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Achieving Zero Hunger: the critical role of investments in social protection and agriculture

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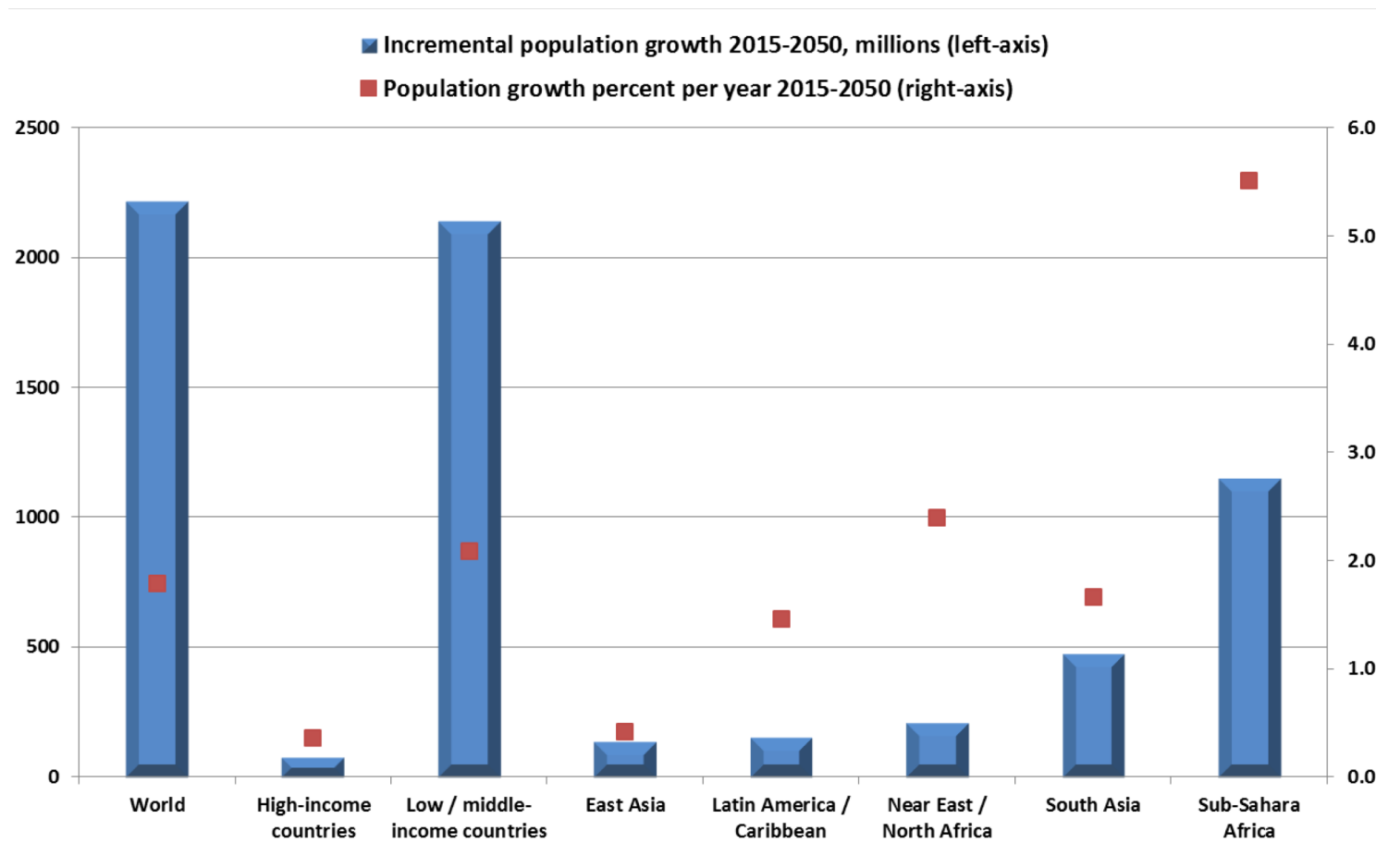


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Challenges to ensure sustainable food security in the future



