sector is facing. Well-functioning fresh food markets can positively address issues such as resilience to climate change, biodiversity protection, ensuring food security, improving nutrition and disaster risk reduction.



¹⁵ In 2015 the Committee on World Food Security (CFS) held a High-Level Forum on Connecting Smallholders to Markets and a subsequent Open Ended Working Group recommended policies to support territorial markets. See http://www.hlrn.org/img/documents/CFS_Connecting_Smallholders_to_Markets_Final_Draft.pdf



IV. LEARNING FROM THE IMPACTS OF COVID-19

The shocks to markets and the infrastructure that supports them (such as food aggregation hubs and supply chains) did not begin with the COVID-19 pandemic in 2020. Nonetheless, this most recent shock to food systems has had a protracted set of local impacts that were global in scale but different locally and regionally. During the early surges of the COVID-19 pandemic, food workers and food markets were designated as essential in the emergency edicts of many municipal and national governments. Many food outlets vital to food and nutrition security, including schools, food pantries, restaurants and certain kinds of local fresh food markets were closed or had to adapt to new restrictions, such as revised open/closing times, increased spacing between vendor stalls, reduced number of vendors permitted to trade in certain market spaces, and mandatory wearing of face masks and hand washing.

Open and informal markets, where they were not shut

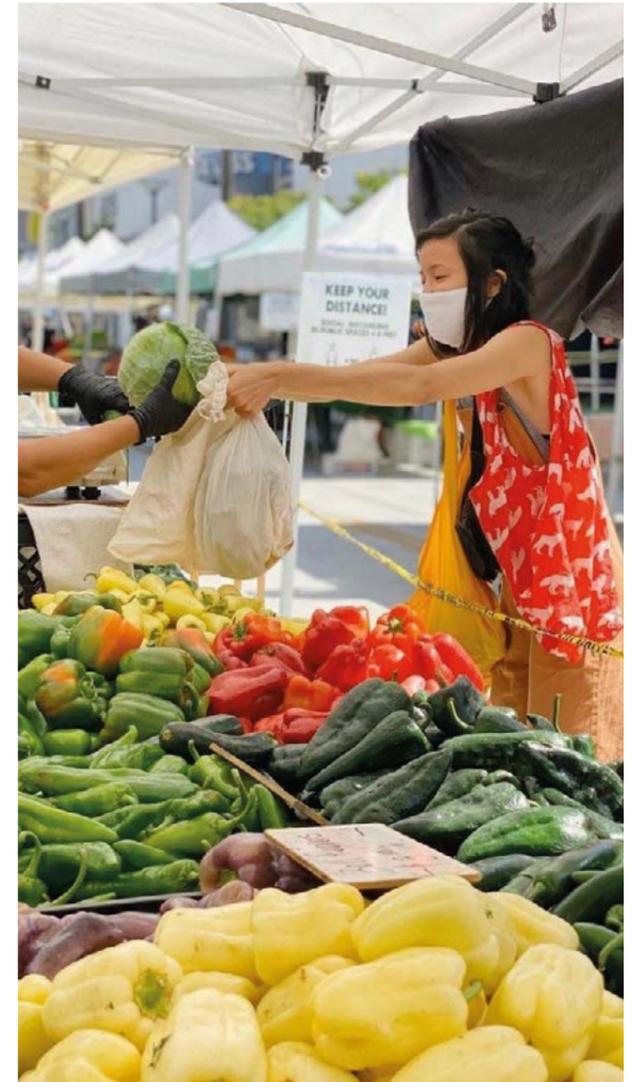
down, became vital to accessing food for sustenance and nutrition. In these spaces consumers learn about food geography, seasonality, availability and quality from vendors. Both informal and formal markets provide livelihood opportunities for farmers who lost their former sales routes to restaurants and other buyers. Informal markets were and are especially critical to urban communities in low-and middle-income countries like those in Sub-Saharan Africa and South Asia where regular access to sufficient and safe food with dietary adequacy is often outside the reach of the poor due to their low purchasing power. Fresh food markets were shown to have a high degree of resilience during the widespread shutdowns in cities across the world in 2020 and 2021 though there were also challenges and system failures including for different types of markets.¹⁶ Despite the challenges there were many examples of “work-arounds”, adaptations and innovations that included efforts to supply food directly to citizens through coalitions of community-based and nongovernmental organizations, farmers, food busi-

¹⁶ A portal tracking pandemic policies related to markets was provided by the International Food Policy Research Institute (IFPRI): <https://www.ifpri.org/project/covid-19-policy-response-cpr-portal>.

