

World Bank Group President Robert B. Zoellick

As prepared for delivery.

Thank you, Mr. Chairman for giving me this opportunity to address the Conference. I would like to thank Prime Minister Berlusconi, and the people of Italy for hosting this meeting. I would also like to compliment the Secretary General, Ban-Ki-Moon, for his leadership and his initiative in pulling together the High Level Task Force, and extend my thanks and appreciation to Jacques Diouf of the FAO, Josette Sheeran of the World Food Program, Lennart Bage of IFAD, and other key UN agencies.

Last week, Prime Minister Fukuda and I met with more than fifty African leaders at the TICAD meeting in Yokohama. Leader after leader made clear that high food and energy prices are putting their reforms, their growth strategies, and most importantly, their people, at grave risk.

In Liberia the cost of food for a typical household increased by 25% in January alone, pushing 200,000 people into poverty. President Johnson Sirleaf asked what could be done to help Liberia not next month, but now.

President Kikwete of Tanzania told us the price of fertilizers had increased 6 times: He asked for assistance, not next year but now so that farmers can plant before the end of the season.

Prime Minister Meles of Ethiopia, was even more direct: We know what to do, he said, but we need resources now. For Africa, he added, this is a test of whether the international community acts or just talks.

Mr. Chairman: the dangers extend far beyond Africa: to Haiti, Tajikistan, Bangladesh, Honduras, Afghanistan, Kyrgyzstan, Yemen and others.

The pictures may be less shocking than those of famine, but the consequences of hunger and malnutrition are as great. Over 800 million in the world are suffering from lack of nourishment. This crisis is expanding those numbers – fast.

As always, it is the most vulnerable who are at greatest risk: the 12 million AIDS orphans in East and South Africa; pregnant and lactating mothers; babies and children from minus 9-24 months.

Without fast action, this crisis will steal the potential of a generation. In India, alone, 1.5 million more children are already at risk of malnutrition because of the crisis

Globally, we have estimated that this crisis could push 100 million people into poverty – 30 million in Africa alone - reversing the gains made in poverty reduction over the last seven years.

This is not a natural catastrophe. It is man-made and can be fixed by us. It does not take complex research. We know what has to be done. We just need action and resources in real time.

This Rome meeting needs to focus on action, results, and resources in real time.

We know what to do.

I've outlined a 10 point plan. It focuses on the immediate and the long-term. It recognizes that the energy-food nexus means that prices will stay high. That means our task is two-fold: to handle today's danger for the millions of people for whom securing food has become a daily struggle, and then to turn higher food prices into an opportunity for developing world agriculture, and for farmers in developing countries.

We have the tools at our disposal. Working with the WFP and FAO, we've already completed 28 needs assessments, country-by-country, with 15 more going on right now.

Based on this work, we need this meeting to act now on 3 critical needs:

First, we need to meet the immediate requirements of 20 of the most vulnerable countries by the time of the G8 summit in early July; then on to others.

This means safety net support, school feeding, food for work, maternal and child programs, conditional cash transfers and budget support.

This can be done through the WFP, UNICEF, the FAO and Development Banks. After the direct food assistance of the WFP, this is where funding should go.

Second, we need to get seeds, fertilizers and inputs to those developing countries where smallholder farmers can expand production this season. NEPAD's Common African Agriculture Development Program, has just identified 15 priority countries. FAO, IFAD, and the Development Banks can co-ordinate together to fast-track distribution.

Last week, the World Bank set up a Multi Donor Trust Fund precisely so that we can scale up our ongoing activities in this area using bilateral contributions. We are good to go. We can use what you contribute.

Our goal should be starting to get seeds and fertilizers to most of these 15 countries by the time of the G8 Summit and to all of them in a few months afterwards.

Third, we need an international call to remove export bans and restrictions. These controls encourage hoarding, drive up prices, and hurt the poorest people around the world who are struggling to feed themselves.

Some 28 countries have put in place export bans. These restrictions and taxes must be lifted, at a minimum for humanitarian food purchases and transportation by the WFP. And they should be lifted, or at least eased for shipments to less developed and fragile countries.

If we take just these three actions, those of us gathered here in Rome can make the difference between millions having food on the table, or going without. The choice is clear.

Then, Mr. Chairman, at the G-8 Summit in July, we must coordinate international policies to transform the greater demand for food into an opportunity for developing countries.

Global food production needs to double over the next 30 years. That means:

- boosting developing country agricultural products and productivity by investing all across the value chain: land use; water and irrigation; cutting wastage; infrastructure and logistics; working capital; linking small scale farmers in developing countries with retail outlets.
- increasing agricultural research, through the CGIAR. New rice for Africa that could triple yields; drought tolerant maize; flood tolerant rice.
- offering risk management tools for developing countries and small farmers;
- easing subsidies, mandates and tariffs on biofuels from corn & oil seeds - especially as prices rise; moving to second generation cellulosic biofuels; and opening markets to sugar based fuels - that do not compete directly with food - including from Africa.
- Closing the Doha WTO deal, phasing out huge distortions from subsidies and tariffs; and
- Moving to collective action to counter global risks, perhaps including humanitarian stocks.

The World Bank Group is putting its money where its mouth is. Last week, we created a \$1.2 billion Rapid Financing Facility for the food crisis, including a \$200 million grant facility for the poorest and most vulnerable countries. Liberia, Haiti, and Djibouti have already received grant support. Togo, Yemen, and Tajikistan are next in line.

Overall we expect to boost our investment in agriculture from US \$4 -6 billion over the coming year. And we are introducing drought derivatives to help countries dependent on rain-fed agriculture.

We are coordinating closing with our UN partners, and with developing countries. A number of oil producing countries, such as Saudi Arabia, have made generous contributions, and I urge other oil producers to consider support.

Japan can agree with the US to release rice from its surplus as a humanitarian contribution to Africa; China can increase its rice exports to 2-3 million tons. Together with a Japanese sale of rice, this would dampen the price immediately.

The G8 and the rest of the European Union should consider what else they can do.

Mr. Chairman: The time for action is **now**.

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