

Strategic Priorities for Food System Strengthening and Transformation

Insights from the NGI Food System Index and Typology

High performing food systems are fundamental to prospects for achieving major global goals, particularly Zero Hunger. But hunger is on the march again due to climate shocks, COVID-19, and conflict, including the ongoing war in Ukraine. In 2021, nearly a billion people in 93 countries did not have enough to eat. 99 million children under the age of five were undernourished and underweight, putting their health and futures at risk. Not only is the well-being of millions of food insecure people under threat, so, too, are the transformations needed for food systems to become more efficient, resilient, nutritious, and inclusive in the long run.

Questions

To strengthen responses to the unfolding food crisis and boost food system transformation over the longer term, fundamental questions about the performance of food systems must be addressed:

1. How well were food systems functioning before the recent and current disruptions? Were they improving or deteriorating?
2. What are the strengths and weaknesses of given food systems?
3. Which policies and investments are most likely to improve food system performance in given countries or regions?

The NGI Food System Index and Typology

New Growth International (NGI) has created an Index and Typology of food systems to help answer these questions.

Countries are ranked based on NGI Index scores and their performance classified accordingly. **A country typology** reveals country-level similarities and differences in food system performance and related measures. **Benchmarks are proposed** for assessing country-level food system performance and used to build **country-level performance scorecards**. An analysis of six countries deploys these tools to identify **priorities for policy reform, institutional**

innovation, and investment toward food system transformation.

Major Findings

1. Prior to COVID-19, food systems in many countries were improving, especially in middle-income and low-income countries.
2. Still, food systems in most of these countries did not meet performance benchmarks associated with low hunger.
3. A country's income matters enormously to its food system performance but is far from the whole story. Countries with vastly different levels of income can have very similar food system performance. Levels of risk and instability are especially important.
4. It is virtually impossible for countries with high levels of social, political, and institutional risk and instability to meet the food system performance benchmarks.
5. Many of the key policy instruments for hunger-reducing food system improvement and transformation lie outside food systems. Priorities include: lowering risk and instability, boosting production capacity, enhancing internal marketing and trade capacity, protecting and augmenting purchasing power and nutrition of vulnerable groups, and strengthening climate resilience and disaster risk management.

NGI Index Levels and Changes

	2015	2020	Change
Global	44.92	45.48	+0.56
Income	2015	2020	Change
HICs	72.48	71.16	-1.32
UMICs	48.33	49.48	+1.15
LMICs	28.40	30.98	+2.58
LICs	15.73	16.69	+0.96
Region	2015	2020	Change
East Asia & Pacific	48.50	50.22	+1.72
Europe and Central Asia	66.18	65.92	-0.26
Latin America and the Caribbean	45.39	44.08	-1.31
Middle East and North Africa	36.72	36.47	-0.25
North America	91.22	90.72	-0.5
South Asia	25.89	28.85	+2.96
Sub-Saharan Africa	20.14	20.89	+0.75

HICs = High income countries; UMICs = Upper middle-income countries; LMICs = Lower middle-income countries; LICs = Low-income countries

The NGI Index reveals that globally, food system performance improved slightly between 2015 and 2020, but there were important differences across regions and income groupings.

Six country types are identified with strong relevance for policy and strategy, with six countries selected as case studies of each type:

- **Under-achieving upper-middle income countries (UMICs)** with low food system performance (**Ecuador**)
- **Over-achieving lower-middle income countries (LMICs)** with high food system performance (**Vietnam**)
- **Threatened LMICs** with low or very low food system performance, high hunger burdens and moderate or high risk and instability (**Kenya**)
- **Surging low-income countries (LICs)** with low food system performance and/or moderate hunger burdens (**Rwanda**)
- **Straining LICs** with very low food system performance, high hunger burdens, and moderate or high risk and instability (**Malawi**)
- **LICs in Crisis** with very low food system performance, high hunger burdens, and high risk and instability, most of them facing humanitarian crises (**Burkina Faso**)

Four broad strategic priorities emerge from the country cases:

- Risk and instability must be curtailed, including business risk
- Production capacity must catch up with marketing and trade capacity
- Purchasing power and nutrition must be protected and boosted
- Internal marketing and trade capacity must continue to be enhanced

There are lessons and insights for countries at different income levels:

- **While the “Surging LIC”** Rwanda is much smaller geographically and economically than the **“Straining LICs”** Malawi and **“LIC in Crisis”** Burkina Faso, its food system points to the powerful impact of low risk and instability and good governance on system performance. But all LICs must do much more to boost productivity, control food price inflation, enhance trade, and cut poverty.
- **Between the two LMICs**, the **“Threatened LMIC”** Kenya has much to take from the **“Over-Achieving**

LMIC” Vietnam. Especially clear is the need for attention to badly lagging farm productivity. Equally important are reduced risk and instability and stronger progress in poverty reduction.

- **For “Under-Achieving UMIC”** Ecuador, also looking to Vietnam, higher farm productivity growth and lower corruption and insecurity are the primary hurdles.
- **Higher income is necessary but not sufficient for higher food system performance; stability matters, especially for MICs.** Effectively navigating the opportunities and risks associated with MIC status is vital to achieving higher food system performance and the higher income and lower hunger that accompany it.

Several implications for policy responses to the current food crisis emerge:

1. **Control food price inflation:** Prudent use of macro policy instruments is critical to proper management of the fuel-fertilizer-food price crisis.
2. **Address the needs of vulnerable groups through targeted transfers leveraging existing safety nets:** Given the scale of needs, protecting nutritionally vulnerable groups is the key, and possibly only, viable transfer-based intervention
3. **Engage the private sector in responses:** They run all facets of food systems and must therefore be provided with incentives to boost the trade and investment that yields sustained improvements in these systems, raising incomes and cutting hunger.
4. **Looking ahead:** Do not allow **productivity growth** to slip any further, and do not stop investing in **infrastructure and logistics capacity**.

Further Applications

The NGI Index and Typology are novel analytical tools with strong potential to support strategy development, policy formulation, and investment planning for public, private and NGO agencies seeking to enhance the relevance and impact of food system strengthening and transformation initiatives. The new tools also open valuable scope for enhanced monitoring of food system performance in different contexts, highlighting the fundamentals that must be in place for food systems to play their roles in hunger reduction, income generation, and stability.

For tailored analysis, briefings, and reports, contact New Growth International at ngi-index@newgrowthint.com

