

THE WORLD BANK

**Written Statement for Submission
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We are faced with growing food insecurity across the world. 75% of the world's poor are rural and most are dependent on agriculture for their livelihoods. Even before the food price rise in 2008, there were an estimated 830 million hungry people. According to FAO, the number of chronically malnourished people is now more than one billion.

We witnessed the convergence of demand and supply shocks which led to the rapid increase in food prices in 2008. The impact on the poor and hungry was significant.

Under the leadership of the Secretary General and the UN High Level Task Force on the Global Food Security Crisis, the global community responded. The World Bank Group has disbursed close to a billion dollars in fast track assistance for small farmers and social protection through the Global Food Crisis Response Program (GFRP).

This response is ongoing.

However, longer term investment is needed to build resiliency against such shocks and to move more people out of poverty. According to IFPRI, the additional amount necessary to meet the MDG Goal of halving poverty and hunger by 2015– is US \$14 billion annually.

Many of the poorest countries, particularly in Sub-Saharan Africa are allocating more of their own public budgets to agriculture, with several now reaching 10 percent of public spending. Returns to these expenditures are being helped by an improved policy environment in the best performing countries.

The World Bank Group continues to help these countries in their response. *Implementing Agriculture for Development: World Bank Group Agriculture Action Plan FY2010-2012* outlines the new phase of the World Bank Group's commitment to agriculture.

The Action Plan projects an increase in support for \$4.1 billion annually (FY06-08 average) to between \$6.2 and \$8.3 billion annually over the next three years (FY10-12). This would be between 13 and 17 percent of total projected IDA/IBRD commitments. The Action Plan includes both public and private sector actions, with support through IFC accounting for about 25 percent of projected support.

In addition, World Bank Group support for agriculture and agriculture-related investments in Sub-Saharan Africa has almost tripled, increasing from an average of \$0.62bn annually in FY05-07 to \$1.73bn in FY09, the latter being the largest commitment across all regions.

The Action Plan has five areas of focus: raising agricultural productivity, linking farmers to markets and strengthening value addition, reducing risk and vulnerability, facilitating agricultural entry and exit and rural non-farm income, and enhancing environmental

services and sustainability. This fifth pillar in particular acknowledges the important role of agriculture in climate change adaptation and mitigation.

Sustainable social protection and nutrition interventions are also a major area of focus for the World Bank. The food crisis taught us that strengthening social safety nets so that they can be scaled-up to respond to a crisis is critical to an effective response. We are not forgetting the need to help the one in four children under 5 in developing countries that are severely or moderately underweight, and the plague of hidden hunger that is the result of micronutrient deficiencies.

Our responses must be taken multilaterally. Recognizing the new and pressing needs arising from the food security crisis at the Tokyo Summit of the G8 in 2008, President Sarkozy proposed the creation of a Global Program for Agriculture and Food Security. President Obama followed through with a call for action at the G8 Summit at L'Aquila.

To follow up on the L'Aquila commitments, the G-20 has called upon the World Bank to work with interested donors and organizations to deliver a multilateral trust fund to scale up agricultural assistance to low income countries. The goal of the proposed Global Agricultural and Food Security Program (GAFSP) is to improve the income and food security of poor rural people in developing countries through improved public investment, private sector investment, and technical assistance in agriculture.

GAFSP will be only one of several instruments in this regard; it will aim to fill gaps and expedite the scaling-up of ongoing long term country-led processes and investment in a strategic approach to agriculture and food security.

The World Bank Group looks forward to working with all stakeholders to help finalize the design of GAFSP and assist in its effective implementation. This Summit is testament to the priority we place on collaboration toward this end and the importance of drawing global attention to this critical issue.