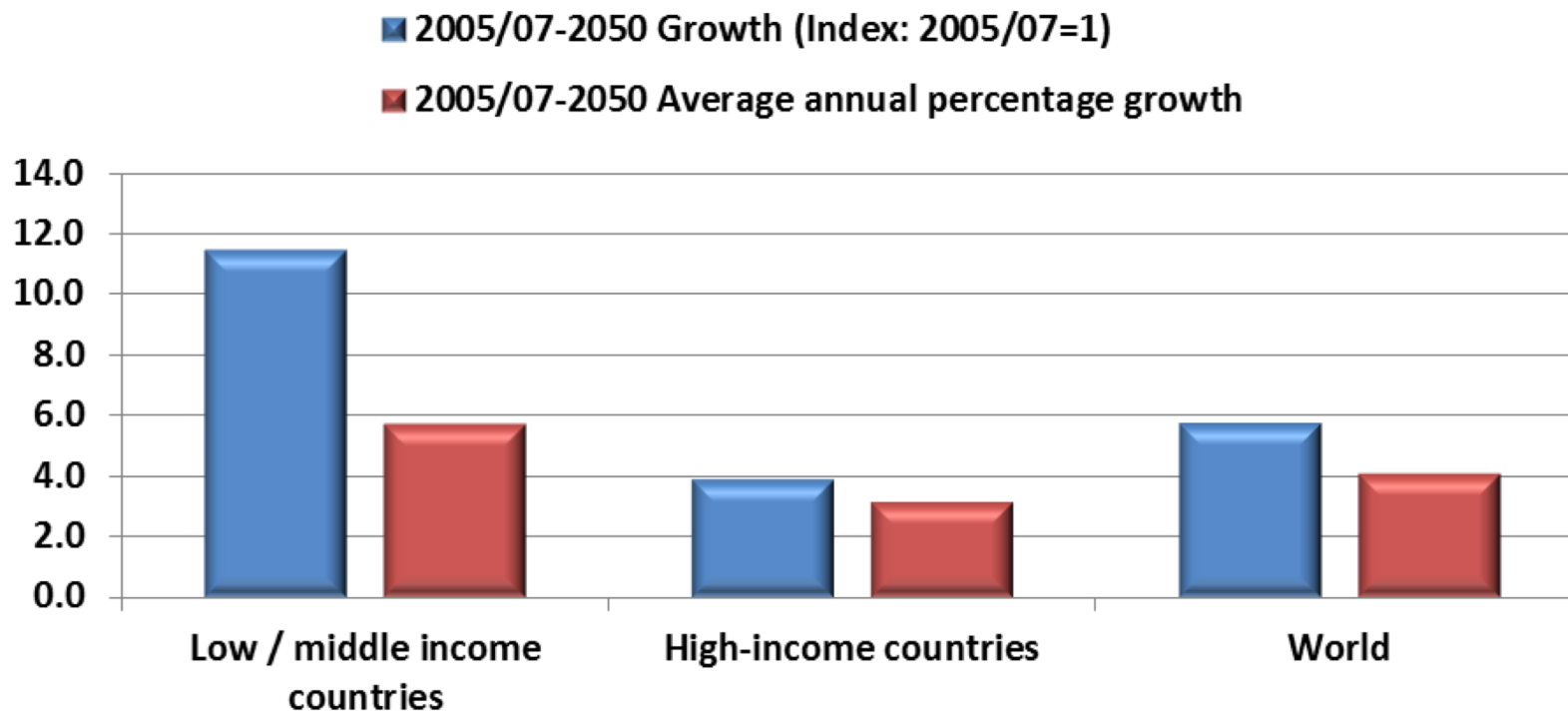
An additional 2.2 billion persons—to 9.5 billion in 2050



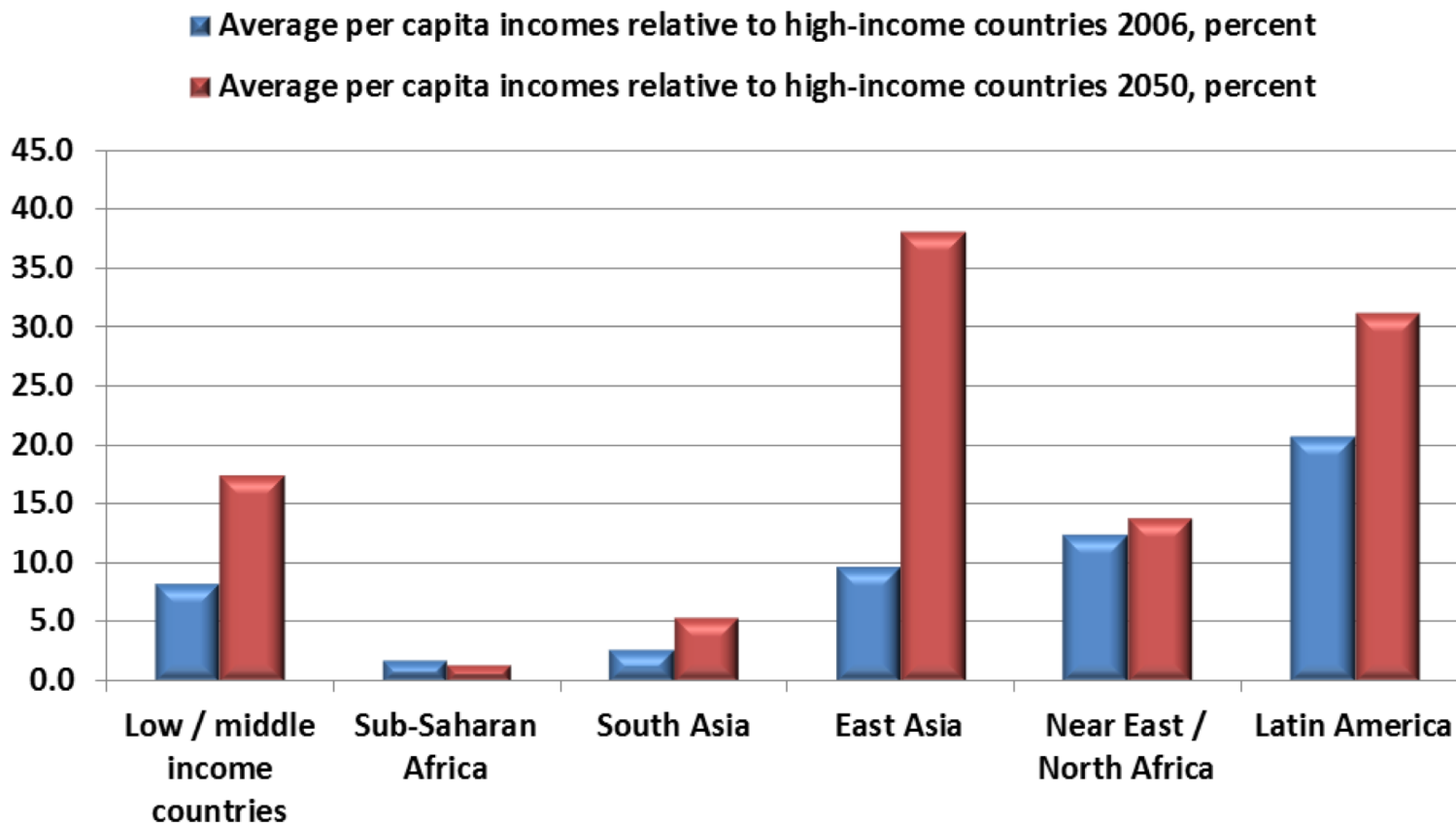
Source: World population prospects: the 2012 revision