¹⁷ For analysis of cities market-based experiences in co-designing solutions to COVID-19 impacts in low and middle income countries, see these studies from Global Alliance for Improvement of Nutrition (GAIN): <https://www.gainhealth.org/resources/reports-and-publications/covid-19-qualitative-assessment-factsheet> and <https://www.gainhealth.org/resources/reports-and-publications/policy-options-toolkits>

nesses, and local governments, sometimes with, sometimes without the support of national governments and donor organizations.¹⁷

During the second year of the pandemic the 2021 UNFSS brought a global debate on the food system impacts of COVID-19 through dialogues, action tracks, and proposed solutions to many challenges to the sustainability of food systems. Coalitions emerged for urban and territorial food system governance incorporating priorities related to fresh food markets.¹⁸ Out of the experiences of both 2020 and 2021 the Urban-Rural Linkages programme of UN-Habitat convened selected global market actors,¹⁹ UN agencies,²⁰ nongovernmental organizations,²¹ and networks of local and regional governments²² to co-organize two events in 2022. Both events had the same title, “Building Sustainable and Resilient Food Systems: Integrating Market Systems at the Centre of Urban-Rural Linkages”. The first event was a technical consultation on April²³ and the second was a Networking Event²⁴ at the 11th World Urban Forum in June. In the two events this paper builds upon, urban-rural linkages and market systems are linked in new ways, , converging in a narrative urging a “new food market architecture” that will also help realize the SDGs



¹⁸ The 2021 UN Food Systems Summit provided a wealth of documentation of which there are many areas of dialogue and proposals that are informed by impacts of the pandemic on food markets. For more information: <https://www.un.org/en/food-systems-summit/documentation>

¹⁹ The term “market actors” in this paper refers to all the people who make physical markets function, starting with farmers, transporters and traders, distributors and vendors, market managers and both private and nonprofit organizations that support various market functions from Civil Society.

²⁰ The United Nations Human Settlements Programme or UN-Habitat and the United Nations Food and Agriculture Organization (FAO) are respectively the agencies responsible for cities and food. For this reason they are the principle UN agencies to sponsor and support the events and this discussion paper, though other UN agencies play important roles related to food markets and market actors.

²¹ Nongovernmental organizations (NGOs) are only part of Civil Society that includes myriad community-based organizations (CBOs) and social movements in urban and rural spaces. Here the focus is on the NGOs or CBOs that directly support and work with other market actors from farmers, to vendors and market managers.

²² There are many networks at national and international levels. Three networks selected to provide speakers and planning input for the events summarized in this paper are United Cities and Local Governments (UCLG), Local Governments for Sustainability (ICLEI) and The Network of Regions for Sustainable Development (Regions4).

²³ The WUF 11 Networking Event on 30 June overview and agenda can be found here: <https://wuf.unhabitat.org/event/building-sustainable-and-resilient-food-systems-market-systems-centre-urban-rural-linkages>

²⁴ The summary report of the technical consultation on Market Systems at the Centre of Urban-Rural Linkages can be found here: https://urbanpolicyplatform.org/wp-content/uploads/2022/06/Building-Sustainable-and-resilient-food-systems_Summary-Report.pdf



V. MULTI STAKEHOLDER COLLABORATION FOR RESILIENT MARKET SYSTEMS

Market systems are complex interactions of actors from public, private and nonprofit sectors. The events described above brought together a selection of some of these actors together as event co-organizers for the first time. Three associations of market actors and nongovernmental organizations, the **World Union of Wholesale Markets (WUWM)**, the **World Coalition of Farmers Markets (WorldFMC)**, and **HealthBridge Foundation's Livable Cities Program** were co-organizers of the events hosted by UN-Habitat.²⁵

