Regional Paper

Leveraging Trade and Fiscal Policies to Improve Food Security in South Asia

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1. Introduction

South Asia remains one of the world's most food-insecure regions. Home to nearly 1.68 billion people, the region continues to face high levels of undernourishment, child stunting, and micronutrient deficiencies, alongside a rising burden of diet-related non-communicable diseases. Structural constraints remain significant: average GDP per capita is about US$ 2,355, and agricultural value added per worker stands at only US$ 2,036, limiting purchasing power and productivity in largely agrarian economies. Food insecurity in South Asia is therefore shaped not only by food supply conditions, but also by affordability, access, diet quality, and vulnerability to economic and climate shocks.

At the regional level, key indicators reflect multiple and overlapping challenges. In 2024, 42% of the population faced food unaffordability. During 2022–2024, undernourishment affected 12% of the population, while 18% experienced severe food insecurity. Child stunting remained high at 31% in 2024, and women's anemia affected 49% in 2023. At the same time, 10% of adults were classified as obese in 2022, highlighting the region's emerging double burden of malnutrition. All figures are expressed as prevalence rates.

Disparities across gender and location further shape the food security landscape. Moderate or severe food insecurity affects 42% of females compared to 37% of males, while severe food insecurity affects 19% of females and 17% of males. Rural and semi-urban populations face higher burdens than urban populations: moderate or severe food insecurity stands at 41% in rural areas and 42% in semi-urban areas, compared to 33% in urban areas. Severe food insecurity affects 19% of rural and semi-urban populations, compared to 14% in urban areas. These patterns point to structural gender and spatial vulnerabilities within the region.

Within this broader South Asian context, the member countries share common structural characteristics that influence food outcomes. Demographic pressure is particularly acute in Bangladesh, where population density reaches 1,319 people per sq. km, far above the regional average of 492. Agriculture remains central to livelihoods, contributing 23.74% of GDP in Pakistan and 21.87% in Nepal, compared to 8.3% in Sri Lanka. Agricultural value added per worker ranges from US$ 1,210 in Bangladesh to US$ 4,796 in Nepal, reflecting productivity gaps that affect rural incomes and food access. Rural populations remain substantial, accounting for over 60% of the population in most SACIN countries, underscoring the close link between agrarian structures and food security outcomes.

Regional cooperation has long recognized these challenges. The South Asian Association for Regional Cooperation (SAARC), established in 1985, includes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Food security forms part of its cooperation agenda through mechanisms such as the SAARC Food Bank and the SAARC Agriculture Centre. While these institutions reflect a shared commitment to regional action, coordination has not always achieved its full potential in addressing persistent food insecurity. This creates space for more focused, purpose-driven coalitions such as the South Asian Coalition for Improved Nutrition (SACIN), which can complement existing regional structures through targeted and implementation-oriented collaboration.

Table 1. Socio-economic indicators relevant to food security in the region, 2024

Indicators	Bangladesh	Nepal	Pakistan	Sri Lanka	South Asia
(A) Gross Domestic Product					
GDP (billion US$)	336.93	34.98	410.72	91.75	3950.66
GDP per capita (US$)	1941.28	1179.81	1634.57	4186.5	2355.25
GDP per capita, PPP (US$)	8486.78	5046.82	5500.32	13752.84	9654.17
(B) Agriculture					
Agricultural land (sq. km)	93990	37441	359950	30069	1.95E+06
Agriculture value added (billion US$)	38.42	8.41	91.57	6.89	575.69
Agriculture value added per worker (US$)	1210.53	4796.11	3186.02	3293.75	2036.08
Agriculture value added (% of GDP)	11.16	21.87	23.74	8.3	15.63
(C)Population					
Population, total (millions)	173.56	29.65	251.27	21.92	1677.38
Population, female (millions)	88.22	15.45	123.84	11.31	818.16
Population, female (% of total)	50.83	52.11	49.28	51.62	48.78
Population, male (millions)	85.34	14.2	127.43	10.6	859.22
Population, male (% of total)	49.17	47.89	50.72	48.38	51.22
Rural population (millions)	116.85	9.85	152.84	17.47	1082.54
Rural population (% of total)	67.32	33.23	60.83	79.7	64.54
Urban population (millions)	56.72	19.8	98.43	4.45	594.85
Urban population (% of total)	32.68	66.77	39.17	20.3	35.46
Population density (people per sq. km)	1319.18	207.15	321.07	356.24	492.38

Notes: Values in US$ are expressed in constant 2015 US$; GDP per capita (PPP), is in constant 2021 international $. Missing values for 2024 in population density and agricultural land are carried forward from 2023. Data source: World Bank.

Against this backdrop, this study examines how trade and fiscal policies can shape food security outcomes through identifiable transmission channels. Trade policy measures can strengthen domestic supply, reduce production costs, enhance foreign exchange capacity, and influence consumption patterns. Fiscal policy instruments can reinforce agrifood productivity, improve logistics and storage systems, stabilize markets, and support vulnerable households through targeted transfers and nutrition-sensitive investments. Together, these instruments influence the four dimensions of food security: availability, access, stability, and utilization.

The remainder of this report is organized as follows. We begin with a comparative assessment of food security across the four SACIN countries. We then analyze the role of trade and fiscal policies and identify priority policy actions to strengthen food security across its four dimensions.

2. Regional Food Security Situation

2.1 Food Security and Nutrition Indicators

To assess the current state of food security, we first consider the affordability of a healthy diet and then review key outcome indicators spanning undernourishment, severe food insecurity, child stunting and wasting, women's anemia, and adult obesity.

We begin with the cost of a healthy diet, which provides an important sign of food affordability pressures across the four countries. As shown in Figure 1, the cost has increased steadily since 2017. For Southern Asia, it rose from 3.32 in 2017 to 4.57 in 2024, with the sharpest increase occurring after 2020. Sri Lanka records the highest levels in recent years, reaching 5.16 in 2024. Bangladesh and Nepal also show consistent upward trends, while Pakistan experienced a marked rise between 2021 and 2023, followed by a slight moderation in 2024. The overall pattern indicates sustained upward pressure on the cost of a healthy diet across the region.

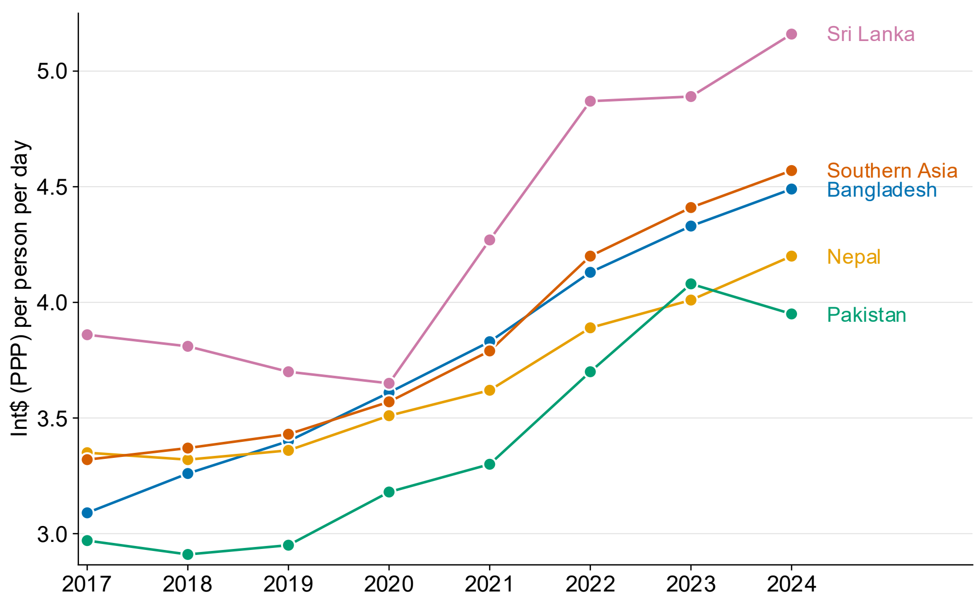

Figure 1. Cost of a Healthy Diet in Member Countries, 2017–2024

The high cost of a healthy diet directly translates into affordability constraints (Figure 2). For Southern Asia, the share of the population unable to afford a healthy diet declined from 56.7 percent in 2017 to 41.7 percent in 2024, indicating gradual regional improvement despite rising diet costs. Bangladesh and Nepal record steady reductions over the period, falling to 44.4 percent and 20.1 percent respectively in 2024. In contrast, Pakistan's unaffordability remains persistently elevated, at 60.3 percent in 2024. Sri Lanka shows a sharp deterioration after 2020, peaking at 44.6 percent in 2022 before easing slightly to 42.9 percent in 2024. While regional averages suggest progress, affordability pressures remain pronounced in specific country contexts.

