

WTO Workshop on Aid for Trade

Food security, governance, aid and investment needs

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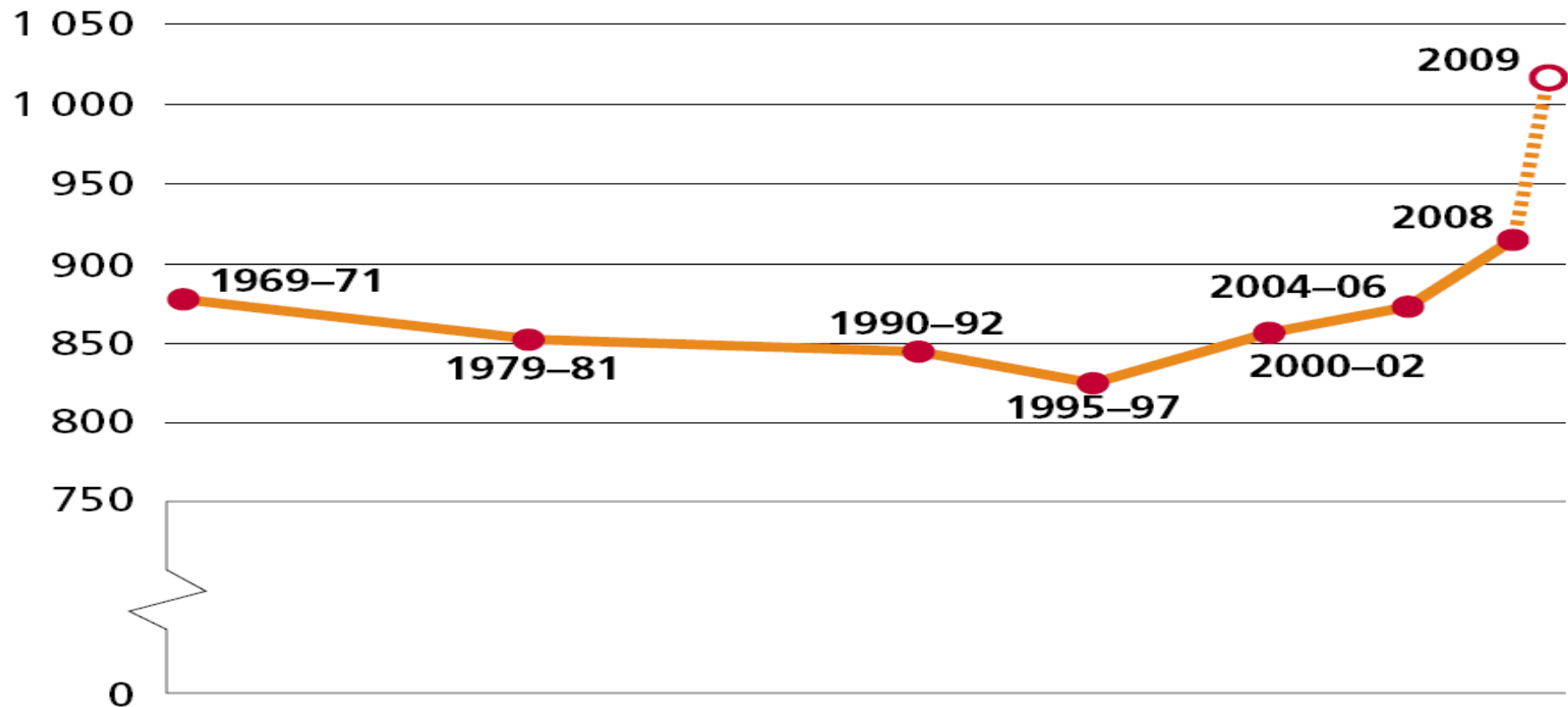