WUWM is an international organization that unites 222 wholesale market members and about 50 retail markets and other actors in the fresh food sector. WUWM members are located in 43 countries on five continents. WUWM wholesale markets supply approximately 50% of the fresh food that is distributed through market channels in the world and are also major suppliers of fresh food markets, both informal and formal. Bridging rural and urban areas, wholesale market infrastructure is key to ensure food provision-

ing of many cities and countries, and is a major structural support for fresh value chains. Often the role of wholesale markets is unknown to the public, as they mainly operate in the middle of supply chains. Wholesale markets are mostly publicly owned infrastructure or private-public partnerships. When they work well, wholesale markets are a primary operational tool for governments to ensure the distribution of the needed volume of safe, fresh food. In many cities wholesale market infrastructure is aging and in need of investment to modernize facilities.

Alongside the rapid urban growth in many countries, especially in Africa, Asia and Latin America, wholesale markets have not always kept pace with that growth, and other parallel market arrangements and the large informal sector are not necessarily planned in a coordinated manner. The growth of large retail markets, for example supermarket chains, has led to reduced investment in wholesale markets as a result of the privatization of food distribution. There are often powerful interests at play that privilege one type of market to the detriment of other types of markets.

²⁵ For more information about the market actor co-organizers see:

World Union of Wholesale Markets (WUWM) website: <https://wuwmm.org/>,

World Farmers Market Coalition (WFMC) website: <https://worldfarmersmarketscoalition.org/> and Healthbridge Canada, Livable Cities division: <https://healthbridge.ca/livable-cities>

However, the disparities of food access and increasing food insecurity have reinvigorated the role that governments must play to address the disparity of food access in both urban and rural areas. The role of wholesale markets as well as the importance of the retail market environment must be included in the reterritorialization of food systems and on the sustainable food agenda of governments at local, subnational and national levels. A well-facilitated assessment and participatory mapping approach can address and help to find pathways to remedy imbalances in power relations among actors and sectors and plan the “food market architecture” needed in order to ensure availability and accessibility of fresh safe produce at the local levels across the urban-rural continuum.

A second co-organizer for market actors is a new **World Coalition of Farmers Markets** (WorldFMC) launched during the UN Food System Summit. Among types of markets, farmers markets and networks of farmers markets exist at subnational, national, and regional levels and the WorldFMC has among its members national associations of farmers markets. Farm-

ers markets tend to start out as part of the informal market sector but also may become formalized, often with civil society support, through government recognition, support, and regulation. Informal and direct markets proved to be in some cases agile and creative in response to the need to accommodate health practices during the pandemic. Novel collaborations with wholesale markets in some cities (described below) were also a product of the combined health and economic crisis generated by COVID-19.

A third co-organizer is the **HealthBridge Foundation Canada**. Healthbridge is representative of NGOs that support market actors at local levels, especially in developing countries. Their support prioritizes people in vulnerable situations and they support local partners and communities to advocate for healthy public policies. They help drive the process of assessing and mapping market systems for example in Dhaka, Hanoi, and other cities where informal markets are threatened and both infrastructure and management of markets needs policy support and investment from local and national governments.²⁶



Informal markets are a vast market sector, especially in poorer countries, providing significant - even a majority - of fresh food in many cities. These markets are centres for microenterprise, investment and microphilanthropy, conditional cash transfers, and are incubators for public and civic leadership. The trust and transparency of pre-pandemic relations between farmers, intermediaries and consumers was in many cases an assistance to effective crisis response.²⁷ Farmers markets range from informal to semi-formal and formal and in many cities and territories rely on wholesale markets for dry and cold storage, logistics and aggregation for other markets including canteens or institutional markets (schools, hospitals, etc.). Formal and informal markets contribute to the resilience of cities, adapting and recovering quickly to challenging conditions as demonstrated during the COVID-19 pandemic.