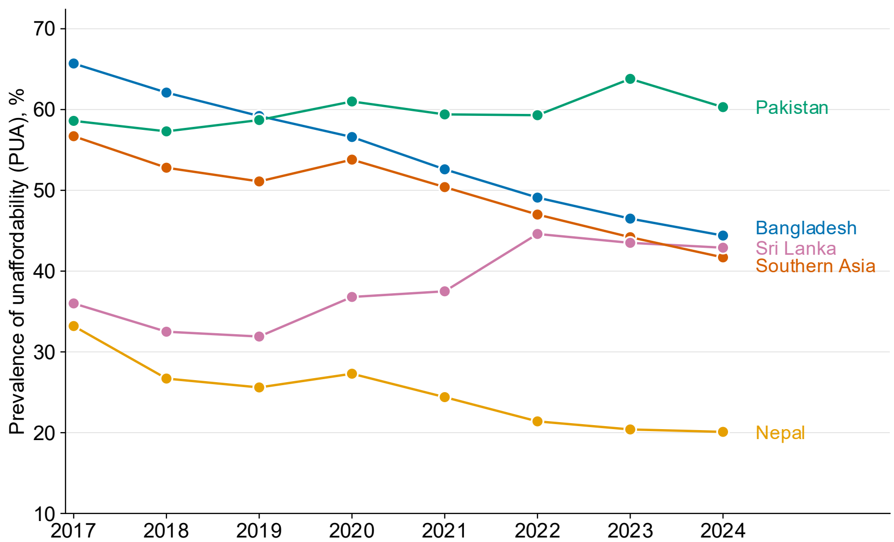

Figure 2. Prevalence of Unaffordability of a Healthy Diet in Member Countries, 2017–2024

The high prevalence of unaffordability is reflected in adverse food security outcomes, as shown in Figure 3. In the most recent data, undernourishment remains highest in Pakistan at 16.5 percent and 10.4 percent in Bangladesh, compared to 7.4 percent in Sri Lanka and 5.3 percent in Nepal. Severe food insecurity affects 12.8 percent in Nepal and 10.1 percent in Pakistan, while Sri Lanka records 1.1 percent. Regionally, 12.3 percent of the population is undernourished and 17.8 percent experiences severe food insecurity.

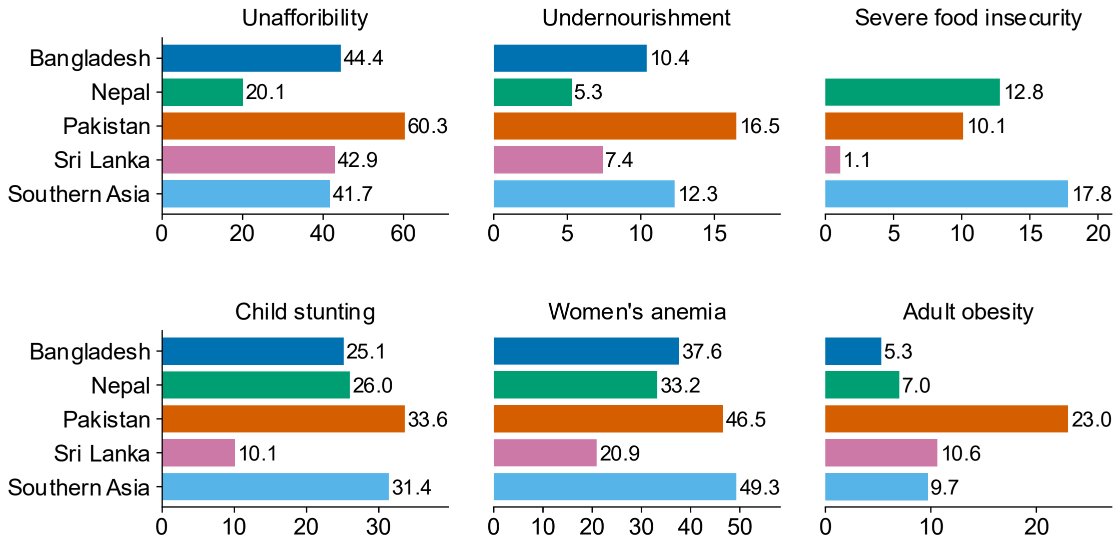

Figure 3. Key Food Security and Nutrition Indicators in Member Countries, 2024

Note: Data refer to the most recent year available for each indicator, including 2024 (child stunting and unaffordability), 2023 (women's anemia), 2022–2024 averages (undernourishment and severe food insecurity), and 2022 (adult obesity). Source: FAOSTAT.

Nutritional deprivation is also evident in child stunting and women's anemia. Stunting reaches 33.6 percent in Pakistan and 26.0 percent in Nepal, compared to 25.1 percent in Bangladesh and 10.1 percent in Sri Lanka. Women's anemia affects 46.5 percent in Pakistan and 37.6 percent in Bangladesh. At the same time, adult obesity has emerged as a parallel concern, particularly in Pakistan at 23.0 percent. These patterns illustrate the coexistence of persistent undernutrition and rising overweight across the member countries.

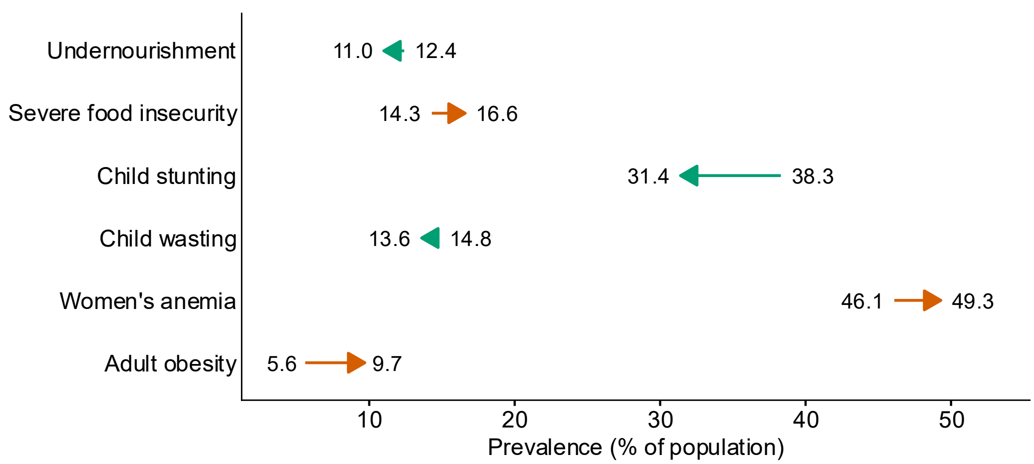

Figure 4. Change in Regional Food Security Indicators, 2014–2024

Next, regarding changes over time, Figure 4 presents a mixed and somewhat concerning picture of food security and nutrition outcomes in South Asia over the past decade. Undernourishment declined from 12.4 percent in 2014 to 11.0 percent in 2024, and child malnutrition indicators also improved, with stunting falling from 38.3 to 31.4 percent and wasting from 14.8 to 13.6 percent. However, severe food insecurity increased from 14.3 to 16.6 percent over the same period. Meanwhile, women's anemia worsened from 46.1 to 49.3 percent, and adult obesity nearly doubled from 5.6 to 9.7 percent, underscoring the emerging double burden of malnutrition in the region.

2.2 Gender Gap

Food insecurity is not gender neutral and often reflects underlying inequalities in income, asset ownership, labor market access, and intra-household food allocation. Women are typically more exposed to food insecurity risks, particularly during periods of economic or climatic stress. As shown in Figure 5, moderate or severe food insecurity among females increased from 30.3 percent in 2014 to a peak of 47.5 percent in 2021, before declining to 41.0 percent in 2024, while the corresponding male rate stands at 35.1 percent in 2024. Severe food insecurity follows a similar pattern, reaching 24.6 percent for females in 2021 and easing to 18.1 percent in 2024, compared to 15.3 percent for males. Although the gap has narrowed slightly in recent years, women continue to experience consistently higher food insecurity than men.

