



# UNSCN

United Nations System Standing Committee on Nutrition

EXECUTIVE SUMMARY

May 2016



# ENHANCING COHERENCE BETWEEN TRADE POLICY AND NUTRITION ACTION

## Implementing the Framework for Action of the Second International Conference on Nutrition

Both nutrition and trade policy are part of the new universal 2030 Agenda for sustainable development. The Sustainable Development Goals (SDGs) call for an end of all forms of malnutrition (*target 2.2*) and for trade to be a cross-cutting means for development. The SDGs also call for countries to enhance policy coherence for sustainable development (*target 17.14*). In 2014, the Rome Declaration of the Second International Conference on Nutrition (ICN2) called for trade policies to be conducive to fostering food security and nutrition for all. The ICN2 Framework for Action recommends that countries identify opportunities to achieve global food and nutrition targets through trade and investment policies.

This executive summary provides an overview of the findings of the UNSCN discussion paper on Enhancing coherence between trade policy and nutrition action.

## HOW CAN TRADE POLICY SUPPORT NUTRITION ACTION?

Trade policy can support nutrition action when it has objectives and outcomes coherent with the intended outcomes of nutrition action. Nutrition actions are the policies, programmes and interventions designed to improve nutrition. They aim to make the environments around people healthier, reduce poverty, empower women, and provide access to education, health care and nutrition services. The goal of nutrition action is for all people to consume adequate, safe, nutritious, diverse, healthy diets and safe drinking water all year round, for mothers to breastfeed their babies and for all people to have access to nutritional services to prevent, manage or treat malnutrition and associated health conditions. These “nutrition actions” are set out in the Framework for Action adopted by governments at the Second International Conference on Nutrition.

In theory, trade policy objectives are supportive of these nutrition objectives. By facilitating the exchange of goods, services and investments across borders, trade policies can promote economic growth, enhance incomes, boost employment, provide a more stable supply of products and services, ensure that healthy foods are on the market, and reduce prices of consumer goods such as food.

In practice, however, trade policies can introduce risks for nutrition. For example, by making it easier for people to access and afford foods high in fats, sugars and salt associated with obesity and the development of noncommunicable diseases.

Trade policies can therefore be both coherent and incoherent with nutrition goals. On the one hand, trade policies have the potential to benefit nutrition in countries with unreliable food supplies by leading to greater and more stable availability of nutritious foods. On the other hand, they can lead to reduced access of locally produced nutritious foods consumed by nutritionally-vulnerable sub-populations. Another potential advantage is that trade policies increase the diversity of foods available to populations; but at the same time, they can facilitate the availability and inappropriate marketing of breastmilk substitutes.

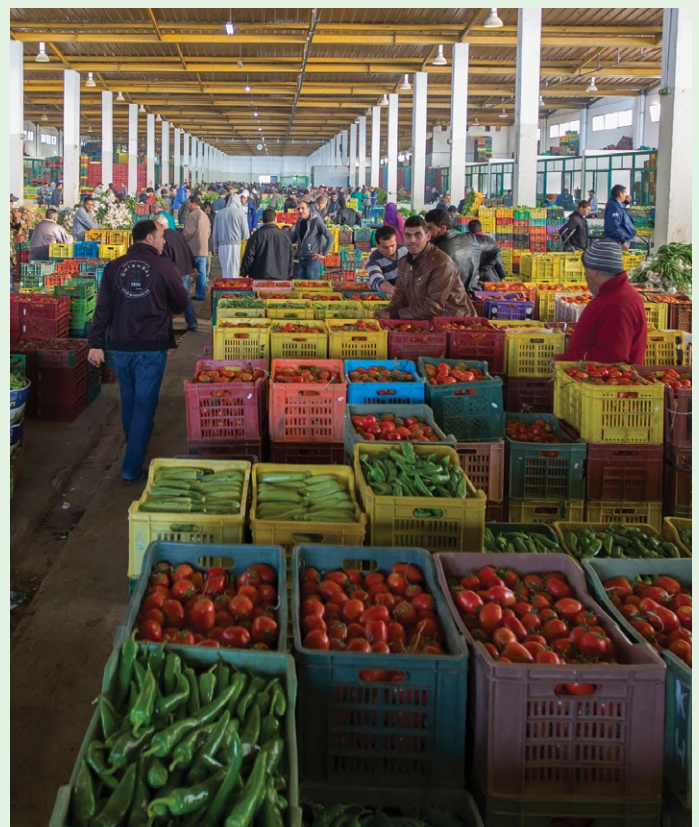
What impact trade policies have on nutrition depends on a wide range of factors. These include the nature of the trade policy, the nature of food systems in countries, the forms of malnutrition and sub-populations affected, associated trade reform, and existing policy and institutions in countries and trading partners.

As a result of these complex dynamics, it is difficult to generalize about the impact of trade policy on nutrition. Therefore, the most important actions required to enable trade policy to support, not detract from, nutritional objectives, are to develop tools for diagnosis of (in)coherence, to build institutional capacity, and to strengthen governance of **policy coherence**.

## WHAT IS TRADE POLICY?

Trade policy comprises the rules and regulations governments put into place to govern transactions across national borders. Modern trade policy involves a huge array of different policies designed to influence not just the physical movement of products across national borders, but the provision of services and economic exchange. It includes measures that influence trade across borders as well as “behind-the-border” policies that affect trade and the incentives for private companies to trade and invest.

