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# Urban and Peri-Urban Food Systems Governance as a Pathway to Improved Food Security and Nutrition and Sustainable Food Systems

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Solidarity for the Achievement of the SDGs



# Abstract

Food and nutrition insecurity is an increasingly urban phenomenon. In low- and middle-income countries, cities are epicentres of a dietary transition, with people shifting away from local staples towards more globally produced, high-fat, and high-calorie ultra-processed foods. The access to diverse foods in urban areas offers opportunities for improving nutrition, but also challenges. The expansion of large multinational food manufacturers, retailers, and restaurant chains and their ability to target an ever-growing customer base are key drivers of this transition, though small- and medium-sized food companies also play a role. Governance of urban and peri-urban food systems, including regulation of and incentives for companies, therefore offers a critical entry point to improve food security and nutrition outcomes and to transform food systems towards more sustainability.

The concept note for South Africa's G20 presidency rightly recognises the imperative of food security and proposes the establishment of a task force on food security, but the proposal is too focused on production. The post-farmgate part of the food system is increasingly important, and food system diversity (ie, the existence of market channels of different types, scales, and forms of ownership, as well as the availability of a wide range of healthy and affordable foods) is critical to transform food systems towards greater sustainability and equity.

Our call is for G20 governments to use a broader vision of food security beyond production, considering the unique dynamics and needs of cities, particularly in the Global South. First, we call on governments to support and invest in city-level food systems governance. Second, we call for policy to provide strong guardrails to ensure that food environments are conducive to healthier and more sustainable options. And third, we call for stricter regulation of companies on labelling, advertising, and the availability of nutritious food.

## Diagnosis

More than three-quarters of people in the world experiencing food insecurity live in urban and peri-urban areas.<sup>1</sup> This is not just due to the greater number of people living in cities, as more than half of the planet's population now does. People living in cities are dependent on their incomes to access food in the market, and persistent poverty means that many simply cannot afford a basic, nutritious diet. Cities offer the opportunity for improving diet quality, as they put people in contact with a larger range of diverse foods than is typically available in urban areas. But even as incomes rise, urbanisation is also linked to the so-called “dietary transition” – a shift from local, starchy staples towards more globally produced, high-fat, and high-calorie ultra-processed foods. Countries of all income levels, but particularly low- and middle-income countries (LMICs), are therefore confronting the simultaneous challenges of hunger, micronutrient malnutrition, obesity, and related non-communicable diseases.

Changes in food demand have shaped and been shaped by a partial and uneven transformation of food production and distribution.<sup>2</sup> In many countries the expansion of large multinational food manufacturers, retailers, and restaurant chains, and their ability to target an ever-increasing customer base, are key drivers of the dietary transition. The experience in high-income countries suggests that a corporatised food system – one dominated by large companies – leads to less than ideal social, environmental, and nutritional outcomes.<sup>3</sup> In many LMICs, especially in southeast Asia and sub-Saharan Africa, the expansion of modern retail and production has proceeded much more slowly, but changes in demand are occurring nonetheless. In all cases, smallholder

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<sup>1</sup> HLPE. 2024. Strengthening urban and peri-urban food systems to achieve food security and nutrition, in the context of urbanization and rural transformation. Rome, CFS HLPE-FSN

<sup>2</sup> Barrett, C.B., Reardon, T., Swinnen, J. and D. Zilberman. 2022. Agri-food Value Chain Revolutions in Low- and Middle-Income Countries. *Journal of Economic Literature* 60 (4): 1316–77. <https://doi.org/10.1257/jel.20201539>

<sup>3</sup> Bradbury, K.E., Mackay, S. & Sacks, G. Improvement of corporate accountability can re-calibrate corporatized food systems. *Nat Food* 6, 220–222 (2025). <https://doi.org/10.1038/s43016-025-01144-9>

production, as well as small- and medium-scale and informal enterprises and markets, continue to play a crucial role in making nutritious food affordable, especially for people living in poverty.

Much of the emphasis in food and nutrition security has focused on the production side. Governments of LMICs, international development financial institutions, and donors have for decades prioritised increasing food production through the application of modern agricultural methods to improve productivity, as well as developing market access for farmers. The issue note for South Africa's G20 presidency sherpa track on Agriculture rightly recognises the imperative of food security and proposes the establishment of a task force on food security.<sup>4</sup> And yet the name of the sherpa track, as well as the contents on the note, focuses exclusively on production. The question of urban food systems is absent. Ignoring issues such as urban food supply, urban food markets, food environments (ie, the physical and social conditions that affect what people eat), and the urbanisation of hunger and poverty will not lead to durable and systemic progress on eliminating hunger and malnutrition.

