



Food and Agriculture Organization  
of the United Nations

# FINANCING FOOD FOR A BETTER FUTURE

## FINANCE FOR AGRIFOOD SYSTEM TRANSFORMATION AND THE PREVENTION AND MITIGATION OF FOOD CRISES

Meeting of the Group of Friends on Food Security and Nutrition under the theme  
“Roadmap to FFD 2025 and Financing SDG 2  
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# THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD 2024

FINANCING TO END HUNGER,  
FOOD INSECURITY AND MALNUTRITION  
IN ALL ITS FORMS



## Global hunger is persisting at the same level after the sharp rise in the wake of the pandemic

The prevalence of undernourishment has changed little in three years, still affecting between 8.9 and 9.4 percent of the population in 2023 – about 9.1 percent compared with 7.5 percent in 2019.

## Urgent action is needed to get back on track towards achieving SDG 2 - Zero Hunger

Between 713 and 757 million people faced hunger in 2023 – about 733 million, considering the mid-range. The number is projected to decrease to 582 million by 2030, still far from achieving the Zero Hunger goal.

## Over 2.3 billion people in the world lacked regular access to adequate food in 2023

An estimated 28.9 percent of the global population – 2.33 billion people – were moderately or severely food insecure – more women than men, and more people living in rural areas than in urban areas.

## Healthy diets are out of reach for more than 2.8 billion people

Updated and improved estimates show that more than one-third of people in the world – about 2.83 billion – were unable to afford a healthy diet in 2022.

## The world is not on track to achieve global nutrition targets

Progress has been on stunting and wasting in children under five years as well as exclusive breastfeeding, but the world is not on track to achieve any of the seven global nutrition targets by 2030.

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## There is a lack of common definition for food security and nutrition financing

This complicates our efforts to meet SDG 2.1 and SDG 2.2. This lack of clarity contributes to accountability issues and highlights the complexity and fragmentation of the current financial landscape.

## We propose a new definition to integrate all forms of financing while capturing the holistic aspect of FSN

The report proposes a core and extended definition, applied to public and private as well as domestic and foreign resources. It integrates actions which address the major and structural drivers of hunger and all forms of malnutrition.

## The new definition recognize food security and nutrition as a main outcome of agrifood systems transformation

The inclusion of initiatives oriented to create resilience against the major drivers of hunger and all forms of malnutrition recognize the essential role that food security and nutrition initiatives have for the achievement of overall economic, environmental and social agrifood systems transformation goals.

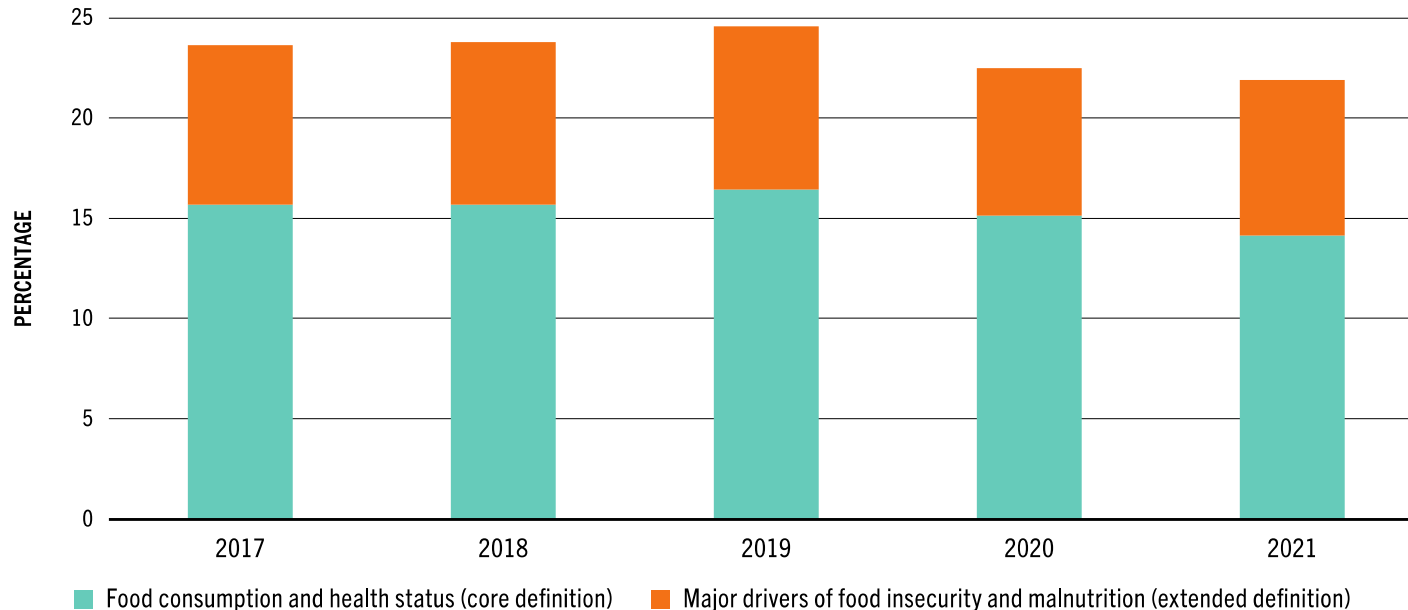
## Existing data infrastructure does not allow a systematic assessment of current funding, but points to important features of regular financial flows and could guide actions.