GDP growth towards low- and middle-income countries



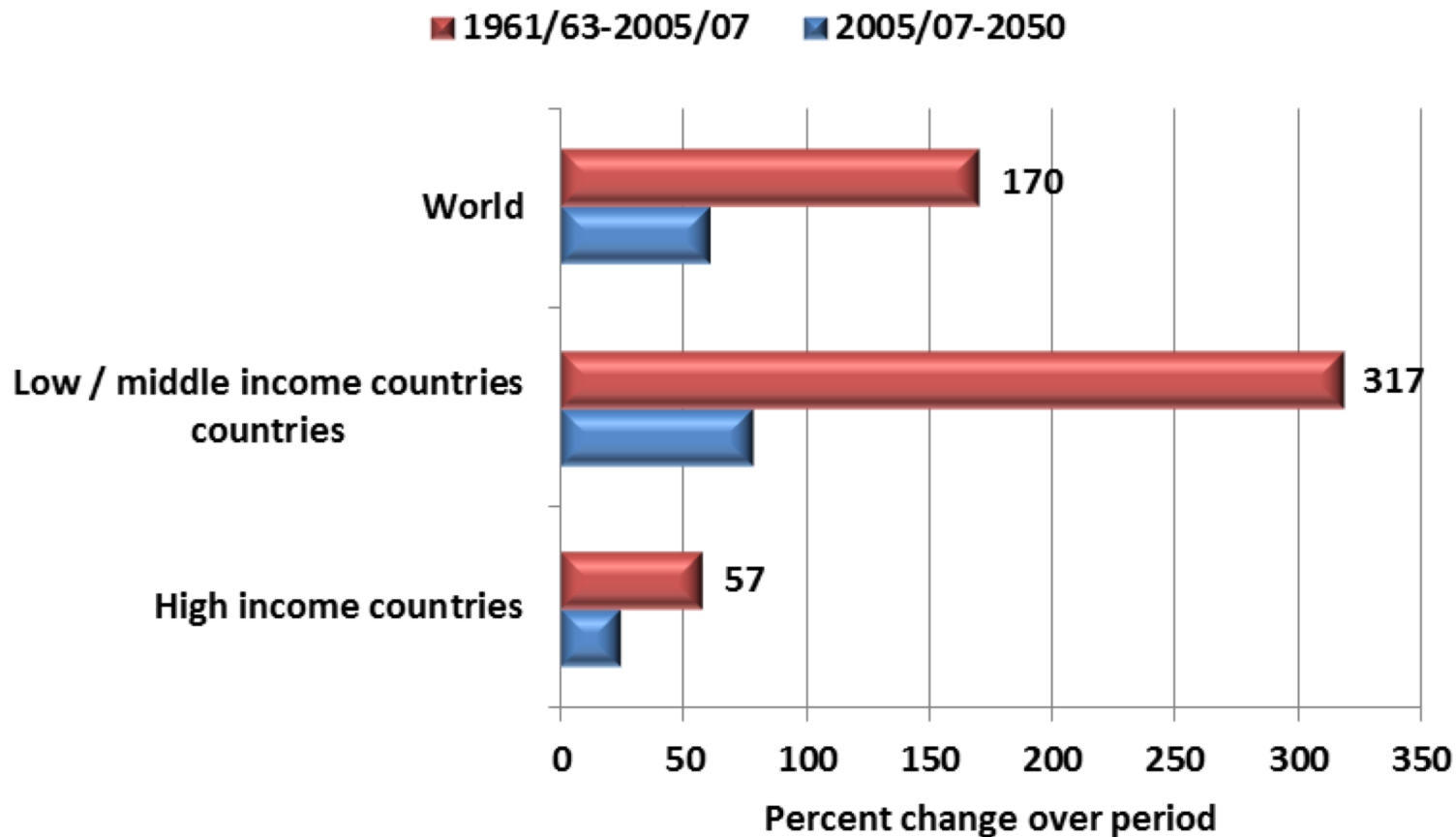
GDP p.c. gaps converge only modestly



Source: Alexandratos and Bruinsma, 2012