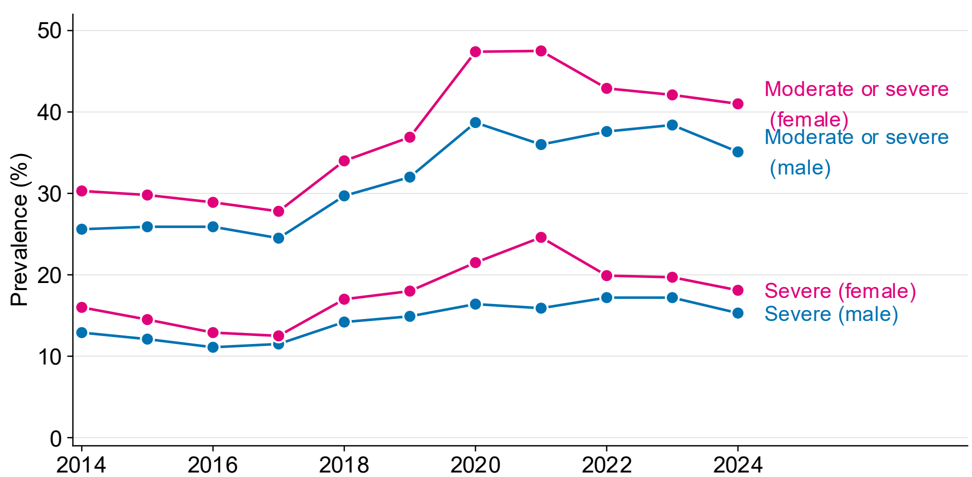

Figure 5. Gender Disparities in Regional Food Insecurity, 2014–2024

At the country level, gender gaps vary in magnitude, as shown in Figure 6. In Pakistan, moderate or severe food insecurity affects 51.5 percent of females compared to 32.8 percent of males, while severe food insecurity stands at 15.1 percent for females and 5.1 percent for males, indicating a pronounced gender gap. In Nepal and Sri Lanka, gender differences are minimal, with nearly similar rates between males and females. At the regional level, females continue to record higher prevalence, at 42.0 percent for moderate or severe food insecurity compared to 37.0 percent for males, and 19.2 percent versus 16.5 percent for severe food insecurity. These patterns suggest that while gender disparities are regionally persistent, their intensity differs across country contexts

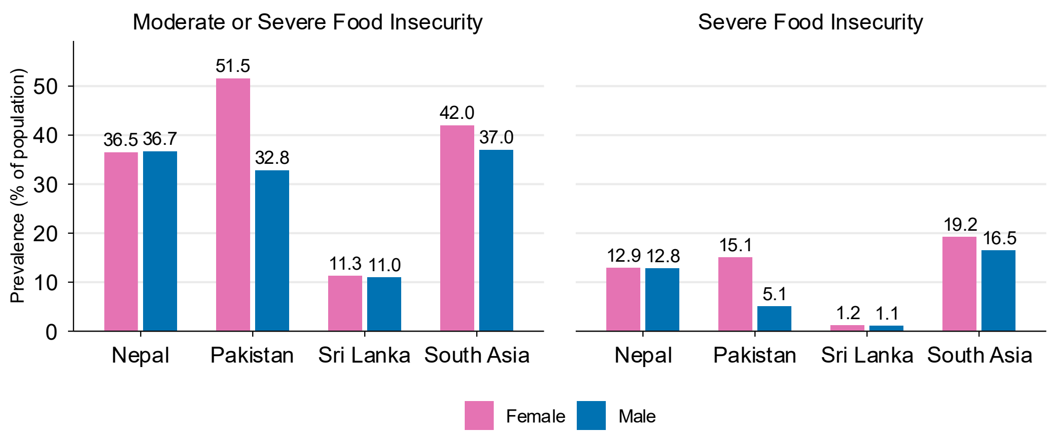

Figure 6. Gender Disparities in Food Insecurity across Member Countries, 2024

2.3 Rural-Urban GAP

Food insecurity is strongly influenced by spatial inequalities that shape livelihoods, access to markets, and the provision of essential services. Differences in infrastructure, connectivity, agricultural dependence, labor market opportunities, and public service delivery create uneven exposure to food insecurity risks across locations. Rural and semi-urban populations are often more dependent on climate-sensitive activities, face higher transaction costs, and have more limited access to diversified income sources and social protection mechanisms. These structural constraints can heighten vulnerability to food price shocks, income disruptions, and supply chain instability, making spatial disparities a critical dimension of food security analysis.

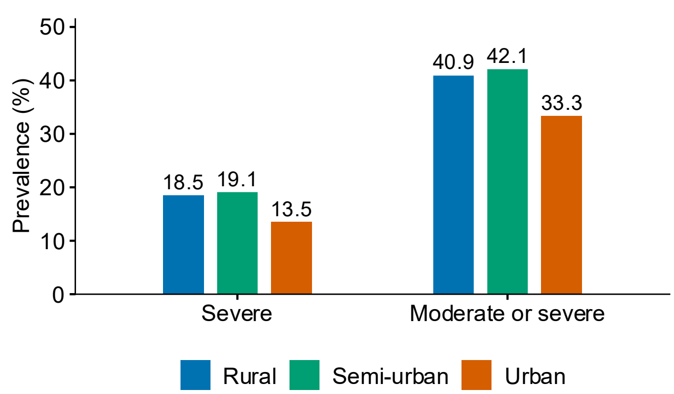

Figure 7. Rural–Urban Disparities in Regional Food Insecurity, 2024

Spatial disparities further shape food insecurity outcomes, as shown in Figure 7. In 2024, moderate or severe food insecurity affects 40.9 percent of the rural population and 42.1 percent of the semi-urban population, compared to 33.3 percent in urban areas. Severe food insecurity follows a similar pattern, standing at 18.5 percent in rural areas and 19.1 percent in semi-urban areas, while the urban rate is lower at 13.5 percent. These differences highlight the continued vulnerability of rural and semi-urban populations relative to urban areas in the region.

2.4 Water and Sanitation Services

Food security depends not only on food availability and affordability, but also on enabling infrastructure that supports health and human well-being. Safe drinking water and adequate sanitation are central to this foundation, as they reduce disease burden, improve nutrient absorption, and enhance the effective utilization of food. Without reliable water and sanitation services, gains in food production or income may not fully translate into improved nutrition outcomes.

The figure shows that while access to basic drinking water is relatively high across countries, ranging from 89 percent in Sri Lanka to 98 percent in Bangladesh, access to safely managed water is much lower, falling to 16 percent in Nepal and 59 percent in Bangladesh. A similar pattern appears in sanitation. Basic sanitation coverage reaches 95 percent in Sri Lanka and 80 percent in Nepal, but safely managed sanitation drops to 31 percent in Bangladesh and 51 percent in Nepal, with Southern Asia averaging 50 percent. These gaps between basic and safely managed services indicate that quality and reliability remain significant challenges in the region.

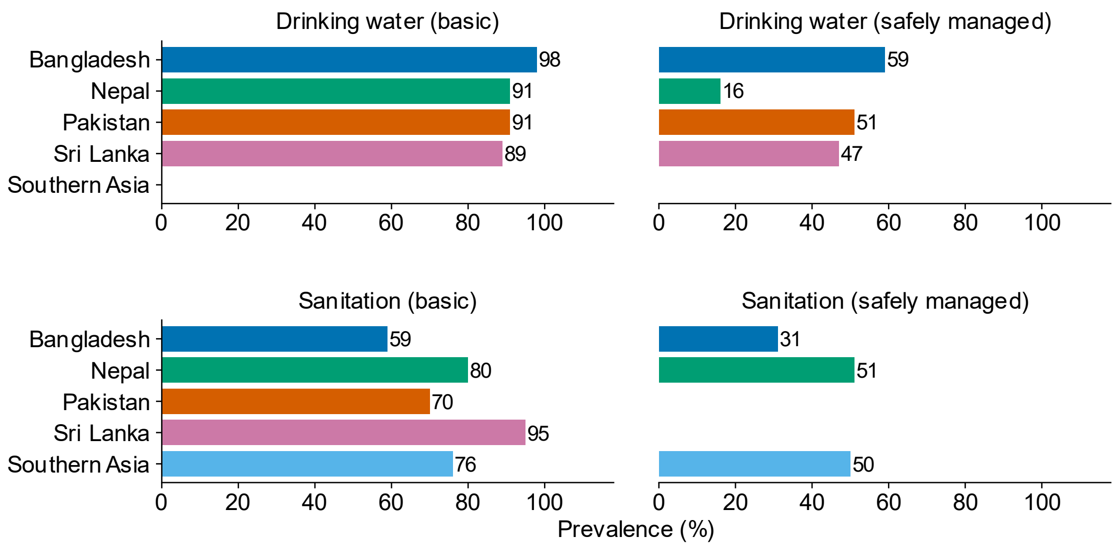

Figure 8. Access Drinking Water and Sanitation in the Region, 2024

Note: The figure presents the latest available data on population access to basic and safely managed drinking water and sanitation services. Data source: FAOSTAT

3. Current Trade and Fiscal Situation

3.1 Production and Trade

Using agricultural value added per capita as a proxy for the availability dimension of food security, the data show gradual improvement across South Asia, but not at a pace commensurate with the region's structural food security challenges. Bangladesh increases steadily from about 177 US dollars in 2014 to 221 in 2024, Nepal from 231 to 284, and Pakistan from 320 to 364, while Sri Lanka records limited net progress over the decade. At the regional level, South Asia rises from roughly 250 to 343 US dollars per capita, indicating positive but incremental gains in agricultural output relative to population.