The three organizations of market actors were joined by other co-organizers for different parts of the market systems events. Global networks of local and regional governments, UN agencies and international NGOs that are direct supporters of market actors made important contributions. These are captured in key messages and references in both the summary report of the technical consultation and in the WUF 11 Networking Event. Networks of local and regional governments (LRGs) sponsored speakers from different cities and territories from Asia, Africa and Latin America (see below). Three LRG networks invited to participate in these events were United Cities and Local Governments (UCLG), Local Governments for Sustainable Development (ICLEI), and Regions for Sustainable Development (Regions4). Their programs and members are engaged in many issues and policy processes²⁸ including support (for example in public food procurement) for SMEs in food processing, catering and distribution which are supplied by local fresh food market systems.²⁹

UN-Habitat and FAO contributed speakers for opening and concluding remarks, as they, along with other UN agencies, address many of the needs and issues that concern market actors. UN-Habitat hosted both market systems events, and FAO provided technical and policy input from programs that are mapping territorial markets and supporting farmers and wholesale market improvement. Important contributors to the events emerged during participant exchanges, such as from the Global Alliance for Improved Nutrition (GAIN) which is working with market actors at the community level in ways that support market system assessment and mapping efforts. Their inputs are also incorporated into the emerging priorities and recommended actions.



26 For more details on HealthBridge Liveable Cities projects, see <https://healthbridge.ca/projects/results?q=&programs=liveable-cities&status=#results>

27 For more information on URLs and pre-pandemic planning see: <https://unhabitat.org/issue-brief-covid-19-through-the-lens-of-urban-rural-linkages-guiding-principles-and-framework-for>

28 The Milan Urban Food Policy Pact (MUFPP) launched in 2015 is one global framework for cities and regions undertaking policy and programs to realize sustainable and resilient food systems: <https://www.milanurbanfoodpolicypact.org/the-milan-pact/>

29 For more information on the networks of local and regional governments invited as supporters, see:

United Cities and Local Governments website: <https://www.uclg.org/>,
ICLEI Africa website: <https://africa.iclei.org/>, and
Regions4 Sustainable Development website: <https://www.regions4.org/>



VI. MARKET EXPERIENCES FROM CITIES

Presentations of market experiences from cities in countries in different regions reveal both common challenges and strategies for improving markets of different types:

In **Dhaka, Bangladesh**, more than 400 markets feed over 25 million residents every day. Informal fresh markets supply most of the food consumed by the city's population. 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. Positive feedback from the community at the neighborhood level helped to create the trust between farmers and consumers that ultimately made the markets work. The role of civil society and community-based organizations are often key to successful market creation. This work has seen collaborations among market actors, FAO and both local and international NGOs. There has since been a significant investment in Dhaka's

market system.³⁰

The original name of **Hanoi, Vietnam** was “market-place”, due to the vast network of markets that existed in the city and in villages in the surrounding rural areas. The city government introduced a policy that would have shut down many of the traditional markets and replaced them with shopping centers. Maps were created as an advocacy tool to demonstrate the impacts the policy would have and how the closures would radically change the food environment in Hanoi. The results of the presentation of both the assessment and maps helped save markets including over 2700 vendor livelihoods, not to mention the small farmers who depend on these markets. The national government took interest and has since begun revising their market policy.³¹

In **Kampala, Uganda** market actors mapped both the formal and informal markets. They conducted quality assessments, customer surveys, vendor surveys, and market manager interviews. Here agencies of national

30 See Work for a Better Bangladesh (2021). Piloting of a Street Food Vending and Farmers' market establishment by the Dhaka North City Corporation: <https://healthbridge.ca/library/piloting-of-street-food-vending-and-farmers-market-establishment-by-the-dhaka-north-city-corporation>. See also FAO fact sheet on Dhaka markets: <https://www.fao.org/urban-food-agenda/projects-dhaka/en/>

31 For more information on the HealthBridge campaign to save women's livelihoods in markets in Hanoi, see https://healthbridge.ca/dist/library/Campaigning_to_save_market_womens_livelihoods_Hanoi_Gender_Development_190315.pdf

governments are also revising their market policy, and they have asked local partners for advice and support to revise that policy.

An institutional analysis was conducted in **Accra, Ghana** as part of their market mapping. Also a “situational assessment” of markets, looking for example to see how many children are actually located in markets, where most of the vendors are women and many are mothers. The analysis found that organizing and education before 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. The advantages of pre-pandemic strengthening of urban-rural linkages has been documented over the last two years.³²

In **Johannesburg, South Africa**, small scale farmers participate in the formal wholesale market, the largest in South Africa. The collaboration between market actors supports small farm supply for the local food bank and the formation of farmers cooperatives to use the market facility for packing and distribution. In **Cape Town**, 40% of the city's produce flows through the wholesale market and efforts are under-

way 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.