Implementing the new definition in a systematic way faces significant data challenges depending on the considered source of financing. Only 25% of ODA and OFF (about USD 76 billion) targets food insecurity, while international private flows may reach USD 95 billion annually. Public spending varies widely across countries.



## Public foreign financing for food security and nutrition – ODA and OFF

**OFFICIAL DEVELOPMENT ASSISTANCE (ODA) AND OTHER OFFICIAL FLOWS (OOF) FOR FOOD SECURITY AND NUTRITION REPRESENT LESS THAN A QUARTER OF GLOBAL ODA AND OOF FLOWS AND ARE MOSTLY ALLOCATED TO FOOD CONSUMPTION AND HEALTH**



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## Innovative financing instruments can be leveraged for increasing financing for countries most in need

Most vulnerable countries should benefit from additional grants and adapted concessional loans oriented to de-risk commercial financing flows. As financing risk decreases, countries will have improved abilities to leverage from public and private finance for food security and nutrition investments.

## Donors and other actors need to increase their risk tolerance and be more involved in de-risking activities

Donors should shift more ODA and OOF flows for mobilizing private financing, while multilateral and national development banks should increase their risk-tolerance to provide financing for food security and nutrition initiatives that are not considered by other more commercial-oriented actors.

## The current architecture of food security and nutrition financing is highly fragmented and biased

Enhanced coordination among financial stakeholders is needed. Donors should put national and local counterparts in the “driver’s seat” to effectively address countries’ priorities.

# The current financial architecture for food security and nutrition is highly fragmented, creating further challenges to scale financing to food security and nutrition.

## FOOD SECURITY AND NUTRITION FINANCING ARCHITECTURE IS HIGHLY FRAGMENTED

Preponderance of small and  
uncoordinated activities

Lack of coordination among donors  
and development partners



Misalignment with national  
and local priorities

Weak governance and institutions in  
countries most in need



Lack of alignment of private flows with  
development objectives



Absence of adequate and  
transparent data



## FOOD SECURITY AND NUTRITION ACROSS SECTORS, STAKEHOLDERS AND DEVELOPMENT FINANCING FLOWS

Advocate for SDG 2 as  
a priority in the international  
development agenda

Enhance the role of multilateral development  
banks in de-risking financing flows

Make food security and nutrition  
a single, indivisible policy goal

Create a closer nexus between  
humanitarian, climate and development  
finance towards food security and nutrition

Break the sectoral silos in food  
security and nutrition policy and  
planning at the national level

Put national and local governments  
in the "driver's seat"

Support sound governance  
and institutions for reduced  
sovereign financial risk

Reduce corruption and tax evasion  
coordinately across countries

Incorporate environmental, social and governance considerations in private sector  
decision-making

Consider public and standardized financing data as a global public good



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## Two key opportunities:

The Financing for  
Development (FFD) process

The Global Alliance against  
Hunger and Poverty

with its financial pillar positioned to play a  
coordination role



## FAO's summary of key messages towards FFD4

1. To address overlapping crises, it is crucial to **leverage the role of financing for development to prevent and mitigate food crises**
2. Financing the transformation of agrifood systems is a **key enabler for the achievement of the SDGs**.
3. Leveraging the role of Financing for Development to prevent and mitigate food crises and transform agrifood systems requires **action across all Addis Ababa action areas**.
4. Several **trillion dollars are needed to meet SDG objectives 2.1 and 2.2** and even greater amounts may be needed to transform agrifood systems and prevent and mitigate food crises.
5. There is significant potential associated with **re-allocating public domestic spending in agriculture** towards projects that can generate a more profound, transformative effect on agrifood systems, addressing structural inequalities and reaching the most vulnerable low-income farmers.
6. **Public financing for gender equality and women's empowerment in agrifood systems** has plateaued in recent years and few projects pursue gender equality as a principal objective, thereby diminishing the transformative potential of such interventions.



## FAO's summary of key messages towards FFD4

7. A range of **innovative financial instruments** can be used to raise capital and enhance investments directed at rural, financially underserved actors, enabling more ambitious, complex and longer-term interventions that hold greater transformative potential for agrifood systems.
8. Financing to **boost agricultural production**, as well as social safety nets, are crucial to prevent and mitigate food crises.
9. Many low and lower-middle income countries are highly dependent on agrifood systems for their GDP (up to 20%) and employment (more than 50%), and as such, there is a close relationship between **agrifood systems and macroeconomic stability**.
10. Climate **finance** is the corner stone for future flows of development finance for agrifood system transformation and the prevention of food crises and needs to be scaled up significantly.
11. There is a need for a common definition for food security and nutrition financing.
12. The **Global Alliance against Hunger and Poverty** can play a pivotal role in enhancing better alignment and mobilizing increased financing for food security and nutrition.





# FAO's work on Finance for Development



**Objective:** Ensure sufficient development financing reaches agrifood systems to achieve transformation, and that financial architecture is fit to prevent and mitigate food crises



**Why now:** Fourth Conference of Financing for Development (Spain 2025) is an opportunity to address rising food insecurity and support finance for much-needed agrifood system transformation



**Core elements:**

- **SOFI 2024:** “Financing to end hunger, food insecurity and malnutrition in all its forms”
- **Major stand-alone report** on financing agrifood systems (January 2025)
  - Builds upon SOFI 2024 and would articulate comprehensive needs for transformation and crises
  - Aims to influence the conference negotiation and outcome
  - Significant communication and dissemination efforts
  - Publication of policy briefs and working papers related to report
- Support for **financing AFS transformation at country level**



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# THANK YOU



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