These improvements suggest enhanced productive capacity, yet the levels remain modest given rapid population growth, climate stress, and persistent undernourishment in the region. Strengthening the availability pillar therefore requires more than organic productivity growth. Coordinated trade and fiscal interventions, including input cost rationalization, strategic upgrading, and sustained investment in agrifood systems and rural infrastructure, are essential to accelerate structural transformation and translate agricultural growth into durable food security gains.

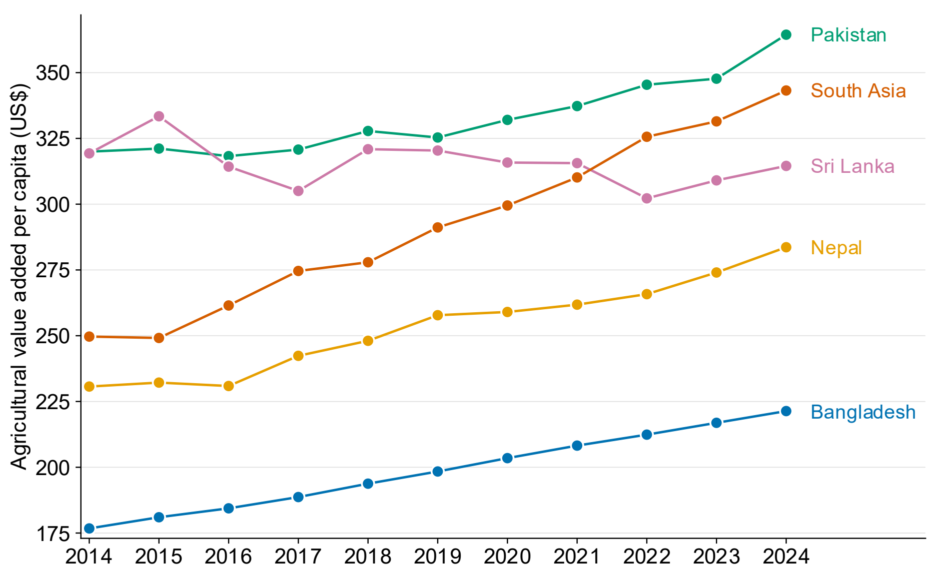

Figure 9. Agricultural Value Added per Capita in South Asia, 2014-2024

External financing capacity is a critical but often overlooked dimension of food security, particularly for food-importing economies that rely on export earnings to sustain domestic food availability. Using the value of food imports in total merchandise exports as an indicator of external food dependence and vulnerability under the stability dimension of food security, the data reveal divergent trajectories across South Asia. Bangladesh shows moderate fluctuations, generally ranging between 18 and 25 percent over the period, indicating manageable but persistent reliance on export earnings to finance food imports. Pakistan exhibits a gradual upward trend, rising from around 11–14 percent in the early 2000s to about 30 percent in 2021–23, suggesting increasing pressure on foreign exchange resources to sustain food imports. Sri Lanka remains relatively stable, largely within the 14–19 percent range, implying a comparatively contained exposure.

In contrast, Nepal displays a dramatic and sustained escalation, increasing from 27 percent in 2000–02 to a peak above 200 percent in the late 2010s, before moderating to 164 percent in 2021–23. Values exceeding 100 percent imply that food import bills surpass total merchandise export earnings, signaling acute external vulnerability. At the regional level, Southern Asia rises gradually from 7–9 percent in the early 2000s to about 12 percent in recent years, reflecting a modest but steady increase in structural dependence on imported food relative to export capacity.

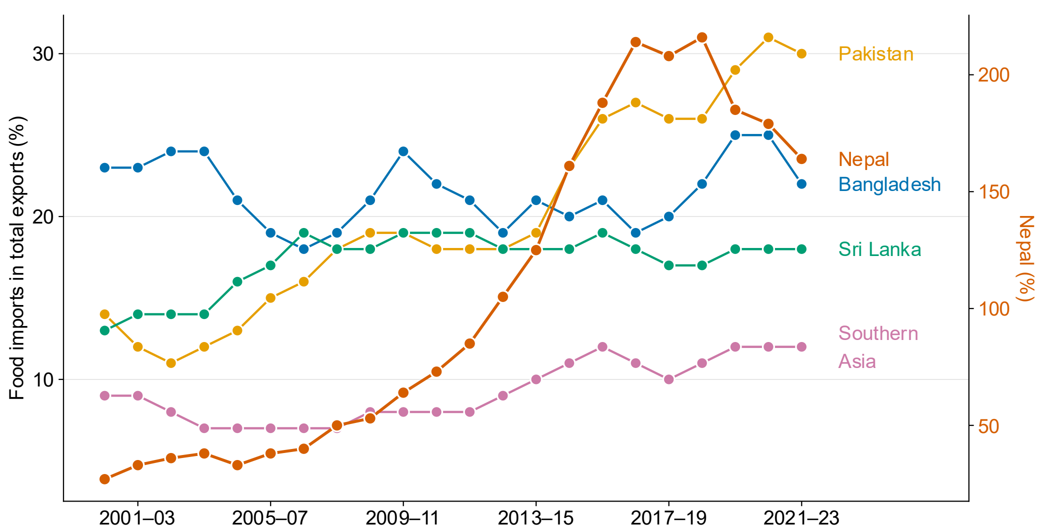

Figure 10. Value of Food Imports in Total Merchandise Exports, 2001-2023

Note: The figure presents the value of food imports as a percentage of total merchandise export earnings, reported as three-year averages (2000–02 to 2021–23). Data source: FAOSTAT.

While the regional aggregate appears contained, country-level disparities, particularly in Nepal and the upward drift in Pakistan, underscore the importance of strengthening export competitiveness, diversifying export baskets, and enhancing domestic agrifood productivity.

Coordinated trade and fiscal interventions are essential to reduce structural exposure to external shocks and to reinforce the stability pillar of food security in South Asia.

Next, we examine the current tariff structure applied across food products. Table 2 highlights substantial variation in tariff protection across member countries and HS-2 food categories. Overall, tariff rates are generally lower on primary agricultural products and higher on processed food items, indicating a pattern of tariff escalation along the value chain, where greater protection is afforded to more value-added products.

Table 2. Tariffs Reported by Member Countries on HS-2 Digit Products

HS	Product Descriptions	Bangladesh		Nepal		Pakistan		Sri Lanka	
		SA	WA	SA	WA	SA	WA	SA	WA
01	Live animals	7.25	11.51	9.88	10.00	2.91	3.00	0.00	0.00
02	Meat products	22.89	18.46	10.00	10.00	7.33	2.38	20.00	20.00
03	Fish & seafood	22.68	21.75	9.98	10.00	9.85	18.82	10.94	3.98
04	Dairy & animal products	22.43	15.49	24.66	25.44	18.99	19.70	19.36	19.94
05	Other animal products	3.92	9.14	7.14	8.47	2.81	2.77	6.38	5.47
06	Plants & flowers	12.46	10.74	10.00	10.00	9.78	13.15	6.17	2.45
07	Vegetables	17.71	4.98	10.50	11.26	4.31	2.64	16.35	11.48
08	Fruits & nuts	22.40	23.78	11.84	10.29	11.49	14.65	18.97	16.97
09	Coffee, tea & spices	20.64	18.18	27.25	10.82	7.13	9.93	19.45	18.24
10	Cereals & grains	6.80	4.67	9.98	10.00	5.98	10.20	16.34	3.97
11	Milling products	13.62	10.79	10.25	12.12	14.11	13.48	18.27	19.86
12	Oilseeds & fodder	4.48	0.22	10.15	10.16	2.96	2.96	6.48	4.36
13	Gums & resins	7.57	7.64	9.86	9.98	14.70	14.34	5.68	2.69
14	Vegetable materials	12.11	11.31	10.00	10.00	7.79	10.18	10.17	15.43
15	Fats & oils	12.71	7.97	11.64	10.17	9.91	10.48	18.08	19.40
16	Processed meat & fish	24.18	24.84	15.00	15.00	17.82	6.44	19.30	19.68
17	Sugar & confectionery	24.01	14.36	31.11	35.24	14.09	12.50	19.23	16.77
18	Cocoa products	22.27	24.43	36.48	37.54	15.40	5.07	16.93	15.44
19	Bakery & cereal prep	23.98	23.82	29.21	25.80	18.29	16.73	17.72	11.82
20	Processed fruit & veg	24.41	23.59	15.41	14.69	18.64	18.57	19.85	19.65
21	Misc. food products	21.17	20.88	26.23	28.60	16.34	14.46	15.39	9.77
22	Beverages & alcohol	24.89	25.00	31.96	39.24	49.86	38.00	20.00	20.00
23	Animal feed	4.67	0.93	9.82	9.44	14.05	11.50	10.26	11.89
24	Tobacco & nicotine products	24.66	24.99	62.75	28.63	16.37	10.65	90.49	85.46

Notes: SA= Simple Average; WA= Weighted Average. Data from UNCTAD's Trade Analysis and Information System (TRAINS), accessed through the World Integrated Trade Solution (WITS) portal of the World Bank. Simple averages are calculated across HS6 tariff lines, while weighted averages use import weights.