The wholesale market system of **Portugal** has been rehabilitated and modernized including the largest in **Lisbon**. This has been done in close coordination with farmers groups and municipal governments.

Wholesale markets in Portugal are committed to supporting local production and have developed a strategy to support farmer presence in wholesale markets by:

- maintaining specific areas for local farmers with specific prices – as their production is seasonal and they don't need to engage in year-long rental space in the market
- providing logistical support linking farmers, wholesalers, and retailers,
- engaging local associations and providing technical assistance, and
- consulting with municipal councils to rehabilitate public food markets to reinforce the link between local production, local fresh food markets and consumers.



32 For an issue brief on the topic of COVID-19 and urban-rural linkages, see Lessons for Resilience and Recovery: <https://urbanpolicyplatform.org/download/urls-covid-and-lessons-for-resilience-and-recovery-from-crisis/>



VII. TERRITORIAL MARKET SYSTEMS

In the contemporary context of supply chain disruption from the pandemic, climate change and global conflict, it has become clear to diverse government and non-state actors that fresh food markets linking rural and urban communities must be protected and strengthened at the territorial or subnational level as a cornerstone of inclusive and sustainable food systems.

Over the last 50 years the world has seen the rise of large retail food supermarkets with vertical supply chains and trends towards more processed, manufactured, and packaged foods rather than fresh and minimally processed products. For high volume global markets, ingredients are supplied by commodity producers, processed and marketed through long and complex food supply chains. The development of global agri-food systems has paralleled the rapid expansion of cities and rural transformation with economic, social, health and environmental consequences.³³ The political and marketing power of large agri-food cor-

porations in some countries has bypassed wholesale fresh markets and compete with or supplants historic food markets. Various studies have shown that in many cities in Africa, Asia, and Latin America fresh food markets (street vendors, informal and farmers markets, etc.) are a significant source of urban food supply alongside retail and wholesale markets.³⁴ Social protection programmes have focused on the distribution of vouchers to vulnerable people, leading to a change in their purchasing practices and undermining traditional markets.

Notably, as more and more people live in urban communities a nutrition transition has occurred with hunger, micro-nutrient inadequacy and non-communicable disease challenges related to the co-existence of over nutrition (obesity and overweight) and under nutrition (stunting, wasting and underweight). This is also evident in rural communities, although more predominant in urban communities where available and accessible safe, healthy foods from some

³³ An excellent overview of the impacts of food system changes on rural-urban linkages can be found in the 2014 study by the Latin American Centre for Rural Development, *Inclusive Rural-Urban Linkages*, chapter 3: https://www.rimisp.org/wp-content/files_mf/1422296516InclusiveRural_UrbanLinkages_edited.pdf

³⁴ The role of informal markets and local food systems in the wake of COVID-19 and the rise of global food prices is analysed in this 2021 Center for Strategic and International Studies article: <https://www.csis.org/analysis/what-behind-recent-rise-global-food-prices>

markets including supermarkets are increasingly unaffordable and less accessible and consistently available. This highlights the importance of maintaining resilient, sustainable food environments supporting local fresh food markets, across the rural-urban continuum, in order to address hunger, malnutrition, food safety, food culture and livelihoods.³⁵ **Fresh and minimally processed foods can be supplied by different markets in different ways according to the context. They can be directly supplied by producers in farmers markets for example and can be either informal or formal. However, very often local fresh food markets are supplied through wholesale markets and distribution hubs that still play a crucial role in food aggregation.**

Wholesale markets (and the retail food markets they serve) are more formal and require larger facilities and logistics to handle larger volumes of food brought into urban or peri-urban areas from farmers or aggregation centres outside cities. When it comes to municipalities and local authorities, there are clear mandates for public authorities related to the management, safety, financing, ownership and regulation of food markets. Wholesale markets within and near cities are more often supported by municipalities as publicly owned entities leased to corporations or cooperatives.³⁶ The relationships of wholesale markets to informal markets is diverse, but essential. Where informal vendors are not themselves farmers, or supplied directly by farmers, the supply is often from wholesale markets.