The general thrust of modern trade policy has been to reduce barriers to trade and facilitate more open trade through the process known as “trade liberalization.” The underlying theory behind liberalization is that if countries are allowed to trade freely the global economy will operate at maximum efficiency and generate net economic gains. Examples of the types of rules and regulations implemented to liberalize trade include reducing “tariffs” (a tax on imported products), equal treatment of foreign and domestic food businesses in public procurement and supporting the development of infrastructure and capacity for trade.







## WHAT ARE TRADE AGREEMENTS?

The rules and regulations that governments put in place to govern trade are often set through trade agreements made between signatory countries. The World Trade Organization Countries administers a range of global multilateral trade agreements – agreements that are made between multiple nations through a global negotiating forum. In recent years there has been a proliferation of regional trade agreements between two or more countries. Regional trade agreements differ from global agreements in that they permit preferential access to the markets of the signatory countries and tend to include provisions that extend beyond multilateral rules, such as measures to promote cooperation in investment. Foreign investment in general is linked with trade liberalization since trade policy influences decisions companies make about how much to invest in other countries.

Policies agreed in trade agreements are generally binding, although they may also include reference to voluntary standards. Countries may also implement trade policies unilaterally which can be changed through national legislative processes.

## WHAT NEEDS TO HAPPEN TO ENHANCE POLICY COHERENCE

To begin with, **analytical tools** to diagnose coherence between trade policy and nutrition action need to be developed and applied. This is needed for trade agreements negotiated between countries – but most importantly at the national and local level where policies are implemented and their impacts are experienced.

What is more, **complementary policies** to enhance synergies and mitigate risks of trade policy for nutrition action need to be identified and implemented. For example, the benefits of an increased supply of nutritious foods during times of short supply could be complemented by infrastructure policies that ensure the food reaches people most in need. The downsides of greater availability of energy-dense nutrient-poor foods could be managed by policies that restrict marketing to children, tax sugary drinks and require clear and comprehensible nutrition labels on packaged foods. These policies should be implemented as part of the package of trade reforms.

Such cross-sectoral coordination requires **institutional capacity**. The incorporation of nutrition considerations into trade policy development requires knowledge, skills and infrastructure. Forms of capacity building needed include technical assistance to developing countries from international agencies and legal training programmes. Fostering civil society, researchers and other state and non-state collaborations will be necessary to generate new evidence and build social and political support for action.

Enhancing capacity in turn implies the need for effectively using cross-sectoral **governance structures**. Well-functioning governance structures can help promote dialogue and coordination between trade, agriculture, economic and nutrition decision-makers at the national, regional and international level. In this way the first core aspect of policy coherence that is 'setting common goals and shared priorities across sectors' can be advanced.

Since the core of policy coherence is a mutual recognition of shared challenges, motivating efforts to create greater coherence will require countries to **recognize nutrition, as well as trade, as a top priority for sustainable development**.



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## KEY MESSAGES

- 1 Recommendation 1.** Government trade and/or health ministries should appoint a nutrition focal point for participating in trade policy negotiating forums internationally and nationally, and leverage existing cross-governance structures linked to agriculture and trade planning processes to mainstream nutrition issues in the process of developing national trade policies.
- 2 Recommendation 2.** Government nutrition agencies/health ministries should establish a process for assessing the coherence between their national trade policies and their nutrition actions. The focus should be national priorities for nutrition outcomes among specific groups and/or for particular nutritional problems. The process should aim to identify what complementary policies and/or multilateral action is needed to leverage opportunities and manage risks.
- 3 Recommendation 3.** The OECD and World Bank should continue gathering data, developing methodologies and indicators to support the understanding of the impact of trade policies, including on nutrition outcomes.
- 4 Recommendation 4.** International donors and funders should support capacity building for nutrition action and for coherence between trade policy and nutrition action.
- 5 Recommendation 5.** The WTO Secretariat should, within its mandate, provide technical assistance to enable national trade, nutrition and health officials to better understand the policy space available in multilateral agreements for nutrition action.
- 6 Recommendation 6.** Member States of the WHO and FAO should request the WHO and the WHO/FAO Codex Alimentarius Commission to identify areas where further harmonization may reduce barriers to trade while supporting nutrition policy, and to develop standards which enable multilateral actions.
- 7 Recommendation 7.** Civil society should contribute to the process of identifying areas of (in)coherence between trade policy and nutrition action by bringing examples experienced by people in communities to the attention of both trade and nutrition policy makers. They should also benchmark and monitor progress by policy makers in advancing policy coherence.
- 8 Recommendation 8.** Researchers should develop a clear and useable analytical tool for policy makers to use to assess coherence between trade policy and nutrition action. Researchers should also examine how existing data sources could be used in novel ways to assess coherence in outcomes between trade policies and nutrition actions.

## Resources

The UNSCN discussion paper, written by Corinna Hawkes PhD, Professor of Food Policy, Centre for Food Policy, City University London, on Enhancing coherence between trade policy and nutrition action can be found on the UNSCN website: [www.unscn.org](http://www.unscn.org)

The outcome documents of the Second International Conference on Nutrition, Rome Declaration on Nutrition and the Framework for Action can be found at: <http://www.fao.org/about/meetings/icn2/en/>



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