Pakistan maintains relatively moderate tariff rates across most primary categories such as live animals, oilseeds, and vegetables, although beverages (HS22) stand out with very high protection. Bangladesh applies higher tariffs in several processed food categories, including meat products, sugar, cocoa, and prepared foods. Nepal exhibits particularly high protection in sugar, cocoa, bakery products, beverages, and especially tobacco products. Sri Lanka shows strong protection in selected categories, most notably tobacco, where tariff rates are exceptionally high.

Processed food products (HS16–HS21) generally face higher tariffs across all four countries compared to unprocessed agricultural goods. Differences between simple and weighted averages in certain cases suggest that protection may be concentrated on specific tariff lines that carry larger import shares.

3.2 Fiscal Initiatives

Fiscal policy plays a central role in shaping food affordability, production incentives, and nutrition outcomes across the region. Governments deploy taxation, subsidies, transfers, and publicly financed nutrition programs, though scale and composition vary.

Food taxation and indirect fiscal instruments directly affect consumer prices. In Bangladesh, imported fruits are subject to layered levies under the National Customs Tariff (FY 2024–25), including Customs Duty, Supplementary Duty, VAT, Advance Income Tax, Regulatory Duty, and Advance Tax, resulting in a total tax incidence of 55–118%. In Sri Lanka, the VAT rate was increased to 18% in 2023, with exemptions for selected staples such as wheat and wheat flour; maximum retail prices are imposed on rice, sugar, and wheat flour during inflationary episodes. In Nepal, tariffs on major food imports serve revenue and protective functions in a highly import-dependent system, alongside temporary price controls during shortages. In Pakistan, reductions in subsidized retail distribution by Rs 42 billion under fiscal tightening have indirectly weakened price cushioning mechanisms.

Agricultural subsidies and production support form another major fiscal pillar. In Bangladesh, fertilizer and pesticide subsidies and irrigation investments (deep and shallow tube wells) underpin domestic production. In Nepal, fertilizer subsidies, seed distribution, irrigation support, and mechanization are central, with irrigation electricity subsidized at NPR 2 per unit versus roughly NPR 9 per unit for households; yet agricultural spending remains below 3% of the national budget. In Pakistan, provincial allocations linked to agriculture, irrigation, livestock, school meals, drinking water, and food subsidies total Rs 675.5 billion (FY 2025–26), including Rs 130 billion in Punjab for tractors, tube-well solarization, mechanization, insurance, and Kissan cards. In Sri Lanka, agricultural support is complemented by periodic fiscal adjustments aligned with producer protection. Despite these measures, productivity gaps persist.

Social protection and transfers directly shape household purchasing power. In Bangladesh, rice and wheat are distributed to low-income households, alongside publicly financed school feeding. In Pakistan, total federal subsidies and transfers for FY 2025–26 amount to Rs 3,114 billion (2.4% of GDP), of which Rs 1,006 billion are food- and nutrition-linked. The largest program receives Rs 716 billion (23% of total subsidies), while a nutrition-linked transfer for pregnant and lactating women is allocated Rs 8.5 billion. Nutrition-specific allocations declined by over 20%, from Rs 101.4 billion (2024–25) to Rs 80.5 billion (2025–26), including cuts of Rs 18 billion in seasonal food support. In Nepal, targeted transfers in food-deficit and remote regions complement rural infrastructure spending, while in Sri Lanka, programs such as Thriposha, Poshana Malla, and Aswesuma transfers support vulnerable households. Despite sizeable envelopes, nutrition-targeted shares remain limited relative to need.

Public nutrition spending and regulatory measures reinforce health and food safety systems. In Bangladesh, the National Nutrition Services funds micronutrient supplementation, growth monitoring, and breastfeeding promotion, alongside mandatory edible oil fortification (2013) and salt iodization (2021) enforced through publicly financed food safety systems. In Nepal, the Multisectoral Nutrition Plan and school health programs are publicly funded, with mandatory salt iodization under the 1998 Act. In Sri Lanka, nutrition interventions operate under the National Nutrition Policy (2021–2030), including school feeding, micronutrient supplementation, and taxation of sugar-sweetened beverages. In Pakistan, nutrition programs continue under federal and provincial systems, though recent allocation reductions from Rs 101.4 billion to Rs 80.5 billion reflect tightening fiscal space.

4. Proposed Framework of Trade and Fiscal Policies

To improve the food security and nutrition situation in South Asia, trade and fiscal policy levers are vital and mutually reinforcing instruments. As illustrated in Figure 11, the framework conceptualizes food security as the outcome of coordinated policy actions that operate through clearly defined transmission channels affecting availability, access, utilization, and stability. It situates food security within a broader political economy architecture in which border measures, taxation, and public expenditure jointly shape production incentives, market integration, and nutritional outcomes.

On the trade side, the framework incorporates protective, productivity-enhancing, competitiveness-oriented, and health-corrective instruments. Protect and upgrade tariffs are conceived as transitional industrial policy tools that provide temporary space for domestic producers to expand output, invest in processing, and strengthen supply resilience, thereby supporting availability and stability. However, such protective measures cannot be sustained or effective in isolation. Their credibility and developmental payoff depend on complementary fiscal interventions that finance productivity enhancement, technological upgrading, and value chain modernization.

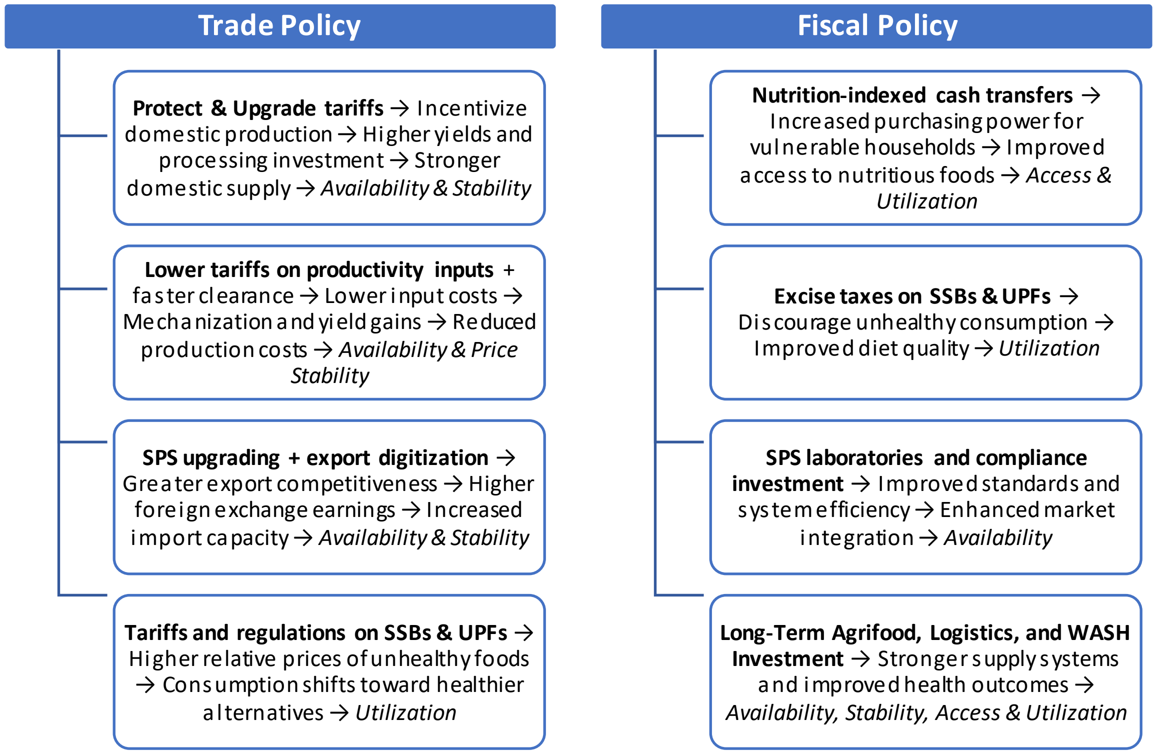

Figure 11. Trade and Fiscal Policy Transmission Channels to Improve Food Security

Similarly, lower tariffs on productivity-enhancing inputs combined with faster border clearance reduce cost margins, stimulate mechanization and yield improvements, and strengthen price stability. SPS upgrading and export digitization enhance export competitiveness and foreign exchange earnings, which expand import capacity and reinforce supply stability. Corrective tariffs and regulations on sugar-sweetened beverages and ultra-processed foods operate through relative price adjustments that improve dietary utilization.