## Recommendations

We call on the G20 to address hunger and malnutrition using a broader vision of food security beyond production, considering the unique dynamics and needs of cities, particularly in LMICs. In the previous G20 meeting in Brazil, governments unanimously supported the establishment of a Global Alliance Against Hunger and Poverty, an ambitious plan to accelerate progress towards ending hunger, malnutrition, and poverty. Building on the political momentum expressed by the Global Alliance, we call on G20 governments to act on the following three priorities:

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<sup>4</sup> [https://g20.org/wp-content/uploads/2024/12/Issue-Note\\_Agriculture-1.pdf](https://g20.org/wp-content/uploads/2024/12/Issue-Note_Agriculture-1.pdf)

First, we call on G20 national governments to **urgently establish a mechanism to monitor and support urban and peri-urban food systems**. Proactive governance of urban and peri-urban food systems offers a critical entry point to both improve food security and nutrition outcomes and to transform food systems towards more sustainability. National governments should formally recognise existing mandates of local governments in shaping food systems (eg, through spatial planning) and devolve the necessary funds to support these investments. Specifically, national governments should 1) improve financing and capacities of municipal governments to address food system challenges; 2) bring local and city governments into the national food system agenda-making; and 3) ensure that municipal and local governments have the funding they need to fulfil their mandates.

Second, we call for policy to **provide strong guardrails to ensure that food environments are conducive to healthier and more sustainable options**. There is a critical need for more incentives that level the playing field between healthy and less healthy food options, making sure the former are not only available but also relatively affordable, safe, and desirable options for consumers. National and municipal governments have several tools available to improve the availability and affordability of healthy food, including: 1) recognising the critical role of traditional and informal actors from production to transport, processing and distribution, to retail, and support them with investments in infrastructure, skills, and access to finance; 2) working with informal and other actors to improve food safety and incentivise the sale of healthier options; 3) using zoning restrictions to restrict the sale of unhealthy food, bringing healthier options to underserved areas, including, where appropriate, facilitating land for (peri)urban agriculture; and 4) equipping consumers with the education and information they need to make healthier choices.

Finally, we call on G20 governments **to take immediate action to push companies to sell healthier and more nutritious food, including by creating mandatory rules on marketing and labelling to avoid them targeting children and the most vulnerable people.** The most recent assessment of food systems worldwide suggests that lack of government regulation on the availability of unhealthy food is associated with negative health outcomes.<sup>5</sup> Equally, evidence suggests that voluntary action alone is not enough for companies to provide more nutritious food, clearly label their products, or avoid marketing of unhealthy food.<sup>6</sup> Where the objectives of society and the objectives of companies do not align, stronger regulation is needed.

Governments can deploy a number of tools to shape the behaviour of both companies and consumers. Evidence suggests that front-of-pack labelling can increase consumer awareness of the health-related risks of some food products, and has incentivised industry to reformulate products to reduce sugar, salt, and fat content.<sup>7</sup> Similarly, a growing body of evidence, notably from Latin American countries, suggests that so-called “health taxes” on sweetened beverages lead to observable reductions in purchases and can have both short- and long-term health benefits.<sup>8</sup> Finally, food marketing has been shown to be a powerful driver of the consumption of unhealthy food by children and young adults,<sup>9</sup> and this is an area where voluntary action by companies has fallen short.<sup>10</sup> The evidence on the impact of policies limiting the exposure of children to food marketing is mixed, particularly due to methodological challenges, including for example the lack of reliable baseline data.<sup>11</sup> However, several studies suggest this tool does lead to

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<sup>5</sup> Schneider, K.R., Remans, R., Bekele, T.H. *et al.* Governance and resilience as entry points for transforming food systems in the countdown to 2030. *Nat Food* 6, 105–116 (2025). <https://doi.org/10.1038/s43016-024-01109-4>

<sup>6</sup> <https://www.worldbenchmarkingalliance.org/publication/food-agriculture/>

<sup>7</sup> Jones, A. *et al.* Front-of-pack nutrition labelling to promote healthier diets: current practice and opportunities to strengthen regulation worldwide. *BMJ Global Health* 4:e001882 (2019). doi:10.1136/bmjgh-2019-001882

<sup>8</sup> World Health Organisation on sugar-sweetened beverage taxation policies to promote healthy diets. Geneva: World Health Organisation; 2022.

<sup>9</sup> Boyland, E. *et al.* *Obesity Reviews*. 2022;23:e13447

<sup>10</sup> Fleming-Milici, F & J. Harris. (2020). Food marketing to children in the United States: Can industry voluntarily do the right thing for children's health? *Physiology and Behavior* 227: 113139

<sup>11</sup> Taillie, L.S. *et al.* (2021). Governmental policies to reduce unhealthy food marketing to children. *Nutrition Reviews* 77(11):787–816

fewer overall purchases of unhealthy food, and that mandatory rules can be more effective than voluntary ones.

## T20 South Africa Convenors

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The Institute for Global Dialogue (IGD)



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