Recent developments in global food insecurity

Rapid rise of hungry in recent years

Learning from the past: number of undernourished in the world, 1969–71 to 2009

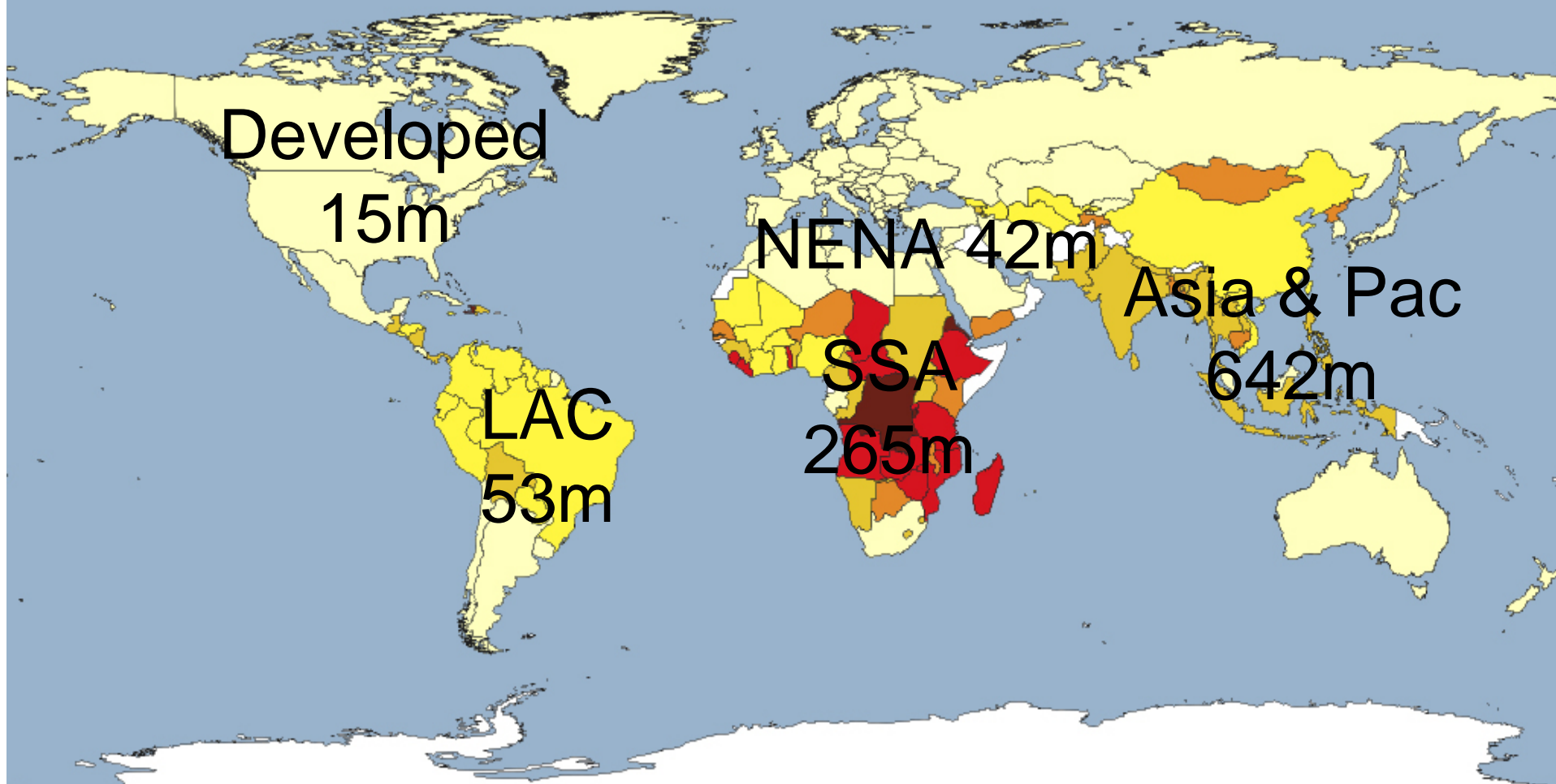
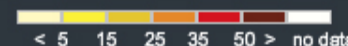
Millions