On the fiscal side, support is foundational rather than auxiliary. In the protect and upgrade strategy, fiscal policy provides the upgrade component. Long-term public investment in agrifood systems, logistics, and WASH infrastructure addresses structural bottlenecks in production, storage, connectivity, and health systems. These investments raise productivity, reduce post-harvest losses, improve market integration, and strengthen nutrient absorption, thereby simultaneously advancing availability, stability, access, and utilization. Nutrition-indexed cash transfers enhance purchasing power among vulnerable households and improve effective access to nutritious foods, while excise taxation on unhealthy products internalizes health externalities and incentivizes dietary shifts. Investment in SPS laboratories further strengthens regulatory capacity and market integration. Together, the framework underscores that short-term trade protection must be embedded within a credible medium- to long-term fiscal investment strategy to ensure sustained structural transformation and durable improvements in food security and nutrition outcomes in South Asia.

5. Strategic Policy for Food Security and Nutrition

South Asia's food security challenges are multidimensional, spanning production constraints, external vulnerability, affordability pressures, and nutrition quality gaps. Addressing these challenges requires coordinated use of trade and fiscal policy instruments. This report proposes a set of strategic policy levers organized under two categories: Trade Policy Levers (TPLs) and Fiscal Policy Levers (FPLs). Trade Policy Levers focus on tariff design, external competitiveness, and market incentives that shape production and price transmission. Fiscal Policy Levers emphasize public expenditure, institutional capacity, and targeted redistribution mechanisms that strengthen access, system resilience, and nutrition outcomes. Each lever is presented as a structured policy instrument (e.g., TPL1, FPL4), with clear objectives and links to the four pillars of food security: availability, stability, access, and utilization

5.1 Trade Policy Levers (TPLs)

TPL1 — Protect and Upgrade Tariffs

The first trade policy lever requires a strategic reorientation of tariff structures toward strengthening domestic agrifood value addition while avoiding protection that increases the cost of essential staples and productivity inputs. In a region of 1.68 billion people, where 64.5 percent of the population lives in rural areas, tariff policy directly shapes production incentives and supply resilience. Tariffs should be deployed to build robust domestic agrifood chains rather than used primarily for revenue or defensive purposes.

The structural vulnerabilities are significant. Food import dependence remains elevated and uneven. Nepal's food imports amount to 164 percent of its merchandise exports, peaking at 216 percent in recent years. Pakistan's ratio has increased from 14 percent in the early 2000s to 30 percent in 2021–23. At the same time, the cost of a healthy diet has risen from 3.32 in 2017 to 4.57 in 2024 across South Asia, reaching 5.16 in Sri Lanka. Productivity disparities are also wide. Agricultural value added per worker ranges from US$ 1,210 in Bangladesh to US$ 4,796 in Nepal, against a regional average of US$ 2,036.

Current tariff structures reveal uneven and sometimes misaligned protection patterns. In Nepal, strong escalation is evident between primary cereals (HS10 at around 10 percent) and processed cereal preparations (HS19 at 29–26 percent), sugar and confectionery (HS17 at 31–35 percent), and cocoa products (HS18 at 36–37 percent). Pakistan maintains relatively low tariffs on several primary agricultural inputs such as live animals (HS01 at 2.9 percent) and oilseeds

(HS12 at 3 percent), but applies very high protection on beverages (HS22 at nearly 50 percent). Sri Lanka applies zero tariffs on live animals (HS01) but imposes extremely high protection on tobacco (HS24 above 90 percent). Bangladesh maintains low weighted tariffs on oilseeds and fodder (HS12 at 0.22 percent), while processed foods such as bakery products (HS19) and processed fruit and vegetables (HS20) cluster around 23–24 percent.

A calibrated protect and upgrade strategy should therefore differentiate clearly between three categories. First, staple foods such as cereals (HS10) and vegetables (HS07) should avoid excessive protection that would raise consumer prices. Second, productivity-enhancing inputs such as oilseeds and feed (HS12 and HS23) should remain low-tariff to support domestic cost reduction. Third, selected processed segments where domestic capacity can realistically expand, such as fruit and vegetable processing (HS20) or milling products (HS11), can receive time-bound and performance-linked protection. Such rebalancing would redirect tariff policy toward reducing structural import dependence and strengthening domestic value addition, while minimizing adverse effects on food affordability. This approach reinforces availability and supply stability without amplifying price pressures.

TPL2 — Lower Tariffs on Productivity Inputs and Improve Trade Facilitation

The second lever centers on raising agricultural productivity as a precondition for sustainable food security. Without sustained improvements in farm-level productivity, efforts to reduce food prices, stabilize supply, or lower import dependence will remain temporary. Trade policy must therefore reduce structural cost barriers that constrain production efficiency.

Agriculture accounts for 15.6 percent of regional GDP and spans nearly 2 million square kilometres of agricultural land. Regional agricultural value added per capita has increased from 250 in 2014 to 343 in 2024, an improvement of 93 points over the decade. However, this progress remains uneven. In 2024, agricultural value added per capita stands at 364 in Pakistan, 315 in Sri Lanka, 284 in Nepal, and only 221 in Bangladesh. While Nepal recorded a gain of 53 points over the period and Pakistan 44 points, Sri Lanka experienced a net decline from 319 to 315. These disparities highlight both potential and fragility within the region's production systems. At the same time, rising food costs signal that productivity gains have not been sufficient to offset structural cost pressures. The cost of a healthy diet has increased steadily since 2017, indicating that production efficiency and market integration remain constrained.

Reducing tariffs on seeds, feed, intermediate goods, and machinery-related components, combined with faster customs clearance for essential agrifood inputs, would lower production costs and support mechanization and yield improvements. Unlike consumer-facing tariff reductions, this approach strengthens the supply side of the food system. By raising productivity, it enhances availability, moderates price transmission, and improves long-term stability.

TPL3 — SPS Upgrading and Export Digitization

The third trade lever addresses the external balance dimension of food security. In open economies, food security depends not only on domestic production but also on the capacity to finance essential imports. Where food import dependence is high, export competitiveness becomes a stabilizing force. Regional food import dependence has risen from 9 percent of merchandise exports in 2000–2002 to 12 percent in 2021–2023. Country exposure is far more pronounced. Nepal's food imports amount to 164 percent of its merchandise exports, with a recent peak of 216 percent. Pakistan's ratio has increased from 14 percent to 30 percent over the same period, while Bangladesh and Sri Lanka stand at 22 percent and 18 percent respectively. For these economies, food security is directly linked to export performance and foreign exchange availability.

Strengthening sanitary and phytosanitary systems, expanding laboratory capacity, and digitizing export certification improve compliance with international standards and reduce transaction costs. These reforms enhance access to higher-value markets and support diversification of agrifood exports. Stronger export competitiveness expands foreign exchange buffers and reduces vulnerability to global food price shocks. This lever therefore reinforces availability and stability by ensuring that countries can reliably finance essential food imports when domestic production falls short.

TPL4 — Regulation on Sugar-Sweetened Beverages and Ultra-Processed Foods

The fourth lever aligns trade policy with the region's shifting nutrition profile. South Asia continues to experience high undernutrition, with child stunting at 31.4 percent and women's anemia at 49 percent. At the same time, adult obesity has increased from 5.6 percent in 2012 to 9.7 percent in 2022, reaching 23 percent in Pakistan. This coexistence of persistent undernutrition and rising obesity signals a structural dietary transition rather than isolated health outcomes.

Current tariff structures are not systematically aligned with nutrition objectives. Beverage tariffs reach nearly 50 percent in Pakistan and exceed 30 percent in Nepal, yet these levels often reflect revenue or protective motives rather than public health strategy. High protection on certain processed items coexists with limited differentiation between nutrient-dense and nutrient-poor products. A calibrated approach would explicitly target sugar-sweetened beverages and ultra-processed foods through differentiated tariffs and regulatory measures, aligned with complementary fiscal instruments. By increasing the relative price of unhealthy products while safeguarding access to nutritious foods, this lever strengthens the utilization dimension of food security without compromising availability or supply stability.

5.2 Fiscal Policy Levers (FPLs)

FPL1 — Nutrition-Indexed Cash Transfers

The first fiscal lever strengthens social protection systems to improve access to nutritious food among vulnerable households. In a region of 1.68 billion people, with a regional GDP per capita of only US$ 2,355 and per capita income as low as US$ 1,179 in Nepal, income constraints remain a structural driver of food insecurity. High population density and a predominantly rural demographic structure further increase exposure to food price volatility.

Affordability pressures are substantial. In 2024, 42 percent of South Asia's population could not afford a healthy diet. The rate reaches 60 percent in Pakistan and 44 percent in Bangladesh. Severe food insecurity has increased from 14.3 percent in 2014 to 16.6 percent in 2024, indicating that vulnerability has deepened despite moderate progress in reducing undernourishment. Gender disparities are persistent. Women face moderate or severe food insecurity at rates 5 to 6 percentage points higher than men at the regional level, and the gap reaches 19 percentage points in Pakistan. Spatial disparities are also evident, with moderate or severe food insecurity affecting 41–42 percent of rural and semiurban populations compared to 33 percent in urban areas.