This diversity of territorial market options for food security was reinforced from the experiences of COVID-19 impacts in markets across all regions. More research and market assessment is needed to understand the complex transformations in the market systems of Africa, Asia and Latin America. The presentations of market actors and supporting organizations in the events here collectively pointed to the need for a new market system governance architecture.³⁷ This new framework should embrace markets of different types linking urban demand and rural supply.

Market-related urban-rural linkages must be managed not only to support development of sustainable food environments that supply nutritious, affordable foods, but also to support more prosperous livelihoods for smallholder family farmers, especially youth, female, and Indigenous farmers and vendors.



VIII. CHALLENGES AND OPPORTUNITIES

Following the technical consultation in April and from contributions to the WUF 11 networking event, a preliminary consensus began to emerge concerning the barriers to progress and the steps needed to achieve balanced and inclusive market systems frameworks:

- Local authorities and the general public tend to not understand the complex relationships that combine to feed and provide access to safe, healthy diets for settlements from rural areas to small towns and large cities.
- Responsibility for components of the food system (including both public and private sectors) is typically spread across many uncoordinated and often underfinanced municipal and national agencies.
- Market actors, government and other stakeholders currently do not consider a larger and more inclusive vision to help market systems to be more sustainable and resilient. There is little being done to specifically address the needs of all the moving parts and actors that make these complex systems function well.
- Legislation for planning, equitable regulations, and other policies to support formal and informal markets are insufficient to accommodate the rights and livelihoods of market actors including producers, buyers, vendors, distributors and market managers. This is

especially true for women, a majority of informal vendors, as well as youth, and traditional or Indigenous Peoples.

Opportunities to overcome these challenges require taking action and using available tools as appropriate. Concrete opportunities rise from direct response to challenges in specific contexts such as those listed above and may include:

- Taking steps to learn from COVID-19 and other crises to better inform decision makers about the needs of well-functioning markets, both formal and informal, for crisis preparedness by assessing and mapping the markets in each city region.
- From lessons learned, multistakeholder mapping efforts may include both informal markets and formal markets and, in the process, stimulate needed dialogue between market actors across different market types.
- From dialogue with and between market actors, and from evidence based on the specific needs for markets that serve both rural and urban communities, improved policies and programs of urban and subnational governments can be implemented.

Subnational governments and local authorities have the mandate or authority in most cities when it comes

³⁵ See Hawkes (2017) https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/13761/Urbanization_and_the_Nutrition_Transition.pdf?sequence=2

and GAIN (2020): <https://www.gainhealth.org/resources/reports-and-publications/urban-nutrition-factsheet>

³⁶ For more information on the Structure of Wholesale Produce Markets see <https://agris.fao.org/agris-search/search.do?recordID=US2022242104>

³⁷ A focus on urban and territorial food system governance can be found in the outputs from the UN Food Systems Summit and parallel Coalitions for Urban Food Systems and Territorial Food Systems.

<https://foodsystems.community/commitment-registry/coalition-onsustainable-and-inclusive-urban-food-systems>

<https://foodsystems.community/coalitions/coalition-to-promoteterritorial-food-systems-governance/>

to planning, regulating, constructing and collaborating with market actors to create functioning “market cities”.³⁸ But it is **market actors** and civil society, the managers, NGOs, vendors, producers, distributors and others engaged in market systems that make markets work and thrive. Local governments have the challenges listed above, and to overcome these challenges the actions of other actors and sectors are often needed. Favorable policy and financing from **national governments** can be an effective pathway to improving market systems, but this is often where the capacity and financing does not exist, or is not prioritised. Public financing should also be coordinated with investment from the private sector, especially for renewing market infrastructure. **UN agencies and international organizations** can be instrumental to link market development needs at the local level to local or national governments, and to assist with financing and capacity development through multistakeholder processes.

Evidence has shown -- and presenters of market development experiences have reinforced -- the need to assess and map market systems to help local and even national governments understand and support a coordinated, coherent systemic approach to markets, including diverse types of fresh food markets. Indeed, as the need for resilience to crisis in food systems becomes a higher priority for all the stakeholders, different actors at local, national and international level have undertaken **market mapping and assessment** efforts.³⁹ Some of these efforts were highlighted in the events described here. Collaborations among different actors have been growing. These four groups of actors from different market governance levels were represented in the April and June events: a) local and subnational governments, b) market actors and civil society, c) national governments and d) UN agencies and international organizations. The next section presents some of the recommended actions of each group.