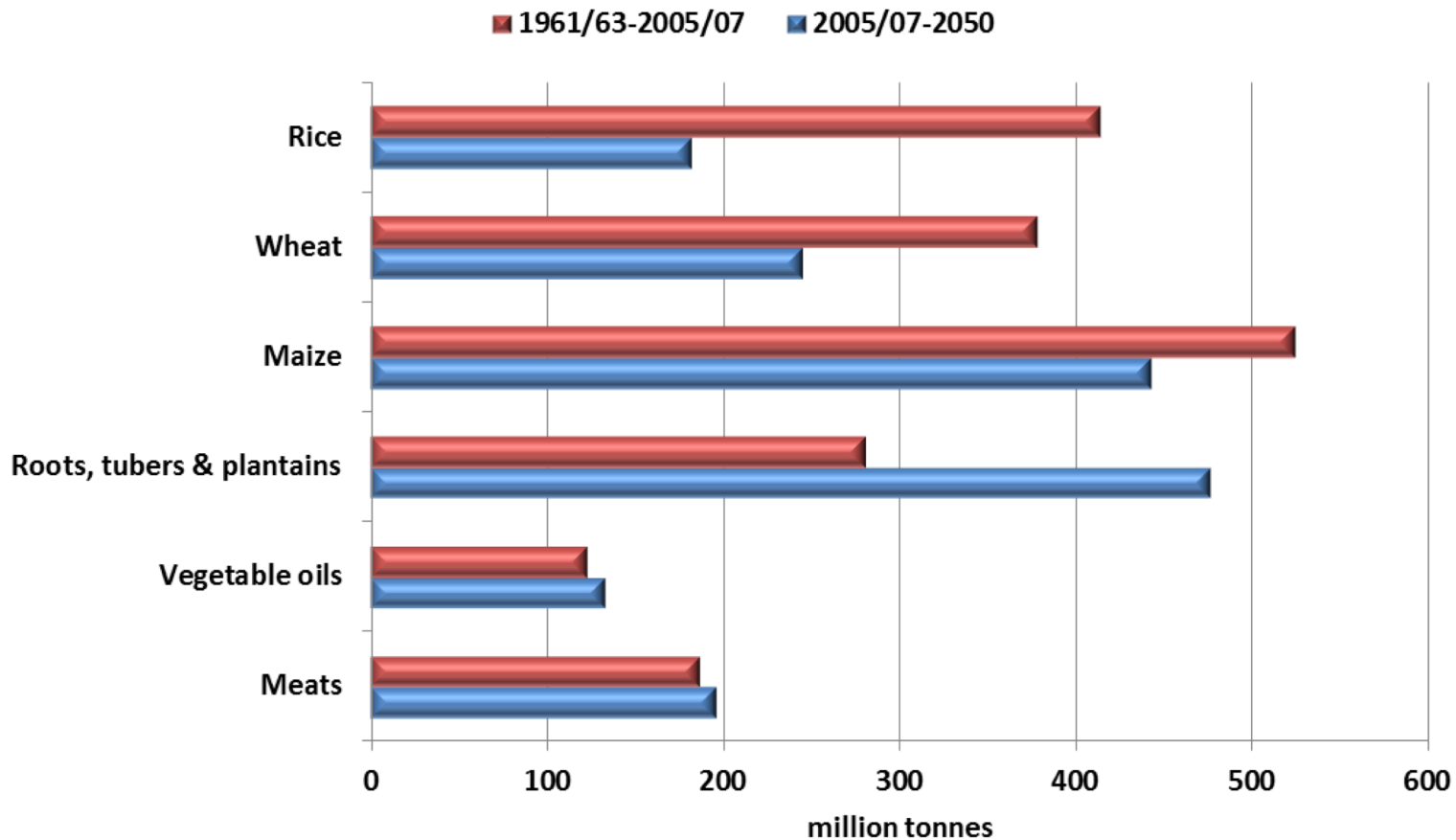
Agricultural production growth slows down



Source: Alexandratos and Bruinsma, 2012



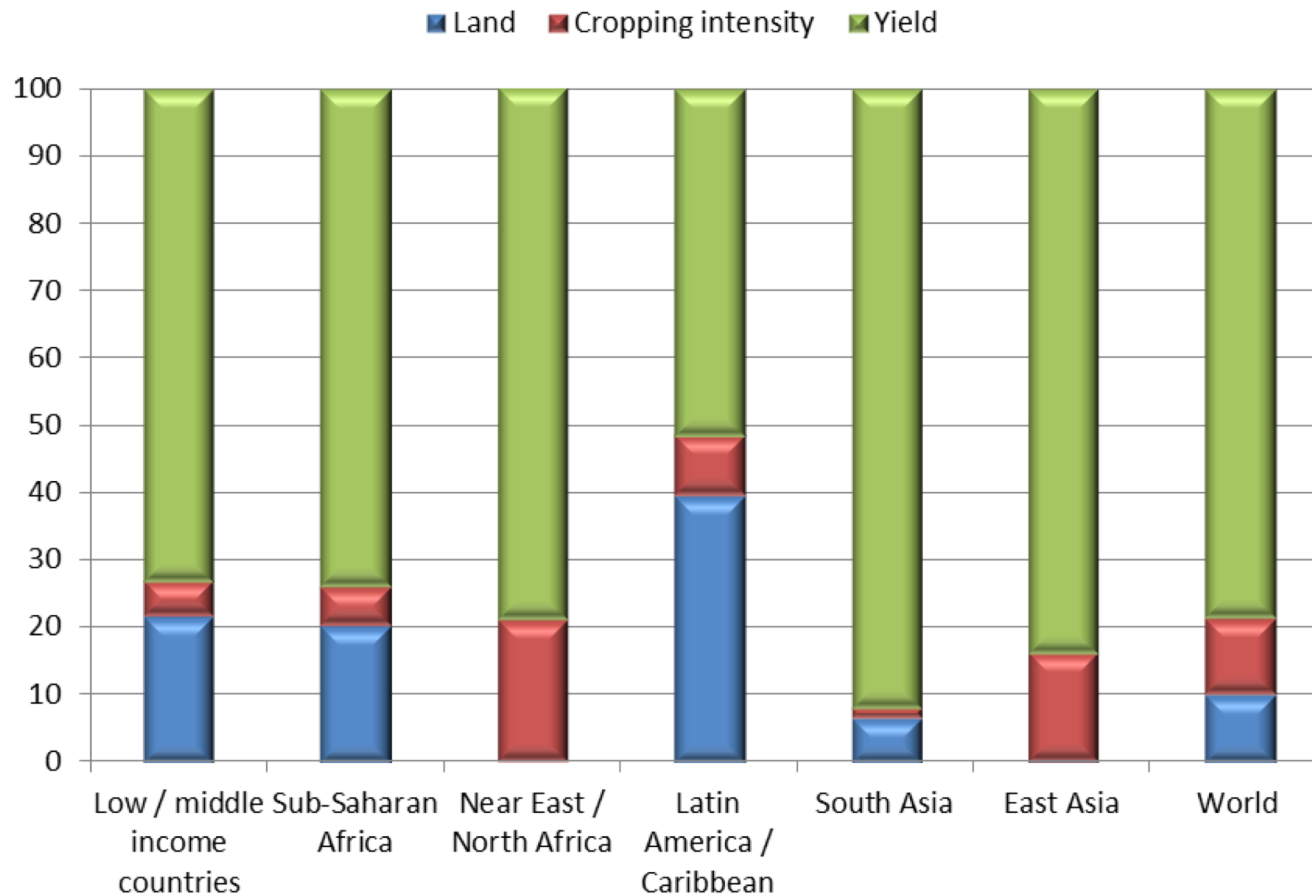
...still volume increase projected sizeable