In this macroeconomic context, nutrition-indexed transfers are not supplementary measures but core stabilization instruments. Transfers calibrated to food price movements and dietary adequacy thresholds directly strengthen the access dimension by protecting purchasing power where it is weakest. Prioritizing women, rural households, and districts with high unaffordability rates enhances efficiency. When linked to maternal and child nutrition objectives, such transfers also improve utilization by supporting dietary diversity and preventing negative coping strategies. Well-designed nutrition-indexed social protection therefore acts as both a short-term shock absorber and a medium-term investment in human capital.

FPL2 — Excise Taxes on Sugar-Sweetened Beverages and Ultra-Processed Foods

The second fiscal lever complements trade measures by using excise taxation to address unhealthy consumption patterns within the region's evolving nutrition profile. While child stunting remains high at 31.4 percent and women's anemia at 49 percent, adult obesity has risen sharply and now stands at 10 percent regionally. The burden is uneven: obesity reaches 23 percent in Pakistan, compared to 11 percent in Sri Lanka, 7 percent in Nepal, and 5 percent in Bangladesh. This divergence reflects structural dietary shifts rather than isolated behavioral choices.

Excise taxes on sugar-sweetened beverages and ultra-processed foods provide a targeted corrective instrument. Unlike broad food taxation, this approach focuses on products with low nutritional value and high long-term health costs. By increasing relative prices of calorie-dense, nutrient-poor items, excise measures help rebalance consumption incentives without affecting access to essential staples. Such taxation strengthens the utilization pillar of food security and generates fiscal space that can be redirected toward nutrition-sensitive programs, including targeted cash transfers, maternal health support, and school feeding initiatives. Properly designed, this lever addresses both the quality of diets and the sustainability of public health systems.

FPL3 — Investment in SPS Laboratories and Compliance Systems

The third fiscal lever is grounded in the structural importance of agriculture and rising external exposure. Agriculture accounts for 15.6 percent of regional GDP and remains central to rural livelihoods, while food import dependence has increased over time and remains extreme in some economies, reaching 164 percent of merchandise exports in Nepal and 30 percent in Pakistan. Such dependence heightens vulnerability to external shocks and foreign exchange pressures.

Public investment in SPS laboratories, inspection systems, and compliance infrastructure strengthens agrifood upgrading and export credibility, expanding foreign exchange capacity needed to finance essential food imports. At the same time, stronger SPS systems improve domestic food safety in a region facing persistent stunting, anemia, and rising obesity. Investment in SPS capacity therefore reinforces availability and stability through greater external resilience while supporting utilization through improved food quality and safety.

FPL4 — Long-Term Investment in Agrifood Systems, Logistics, and WASH

The fourth fiscal lever addresses the structural foundations of food insecurity through sustained public investment. Infrastructure gaps remain significant. While basic sanitation coverage is 76 percent regionally, safely managed sanitation is only 50 percent. Safely managed drinking water ranges from 59 percent in Bangladesh to just 16 percent in Nepal, reflecting large disparities that directly affect nutrition absorption and child health outcomes.

Agricultural productivity has improved but remains uneven. Regional agricultural value added per capita increased from 250 in 2014 to 343 in 2024, yet levels range from 221 in Bangladesh to 364 in Pakistan, with Sri Lanka recording a net decline over the period. At the same time, food import dependence has risen regionally to 12 percent and remains extreme in Nepal at 164 percent and elevated in Pakistan at 30 percent, reinforcing external vulnerability.

These structural constraints justify a multi-year Agrifood Productivity and Food Security Investment Plan that consolidates fiscal allocations and implementation under a unified framework. The plan should support farm productivity upgrading, agrifood value chain integration through strengthened laboratories and compliance systems, logistics and cold-chain infrastructure, and targeted WASH and nutrition interventions in high-burden districts. Aligned with the Protect and Upgrade tariff regime, this coordinated investment strategy delivers sustained productivity gains, reduces import vulnerability, and strengthens all four pillars of food security over the long term.

5.3 Country Specific Policy Recommendations:

However, each country's ground realities dictate how the framework will be implemented. Hence, this section will look at country-specific policy recommendations:

Sri Lanka:

Trade Reform:

- A selective and phased liberalization strategy is recommended—focusing on commodities where domestic production is structurally constrained, such as wheat, milk powder, and edible oils, while maintaining moderate protection for sectors with domestic potential, including rice, vegetables, and pulses.
- In the long term, Sri Lanka should aim to shift from a defensive import-substitution model toward a competitive agri-industrial strategy that integrates domestic production with regional value chains. By aligning industrial incentives with fiscal reforms, the country can sustain local employment and rural incomes while maintaining the consumer affordability gains achieved through VAT and MRP (Maximum Retail Price) adjustments.
- Sri Lanka's regional trade agreements—particularly the Indo–Sri Lanka Free Trade Agreement (ISFTA) and the South Asian Free Trade Area (SAFTA)—should be leveraged strategically to enhance food security and resilience rather than simply promoting import dependence.
- Sri Lanka should pursue diversification of import sources through deeper engagement with BIMSTEC and ASEAN partners, expanding access to competitively priced and high-quality food products.
- Existing trade agreements should incorporate safeguard clauses that protect vulnerable domestic industries from import surges and allow temporary policy flexibility during market disruptions
- **Establishing a regional food security and nutrition platform under SAARC or BIMSTEC would allow member countries to pool data, coordinate supply management, and respond collectively to price shocks—ensuring that trade integration supports, rather than undermines, national food security objectives.**

Fiscal Reform:

- VAT reforms should be targeted and tiered, retaining higher rates for non-essential processed foods and luxury imports while maintaining zero or minimal rates for staple and nutrient-dense items. This would balance fiscal sustainability with equity, ensuring that affordability gains are concentrated where they matter most—among low- and middle-income households.

- Targeted input subsidies (e.g., fertilizers, feed, and energy) tied to productivity benchmarks to reduce cost disparities with imported goods.
- Investment incentives and concessional credit for agro-processing enterprises, particularly in milk, sugar, and edible oil sectors, to modernize production technologies and improve efficiency.
- Public–private partnerships for cold chain infrastructure, storage, and quality assurance systems to reduce post-harvest losses and improve market access.
- Transition from blanket subsidies toward nutrition-sensitive social protection programs—for instance, expanding Samurdhi benefits with a nutrition focus or strengthening school feeding programs—would ensure that the welfare gains translate into tangible human development outcomes.
- Maintain zero or minimal VAT rates on fresh produce, pulses, dairy, and fortified foods.
- Impose higher VAT or excise rates on ultra-processed, sugary, or high-fat foods to discourage unhealthy consumption patterns.

Administrative Reform:

- Use part of the revenue generated from such differential taxation to fund nutrition education, school meal programs, and maternal health initiatives.
- The Ministry of Finance, Ministry of Trade, and Ministry of Agriculture must work in concert to design and monitor integrated policies that align price stabilization, revenue management, and food system resilience. Establishing a National Food and Nutrition Policy Coordination Unit could facilitate data sharing, monitor cross-sectoral policy impacts, and ensure that short-term interventions are consistent with long-term development objectives.
- Regular impact assessments using updated CGE and microsimulation models should be institutionalized within the policy cycle.

Nepal:

Trade Reform:

- Nepal can reduce its import dependence by prioritizing crops that form the bulk of food imports—such as rice, wheat, lentils, and edible oils. For this the government should identify specific agro-ecological zones suitable for these crops and provide targeted production incentives, including input subsidies, irrigation expansion, and guaranteed minimum support prices.
- Encouraging contract farming and linking farmers to agro-industries as it can ensure stable demand and income, motivating higher domestic output.
- Diversifying import sources would also reduce the risks tied to over-dependence on India for essential goods like rice, lentils, and cooking oil.
- Establishing national buffer stocks of key food items would help stabilize markets during trade disruptions or global price spikes

- Nepal's tariff structure often makes it cheaper to import processed foods while discouraging domestic processing of raw materials. Tariff and non-tariff measures should be revised to protect key domestic food sectors without excessively raising consumer prices.
- Reducing tariffs on agricultural machinery, fertilizer, and irrigation equipment can lower production costs.
- Nepal should also negotiate stable import arrangements with multiple countries (not only India) to avoid sudden supply shocks.
- Targeted nutrition programs for pregnant women, young children, and marginalized households should be scaled up, ensuring that no group is left behind.
- Integrating nutrition education into agriculture and health extension systems would help families make better food choices, improving long-term nutrition outcomes.
- Incentives and technical support should be provided for producing pulses, vegetables, fruits, and small livestock that add protein and micronutrients to diets.