38 The development of principles for local governments and market actors to collaborate in developing vibrant market systems was first developed in the “Market Cities Initiative” sponsored by the Project for Public Spaces: <https://www.marketcities.org/>

39 The most comprehensive recent effort to map territorial markets is the report from FAO, Mapping of territorial markets – Methodology and guidelines for participatory data collection. Second edition. Rome. <https://doi.org/10.4060/cb9484en>

IX. RECOMMENDED ACTIONS FOR DIFFERENT GOVERNANCE LEVELS

These different actors were represented in the event planning and presentations. Together with market actors, clarity about respective roles for a systemic approach began to emerge:

- a) Actions of **subnational governments** (small, intermediary, and large municipal governments, regional governments, and their networks at national and global levels)
- Expand the mandate of local government to improve food systems and embed food in planning for infrastructure and food production, marketing, and distribution as a major priority in social protection for the most vulnerable.⁴⁰
 - Support smallholder access to markets by overcoming challenges of inadequate infrastructure, finance and business assistance.

- Improve territorial markets through engagement of local and subnational governments in planning and capacity development for an inclusive wholesale and retail food environment.⁴¹
- Link subnational support for market improvement to other priorities (and sectors) beyond food security including health, job creation, public safety, resilience to climate change, etc.
- Establish multistakeholder food governance mechanisms such as food councils or market committees to connect market actors with local authorities and their constituencies in order to assess needs and provide input on decisions related to urban and territorial food systems.⁴²
- Engage with platforms hosted by governments or supporting organizations including UN agencies, donors and NGOs developed to address territorial markets for informal and formal market actors within and

40 As one example of expanding the mandates of local government to include food systems planning and policy, 240 Mayors worldwide have signed the Milan Urban Food Policy Pact. For more information, see <https://www.milanurbanfoodpolicypact.org/>

41 Tools such as the FAO’s Territorial Marketing Initiative (<https://www.fao.org/3/cb9332en/cb9332en.pdf>), the City Region Food Systems Toolkit (<https://www.fao.org/3/i9255e/i9255e-Food-Governance-Barometer.pdf>), and the Urban-Rural Linkages Handbook (<https://urbanpolicyplatform.org/download/urban-rural-linkages-handbook/>) are examples, among others, of the tools available to be adapted for capacity development in local and regional governments.

42 To support local food governance efforts, the UN in 2021 launched the Multistakeholder Mechanisms Initiative of the One Planet Network- Sustainable Food Systems Programme: <https://www.oneplanetnetwork.org/programmes/sustainable-food-systems/multistakeholder-mechanisms>

between cities and regions.⁴³

- Focus on small and intermediary cities, 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.⁴⁴

b) Actions of **market actors** and their Civil Society partners:

- Map market systems, including retail, wholesale, farmers, street and other informal markets.
- Share principles and practices that have been developed by NGOs and market associations, UN and national agencies and can be adapted to mapping market systems across the urban-rural continuum.
- Raise awareness among local authorities and the general public to understand the complex relationships that combine to feed and provide access to diverse, healthy and safe diets in small or large cities.
- Collaborate where possible on market planning, management, finance and regulation across municipal and national agencies.
- Develop partnerships between local community organizations and international NGOs to help assess challenges and priorities, identify all relevant actors in informal and formal market systems and assist with capacity development and policy support for inclusive market system governance.
- Advocate for improvements in infrastructure that includes resilience in the face of climate change and that will require planning and investment.
- Ensure the needs of women and children in markets, including their personal safety, food safety, and market sanitation are addressed and accounted for.

c) Actions of **national governments**:

- Support multilevel food governance including local and subnational governments in ways that respect the agency of local governments, territorial market actors including Civil Society, formal/informal market committees and SMEs in the private sector.
- Supply financing and technical assistance for market system assessment and mapping as part of national urban and sustainable development policy and planning (for example in relation to implementation of the NUA and SDGs).⁴⁵
- Include resilient, inclusive and sustainable food market systems as a key component in adaptation and mitigation strategies for climate change in Nationally Determined Contributions (NCDs), as well as in commitments to the Decade on Action for Nutrition and in Voluntary National and Local Reviews (VNRs and VLRs) related to localizing the SDGs.⁴⁶
- Incorporate biodiversity mainstreaming and ecosystem restoration across the urban-rural continuum as a goal for improved market systems at a national level.⁴⁷ Direct resources from national and international donors to local and subnational governance levels for maintaining and building local fresh food markets of all types.