Source: Alexandratos and Bruinsma, 2012

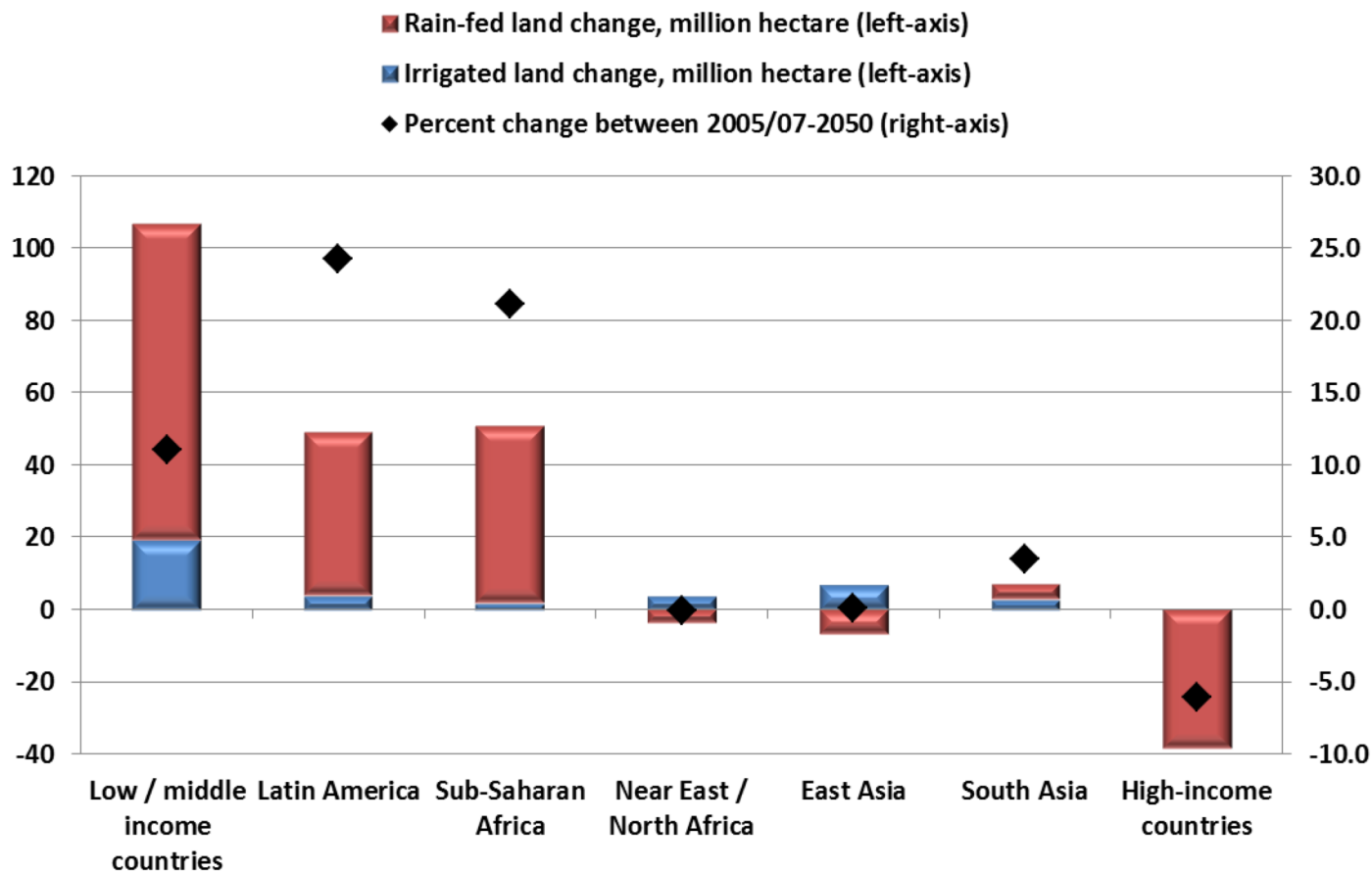


Sources of growth in crop production (%)