1.02 billion people hungry in 2009



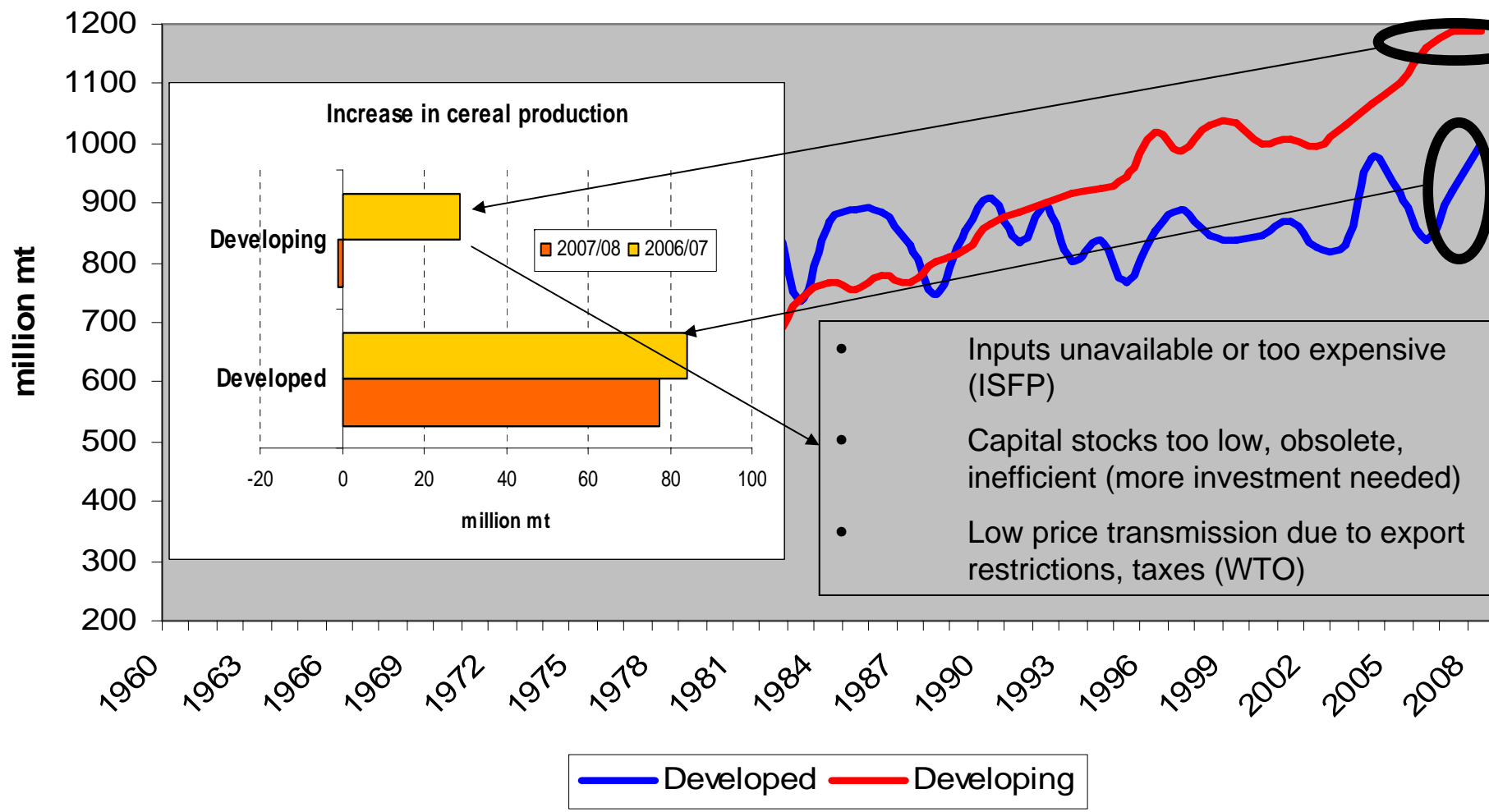
Prevalence of Undernourishment in Total Population (%)



Note: This map shows the prevalence of undernourishment in 102 developing countries in the world. It uses statistics covering the period from 2004-2006, based on FAO's flagship publication *The State of Food Insecurity in the World 2009*. For more information, visit: www.fao.org/publications/sofi.

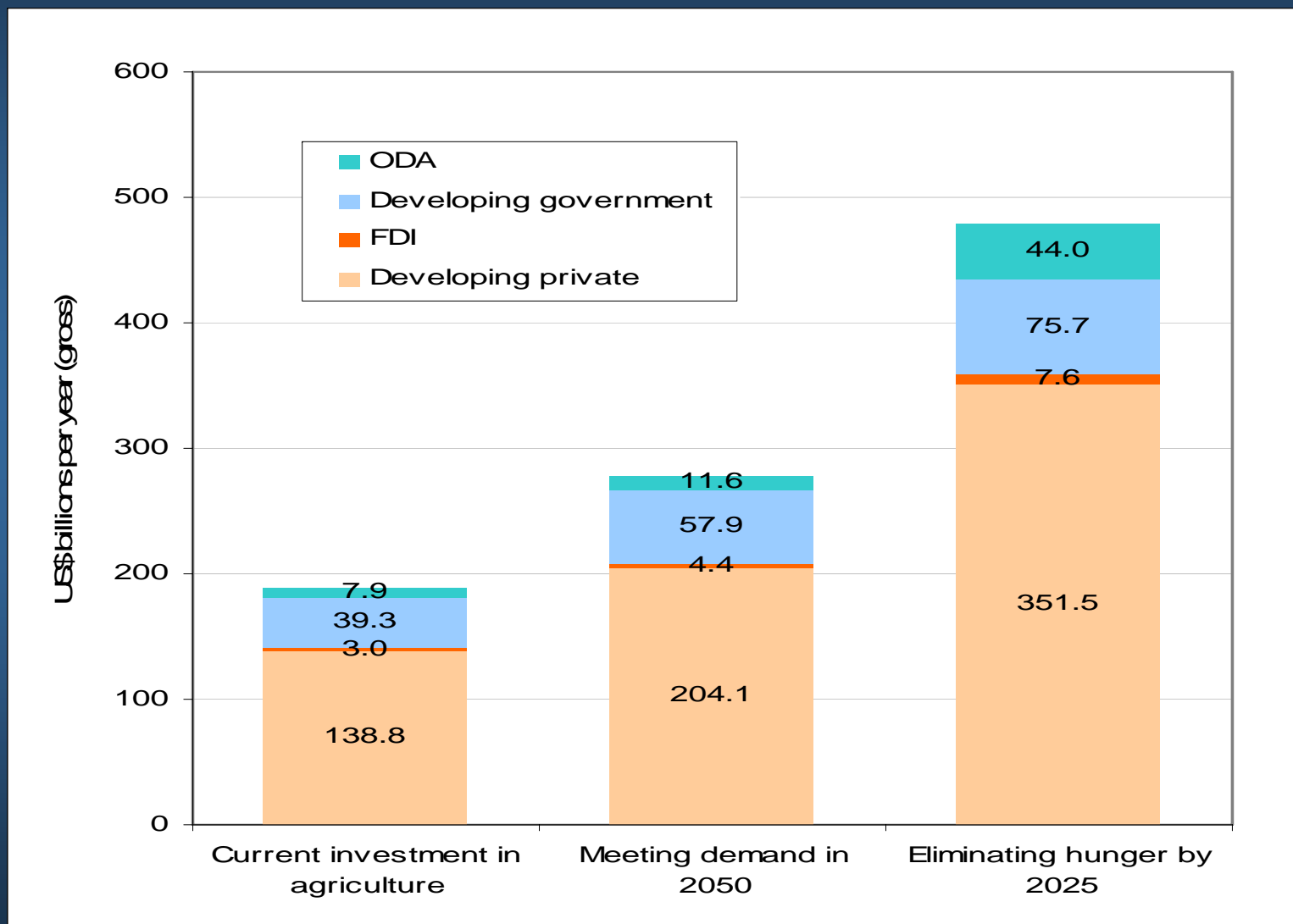
Differential responsiveness to signals and market opportunities