Address market systems as part of food governance initiatives including 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.⁴⁸

d) Actions of **UN and international organizations**:

- Apply the principles and actions to strengthen URLs launched in 2019 by UN-Habitat and mainstreamed as a tool to manage URLs to market systems mapping.⁴⁹
- Include food market mapping and assessment as a key strategy for ensuring the access to safe, healthy food, and sustainable diets for all and for sensitizing to purchase and consumption of fresh seasonal and diverse foods.
- Address a systemic approach to market data collection on territorial markets for example in the FAO initiative to map territorial markets in relation to the FAO Framework for the Urban Food Agenda.⁵⁰
- As part of the UN follow up to the Food System Summit, FAO and UN-Habitat should team up with 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, for example in the context of the emerging coalition on Inclusive and Sustainable Urban Food Systems⁵¹
- UN-Habitat's mandate in the NUA to integrate urban and rural planning, should include different types of markets from street vendors to farmers markets to retail and wholesale markets.
- Market system governance (including 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) should be supported by international agencies and partners including a focus on the widespread challenges of finance and infrastructure for resilient markets.

⁴³ Such platforms are likely to evolve out of new collaboration between actors including the co-organizers and supporting organizations that delivered the events summarized in this discussion paper.

⁴⁴ At the recent World Urban Forum in June 2022 this topic was the subject of a joint UN and international NGO event. See <https://wuf.unhabitat.org/event/urban-food-systems-governance-small-and-intermediate-cities-and-their-catchment-areas>

⁴⁵ Knowledge products to help national governments incorporate food systems into sustainable urban and rural development policy are expected as collaborations between UN agencies, market actors and partners in networks of cities and regional governments.

⁴⁶ In 2021 and 2022 the localization of SDGs has been mainstreamed by a number of global actors to serve local and national governments including from OECD, GIZ and UN agencies. Managing urban-rural linkages and market systems as a vital part of URLs, are examples of concrete implementation of localizing global agendas.

⁴⁷ Market systems can be closely linked to mainstreaming biodiversity at territorial levels. In cities and regions there is already a major collaboration between ICLEI and the UN Convention on Biodiversity (CBD). Ecosystem restoration across the rural-urban interface is a new area of focus for the UN Convention to Combat Desertification and similarly market systems are linked. See for example <https://citieswithnature.org/>, <https://regions4.org/project/regions-for-biodiversity-learning-platform/> and <https://urbanpolicyplatform.org/download/urban-rural-linkages-and-ecosystem-restoration/>

⁴⁸ The multistakeholder mechanism platform is mentioned above (note 31) and links to the two mentioned coalitions are Urban Food Systems Coalition: <https://foodsystems.community/commitment-registry/coalition-onsustainable-and-inclusive-urban-food-systems/> and the Territorial Food Systems Coalition: <https://foodsystems.community/coalitions/coalition-to-promoteterritorial-food-systems-governance/>

⁴⁹ The full text is here: <https://urbanpolicyplatform.org/download/urban-rural-linkages-guiding-principles-framework-for-action-to-advance-integrated-territorial-development/>

⁵⁰ FAO's Territorial Market Initiative (<https://www.fao.org/3/cb9332en/cb9332en.pdf>) can be integrated with the mapping efforts of market actors as described in the examples in this paper. The process so far has been participatory with market actors (producers and traders). A second edition of the methodology will include more consumer data.

⁵¹ See https://foodsystems.community/commitment_to_action/coalition-on-sustainable-and-inclusive-urban-food-systems. Planning is underway to integrate the work of FAO and UN-Habitat for example in country projects as part of several initiatives and coalitions. all in different stages of development.