Source: Alexandratos and Bruinsma, 2012

Changes in arable land



Source: Alexandratos and Bruinsma, 2012

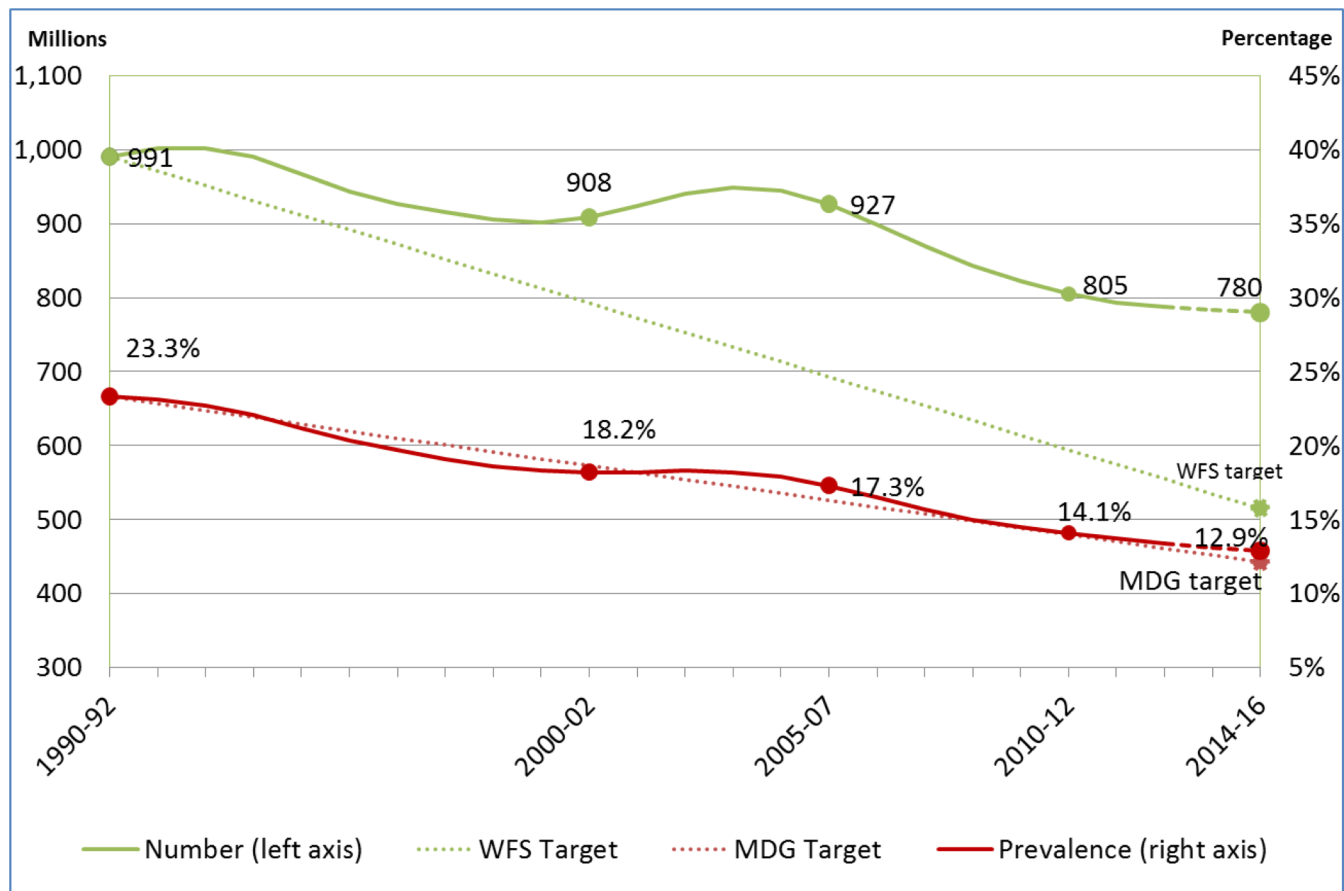


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Undernourishment: looking at the past and projecting to the future



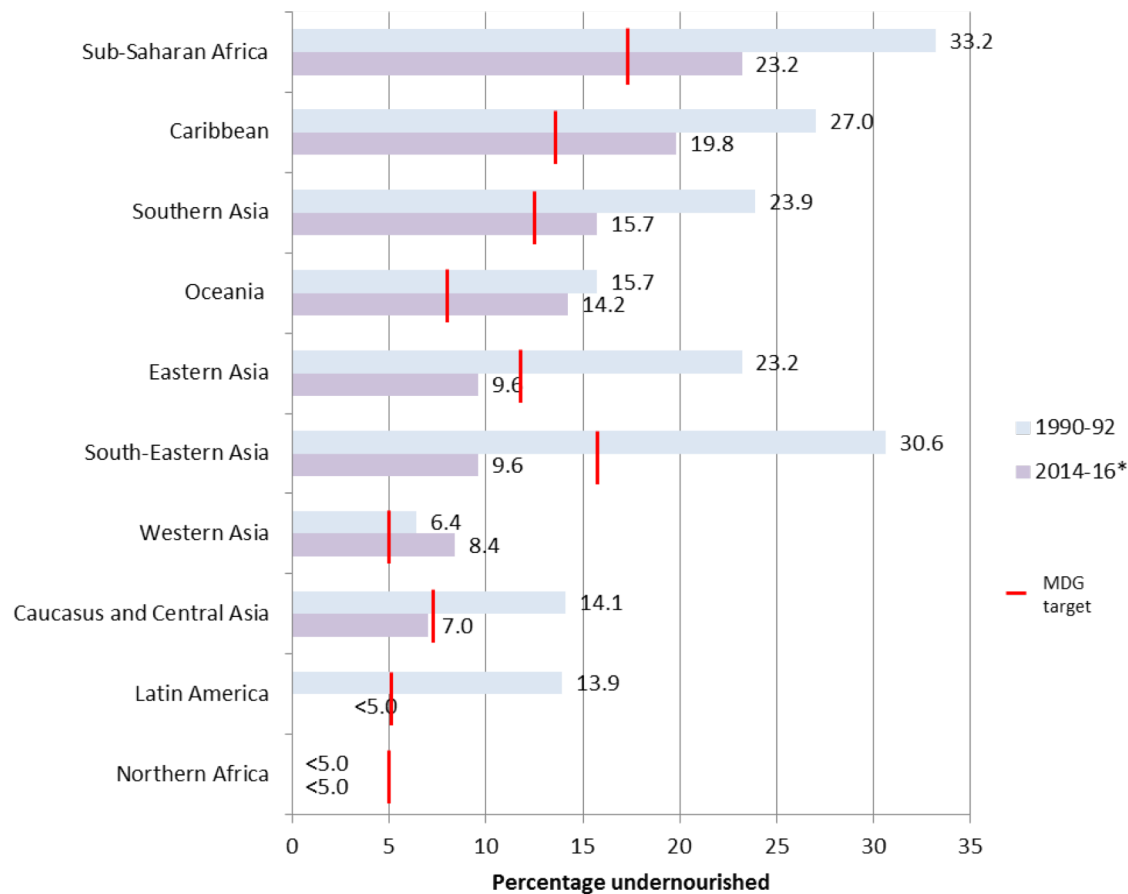
Undernourishment in low- and middle-income countries



Source: FAO. 2015. *The State of Food Insecurity in the World 2015*.