Cereal production: 2007 and 2008 supply response mainly in developed countries



The role of agriculture in poverty reduction and the need to step up investments in agriculture

Need to increase investment in developing country agriculture



Investment areas

1. Rural infrastructure and markets access (US\$18.5 billion)

- Rural roads
- Markets, storage, processing
- Rural electrification
- Food safety and quality

2. Natural RESOURCE DEVELOPMENT (US\$9.4 billion)

- Land resources
- Water and irrigation
- Genetic resources
- Fisheries and forestry

3. INSTITUTIONS (US\$5.6 billion)

- Rural finance
- Land tenure and titles
- Mechanization

4. R&D, and EXTENSION (US\$6.3 billion)

- R&D, including adaptive research and technology transfer
- Extension

5. PRODUCTIVE SAFETY NETS (US\$6.3 billion)

6. FOOD SAFETY NETS (US\$7.5 billion)

- **INVEST IN ASSETS (FINANCIAL CAPITAL) AND IN PEOPLE (HUMAN CAPITAL)**
- **INVEST in PRODUCTIVITY AND SUSTAINABILITY**
- **INVEST in STABILITY and RISK MANAGEMENT/REDUCTION**

Recent developments in the global governance system of food security

The changing architecture of governance in global food security

- 4/2008: HLTF
- 6/2008: FAO HLC on CC and Bioenergy refocused on food security problems. French initiative to create a GPAFS and a HLPE.
- 7/2008: G8 Japan, resumed the GPAFS initiative
- 1/2009: Madrid meeting reaffirmed the idea on GPAFS
- 7/2009: G8 L'Aquila summit, donors committed themselves to giving US\$21 billion over 3 years. (additionality?)
- 10/2009: CFS in Rome, reform of CFS for the CFS to become part of the GPAFS
- 11/2009: World Summit on Food Security, confirmed the central role of the CFS in improving the global governance of food security
- 12/2009: World Bank, Global Agriculture and Food Security Program

The Rome Principles of the World Summit on Food Security in 2009

1. Invest in country-owned plans
2. Strategic coordination at all levels (better governance, avoid duplication of efforts)
3. Adhere to a twin-track approach to food security (incl. realization of the Right to Food)
4. Strong coordination role for the multilateral system
5. Sustained and substantial commitments: monitoring and accountability

Summary and Conclusions

1. High and volatile food prices in conjunction with the global economic crisis have worsened the global food situation, LDCs particularly affected.
2. Underinvestment has left developing countries' agriculture with too little potential to address its food security the problems swiftly and substantially.
3. Investment in agriculture holds the key to poverty reduction.
4. To make increased investments more effective, they have to be accompanied by improvements in the governance system of food security.
5. Both processes (governance and increased investments) have been put in motion, but current efforts may not suffice to reduce hunger swiftly.