Fiscal Reform:

- Strengthening domestic food production by expanding irrigation coverage, especially small and medium-scale systems, can help farmers grow crops year-round and reduce vulnerability to erratic rainfall. As Only about 28 percent of Nepal's farmland has reliable year-round irrigation, leaving most farmers dependent on rainfall.
- Invest in climate-resilient agriculture. Promoting climate-resilient crops such as millet, maize, buckwheat, and pulses in the hills and mountains would make farming more reliable in areas facing water stress.
- Mechanization should be made affordable through subsidies or credit support for small and medium farmers, allowing them to save time and labor.
- Encourage cooperative farming and land consolidation, which can help fragmented landholdings become more productive and commercially viable.
- shift from short-term subsidies to long-term investments in infrastructure, post-harvest storage, and value chains that connect farmers to markets.
- Agricultural extension services should be made more active and field-oriented, giving farmers access to practical knowledge on sustainable and nutrition-sensitive practices.
- The government should invest in modern grain silos, cold storage, and local warehouses to manage seasonal gluts and shortages. Establishing regional food buffer stocks for rice, wheat, and pulses would help stabilize market prices and reduce panic imports during bad harvests or trade disruptions. Encouraging local food processing—like milling, oil

extraction, and packaging—would also add value, create jobs, and cut down dependence on imported processed foods

Administrative Reform:

- Public procurement and food distribution systems, like school meals, hospitals, and local relief programs, can be better linked to local agricultural production. If schools buy vegetables, milk, and eggs from local farmers, it not only improves children's diets but also strengthens local food economies.
- Policies should aim to reduce the cost gap between nutritious and non-nutritious foods. Often, vegetables, pulses, and fruits are more expensive than processed or starchy foods. The government can lower input costs for nutrient-rich crops, improve transport infrastructure to reduce spoilage, and set up community-level storage and processing facilities to make perishable foods last longer.
- There should be better coordination between agriculture, health, and education ministries to ensure nutrition outcomes are tracked and prioritized in agricultural programs.
- A shared monitoring system could track not only yield and income but also diet quality and child growth indicators. By doing so, Nepal's food system can move beyond just producing calories to ensuring that everyone—especially children and women—has access to healthy, diverse, and affordable food every day.
- Enhance governance and coordination establish stronger coordination among ministries through a central mechanism, possibly under the National Planning Commission, to ensure policies and budgets are aligned. Local governments, which now have major responsibility for implementing agriculture and nutrition programs under federalism, also need clear guidance and technical support to integrate food security objectives into their local development plans
- Coordination with the private sector and cooperatives is also essential since they play a growing role in food supply chains. Strengthening governance is not just about new policies, it is about making sure the existing ones talk to each other and are implemented effectively across all levels of government.

Bangladesh:

Trade Reform:

- In Bangladesh, people consume both local and imported fruits. High import taxes have made many fruits less accessible. It is, therefore, recommended that a better tax structure be taken into consideration for improved affordability and access for all segments of the population.

- The machinery and technologies required for the production, processing, and testing of healthy and nutritious foods are import-reliant. For such importation to be made easy, tax exemptions and administrative assistance are required. Furthermore, the establishment of bilateral arrangements with developed countries for the transfer of technology will be very important for the improvement of capacity and sustained growth for the nutrition-focused food industry.
- Bangladesh imports a wide range of fresh and processed foods each year to meet domestic demand. GoB should identify reliable sources of nutritious food and establish long-term bilateral trade agreements or supply contracts to ensure a consistent and sustainable supply for the local market. This will help maintain a proper supply chain and ensure price stability.

Fiscal Reform:

- Many citizens are not aware of how to ensure a balanced diet through locally grown fruits and foods, including, for example, "eating the rainbow" or having a "colourful plate." It would be advisable to note that there should be an increase in funding levels directed towards public awareness initiatives, as well as nutritional education included within general or specialised educational courses, including adult education initiatives.
- The Government of Bangladesh GOB is implementing both mandatory and voluntary food fortification schemes to overcome the problem of micronutrients. Food sources such as rice and wheat must also be covered in food fortification activities. Incentives such as tax/VAT exemptions should be provided for the involvement of the private sector.
- GoB provides rice and wheat to the low-income households through different social safety net programs, so inclusion of iron-fortified rice and iron-fortified wheat in these social safety programs would greatly benefit them regarding their nutritional intake.
- GoB needs to increase its investment levels in the nutritional-sensitive as well as diversified agricultural sectors, which would help increase the output of healthy food/nutritional food products. Additionally, the government needs to develop appropriate investment strategies that would result in efficient capital mobilisation and create an enabling environment that attracts private sector participation.
- The increased demand for processed foods and sugar-sweetened drinks is a major health concern, especially for people living in urban areas who consume more processed and restaurant meals. To tackle the problem, the GoB may consider levying higher taxes on such foods to make them cost-prohibitive and discourage excessive consumption.

Administrative Reform:

- The Government of Bangladesh has undertaken various initiatives to support vulnerable women and children and to promote healthy diets among them. However, social safety net programmes such as cash incentive programmes are often misused or poorly targeted. Therefore, it is recommended that a more “targeted and evidence-based approach” be employed in delivering support to ensure that it reaches the target underserved group.
- As a measure of the continued economic development of Bangladesh, the government has established Special Economic Zones (SEZs) in the country. To support the development of the agricultural sector economy, there is a proposal to establish dedicated SEZs in the sector. Strategic public investment in the SEZs will help to attract foreign investors and increase production in the country.

Pakistan:

Trade Reforms:

- Introduce a time-bound, pre-announced “Protect and Upgrade” tariff regime that provides short- to medium-term protection to selected import-competing agrifood products such as cereals, pulses, and other locally producible staples. However, there should be a clear commitment to a gradual reduction of tariffs on as domestic productivity improves.
- Reduce import tariffs on essential agrifood productivity inputs, including quality seeds, fertilizer raw materials, farm machinery, irrigation equipment, cold-chain equipment, and animal vaccines and feed additives.
- Furthermore, digitize and fast-track border clearance procedures for essential agrifood inputs through risk-based inspections and pre-arrival processing.
- Strengthen sanitary and phytosanitary (SPS) infrastructure by upgrading standards and accreditation bodies, expanding testing and laboratory facilities to meet the SPS requirements of major trading partners, and fully digitizing the application, issuance, and cross-border electronic exchange of SPS certificates with key trading partners.
- Digitize export clearance and logistics for perishable agrifood products, particularly fruits and vegetables, which constitute a major share of agricultural exports, through dedicated green channels and time-bound clearance targets.
- Introduce higher tariffs on imports of sugar-sweetened beverages (SSBs) and ultra-processed foods (UPFs). SSBs include drinks with added sugars such as sodas, energy drinks, sweetened juices, and flavored milks, while UPFs refer to industrially formulated foods high in sugar, salt, unhealthy fats, and additives, including packaged snacks, instant noodles, and confectionery.

- Apply tighter regulatory controls on imports of SSBs and UPFs, including mandatory front-of-pack nutrition labeling, ingredient disclosure requirements, limits on trans fats and added sugars, and compliance with national food composition and labeling standards.

Fiscal Reforms:

- Expand nutrition-sensitive cash transfer programs by indexing benefit levels to the cost of a nutritious food basket for nutritionally vulnerable groups, including children under five, pregnant and lactating women, and anemic women. Improve target efficiency through integrated poverty and nutrition mapping with geographic prioritization by scaling budgetary allocations in districts with a high prevalence of undernutrition and food unaffordability.
- Increase excise (health) taxes on domestically produced sugar-sweetened beverages (SSBs) and ultra-processed foods (UPFs) to internalize health externalities and discourage the production and consumption of unhealthy foods.
- Launch a multi-year Agrifood Productivity and Food Security Investment Plan that consolidates budgetary allocations, implementation responsibilities, and monitoring and evaluation within a single fiscal framework. The program should finance the following:
    - (i) Farm productivity upgrading: Improve access to quality inputs, intermediate goods, and productivity-enhancing equipment to support more mechanized farming, higher yields, and stronger domestic supply.
    - (ii) International integration of agrifood value chains: Upgrade public laboratories and testing capacity, strengthen inspection and accreditation services, expand traceability systems, and support compliance with internationally recognized standards such as GlobalG.A.P., BRC, HACCP, and ISO 22000 to improve market access and export readiness.
    - (iii) Agrifood logistics and resilience infrastructure: Allocate sustained investment to irrigation systems, rural roads, storage facilities, and cold-chain infrastructure to reduce post-harvest losses, improve connectivity, and stabilize supply.
    - Health and hygiene service delivery: Earmark fiscal resources for nutrition interventions and WASH (water, sanitation, and hygiene) services in districts with high burdens of undernutrition and food insecurity.

Administrative Reforms:

- Clearly delineate and rationalize institutional mandates across federal and provincial agencies involved in food security and nutrition to eliminate overlaps, close implementation gaps, and strengthen accountability mechanisms.
- Avoid sudden and ad hoc policy changes by adopting predictable, rule-based trade and agricultural policy instruments, including pre-announced tariff bands and trigger-based measures linked to price or stock indicators.

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