Undernourishment progress at different rates

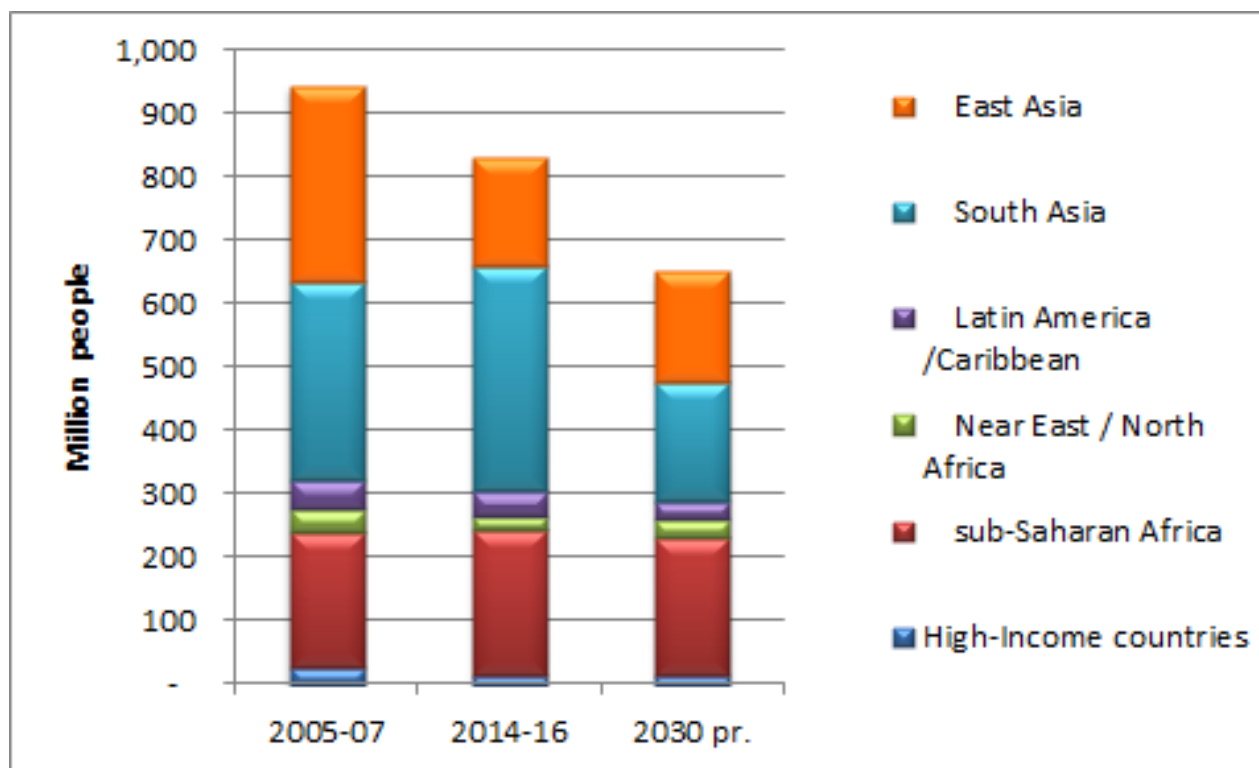


Source: FAO. 2015. *The State of Food Insecurity in the World 2015*.



Zero Hunger under Business as Usual?

By 2030, Still around 650 million people, mostly in Sub-Saharan Africa and South Asia, will be hungry, due to inequalities in food distribution and population growth, particularly in SSA.



Source: 2005–07: FAO GAPS / 2014–16: FAO. 2015. *The State of Food Insecurity in the World 2015* / 2030: Achieving Zero Hunger report.



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Role of investment in achieving zero hunger



Moving towards Zero Hunger

Post – 2015 Sustainable Development Agenda and the draft Addis Ababa accord state: **“Our goal is to end poverty and hunger”**

- Strategic Development Goals:
- SDG2: eliminate hunger and malnutrition by 2030
- SDG1: eliminate poverty by 2030

- Regional groupings also pledged to eliminate hunger
- 3rd UN Conference on Financing for Development looked into means of implementation

FAO, IFAD and WFP new estimates on investments for sustainable hunger eradication by 2030



Poverty and Hunger

- **\$1/day poverty line** for MDG1 monitoring based on costs of meeting **basic needs**; mainly food
 - \$1/day, adjusted to \$1.25 and lately to \$1.9/day by the World Bank
 - **Food costs 50-70%** of the poverty line income
 - **Poverty -> hunger**, through poverty, hunger numbers different
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Agricultural investment

- **Agric. invts** biggest impact on reducing poverty
 - Farmers major source of agric. invt, but **formal** financial institutions often **discriminate** against them, esp. smallholder family farmers
 - **Business as Usual** investment, growth alone cannot eliminate hunger and poverty by 2030
 - Most developing countries have **high unemployment**, **underemployment**, with youth unemployment rapidly growing
 - Future **economic prospects uncertain**, esp. after recent slowing of world economy
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Social protection uneven

- 1 billion people in 146 low- and middle-income countries get SP
- But 870 million of world's 1.2 billion extreme poor uncovered, mainly in rural areas

Greatest shortfalls in reaching poorest in low-income countries:

- In low-income countries 47% of the population falls under extreme poverty, SP covers less than 10% of population
 - In lower middle-income countries, SP reaches about ¼ of extreme poor, but 0.5 billion uncovered
 - In upper middle-income countries about 45% of extreme poor covered by SP
-



Dual Investment Approach (I)

1. Investment in social protection:

Investment in human potential to engage in production and become productive; action should be taken now so as to provide with immediate relief

2. Investment in the productive sectors:

Investment ensures returns to the entire economy, accelerates growth and should allow income generation in a **sustainable way**; investment should be targeted towards the poor, the majority of which live in rural areas and where agriculture is the main activity; the more income is generated by investment the less social protection transfers will be needed

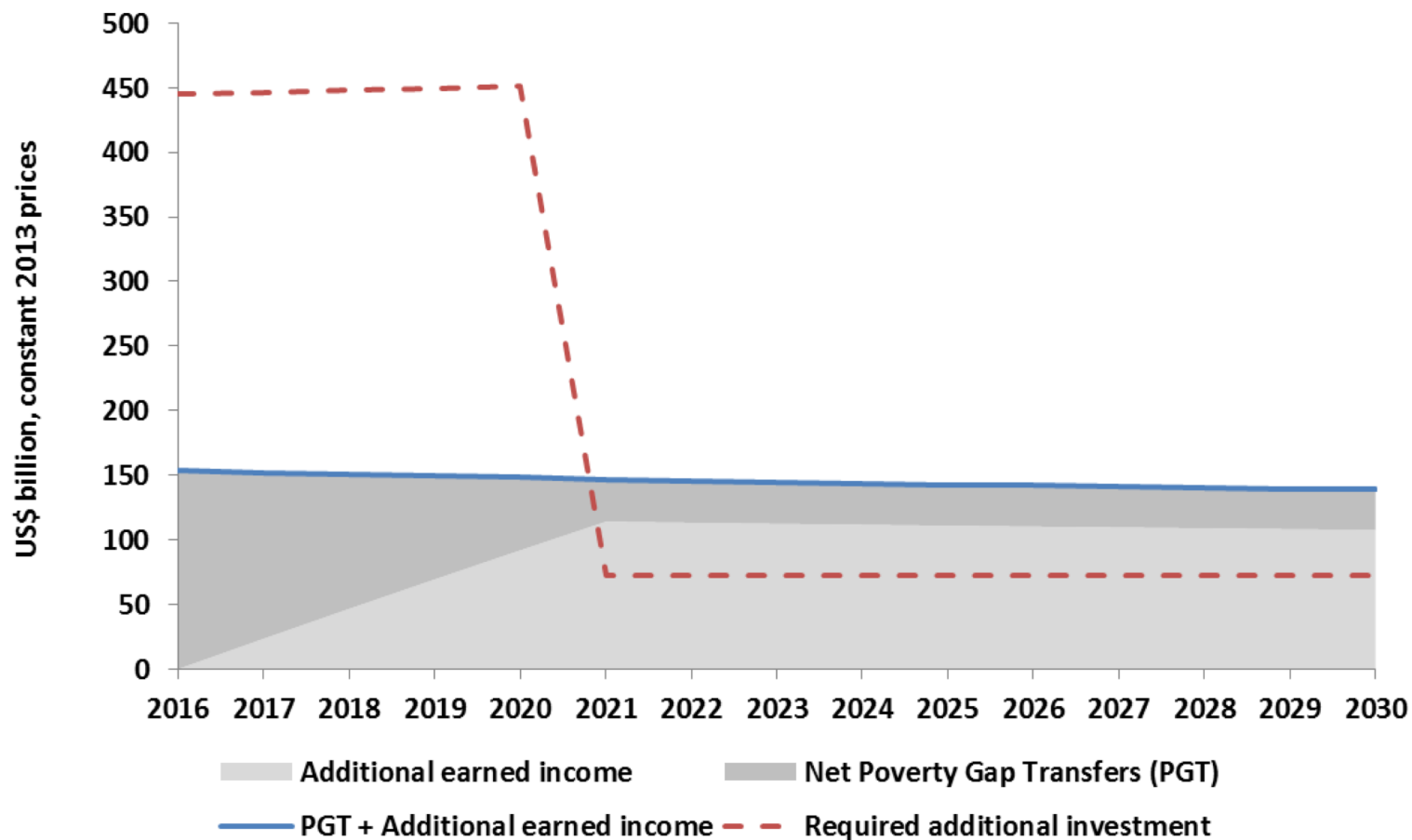


Dual Investment Approach (II)

- An average of additional US\$265 billion per year will be required from 2016 to 2030 (**feasible**; about 0.3% of 2014's world economic output) , of which:
 - Some US\$67 billion for social protection (including a 20% mark up for administrative costs)
 - Some US\$198 for pro-poor investments
 - Early **big push** reduces long term financing costs
 - Most middle-income countries can afford; most low-income countries face fiscal constraints, need **ODA**, technical assistance
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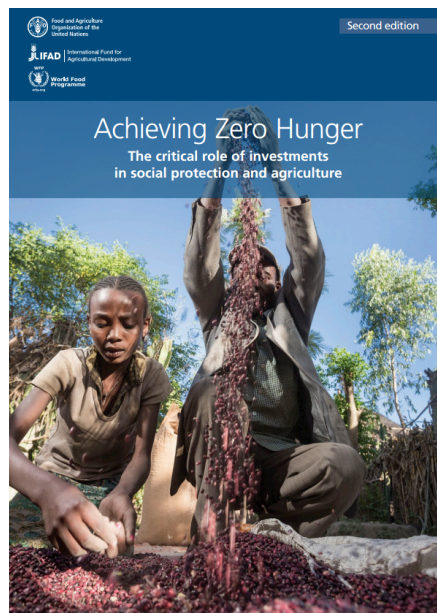
Allocation of funding needs over time



Source: Calculated based on SOFI 2015 and the World Bank; PovCalNet.



Further reading



Achieving Zero Hunger: the critical role of investments in social protection and agriculture

<http://www.fao.org/3/a-i4951e.pdf>
