

ECOSOC Panel Discussion “Working towards food security: the UN system approach”

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I will focus my comments under two broad sections reflecting the theme of this panel which is “Working towards food security: The UN system approach.

First, I will focus on food security in general and the current soaring food prices. Second, I will reflect on FAO and UN system approach in the context of working towards food security.

Food Security threats in general.

- FAO reported in 2006 that by the end of 2003, there were 854 million people in the world who were undernourished and food insecure. This figure is 20 million more than in 1996 when governments pledged at the Rome World Food Summit to cut by half the number of the hungry in the world by 2015. 820 of the 854 million are in the developing countries and 25 million are located in transition economies while 9 million are in industrialized countries.
- The current soaring food prices according to FAO have pushed some 50 million more people to go hungry.
- Meanwhile, the UN population estimates point to a growing world population. Currently population growth is placed at 78.5 million annually. In 2000, the world population was 6.1 billion and is projected to reach 9.0 billion by 2050. This means about 2.9 billion more people will need food. The demand for food crops will grow. This is a worrisome phenomenon in the context of limited resources that the planet carries. There is a limit to the carrying capacity of the planet. Humans are the only species that have no predators to keep check on population growth so that there is a balance between population and available resources. FAO believes that annual food production must increase more than 1 % annually to match global demand as a result of population trends, changing consumer preferences, expanding demand from the bio-fuel sector and the climate change. An estimated 80 % of the production increase must come from growth in yields than putting new lands under production.

- Another factor that is related to population and food demand is that of economic growth experienced by some emerging economies, e.g. China, India, South Africa. In these economies experiences GDP annual growth rates ranging from 9 to 12%, there is a rapid emergence of a middle class estimated currently to be about 600 million. This middle class has resulted to the growth in demand for meat, dairy products, and other high value products.
- Related to the food demand of the cereal crops is the developing bio-fuel sector which will divert some 100 million tons of cereals to bio-energy during 2007-2008
- The population and food demand factors are occurring against the background of:
 - i) insufficient supply of grain food crops. Global production is being negatively affected by climate change, in particular drought and flood. Global cereal production fell by 3.6 % in 2005 and by 6.9% in 2006.
 - ii) Further global cereal stock is at their lowest in 30 years and currently stand at 409 million tons.
 - iii) There has been a declining trend in investment in agriculture over the last decades. In 1982, 17 % of development assistance went to agriculture. By 2002, this had fallen to 3.7 %. This is a remarkable decline of investment in agriculture, a key sector in food security and development in general.
- Trade policy Initiatives such as subsidies and tariff barriers in developed countries have negatively affected agriculture production in developing countries.

The Soaring Food Prices.

The soaring food prices are affecting the whole world. The FAO price index for food has increased by 56 % from April 2007 to April 2008, and this should be added to the 26% increase between 2006 and 2007. Prices of inputs have also registered during the same period an increase of 70 % for seeds, 98 % for fertilizers and 60 % for animal feed. These prices were even higher at national level because of the increase in oil prices, cost of freight, local transport, storage and the margins of intermediaries.

Against this background, it is clear that food security is going to be more critical in both the short, medium and long term perspectives. The food crisis that the world is experiencing is not just about to go or disappear, in fact, the world may be starting to experience a permanent crisis indeed.

The United Nations approach.

- **The United Nations' approach could be through partnerships.** Partnerships between and among humanitarian, developmental, financial agencies and civil society have to be strengthened and streamlined to avoid overlaps and duplication. For example, an unprecedented partnership in the form of a new collaboration among the Rome-based UN agencies and the Alliance for a Green Revolution in Africa (AGRA) has been formed. To formalize this partnership, a memorandum of understanding was recently signed by AGRA, the FAO, IFAD, and the WFP during the recent High-Level Conference on Food Security held in June at the FAO Headquarters in Rome. This unprecedented partnership between and among AGRA and these key food production UN agencies aims to significantly boost food production. This new partnership will work closely with other stakeholders to rapidly improve food production, food security and rural incomes. Careful environmental monitoring and conserving biodiversity, water and land will be given high priority by this partnership. The agreement also calls for co-ordinating and sharing agricultural development innovations across diverse ecological zones and associated crops. At the country level, the partnership will support the efforts of governments and work with farmers and other stakeholders to rapidly raise agricultural productivity and farm incomes. Each Agency will deliver unique expertise towards achieving an environmentally and economically sustainable green revolution that will end the continent's perennial food crisis. The partnership marks a critical transformation in the way major global agencies work with smallholder farmers to assist them in solving Africa's chronic hunger and food problems.
- **Effective and co-ordinated communication.**

Twelve years after the Declaration of the World Food Summit, and six years after that of the World Food Summit: five years later, the member nations have reached agreement during the recent High Level Conference in Rome on a new policy declaration to ensure world food security in a context of new challenges (soaring food prices, global inflation, climate change and bioenergy). Witnessing this new policy declaration were other important stakeholders such as the WTO, Regional Banks, Bretton Woods institutions and the United Nations Secretary-General.

Effective and co-ordinated communication is a vital tool in building on this international consensus and commitments achieved during the High Level Conference and other High Level meeting or conferences. Immediate action is needed to help smallholder farmers in the most vulnerable countries to boost food production in the upcoming seasons. At the same time, governments need to adopt appropriate policies in order to lessen the impact of soaring prices, build resilience to future stocks and seize the opportunity to higher prices to invest in agriculture.

FAO's immediate tasks are to:

- i) help countries establish country action plans to respond to the crisis and mobilize resources to turn the plans into concrete action.
- ii) address structural issues such as repairing and modernizing irrigation and storage systems, improve the link between farmer and market, advise on local seed systems and policies.
- iii) Ensure that seeds, fertilizers and other farm inputs get to the countries and farmers who need them most.

- **Monitoring and analyzing world food security.**

The FAO is also actively working with other agencies in response to the challenge of climate change given that its work and mandate relate to the highly sensitive sectors of agriculture, forestry and fisheries. The recent High Level Declaration in Rome requested FAO, WFP, IFAD and other organizations participating in the High Level Task Force on the Global Food Crisis, to monitor and analyze world food security and to develop strategies to improve it.

- **Delivering as One.**

The UN approach will operationalize or effect the UN concept of “Delivering as One”. In this regard, positive steps have already been taken by the United Nations system which include the formation of a High-Level Task Force on the Global Food Security Crisis. The FAO Director-General is the Vice-Chair of the Task Force. This response illustrates the unity of purpose within the UN family of programmes, funds and agencies, as well as the Bretton Woods Institutions and was well reflected at the High-Level Conference, and appreciated by Member states who clearly wish us to “deliver as one”.

In this respect, a Comprehensive Framework for Action (CFA) was prepared by the Task Force and presented at the High-Level Conference in Rome. Further, the FAO brought in an expert on Food Security and Humanitarian issues to form part of the technical team worked on the CFA. FAO is in this for the long haul. FAO is working closely with the Food Policy Team on preparation of a second draft of the CFA in readiness for the G8 Summit in Japan (7-9 July 2008).

- **The UN and Bretton Woods Institutions collaboration: assisting governments.**

In order to assist national governments and other stakeholders to target their immediate responses, FAO, IFAD, WFP and the World Bank have carried out

joint priority assessments which have already resulted in the following crisis support.

- i) WFP has channeled US \$1.2 billion to support food assistance programmes in 62 countries worldwide affected by the food crisis.
- ii) The Central Emergency Response Fund (CERF) has allocated \$70 million projects related to the food crisis in agriculture, health, nutrition and logistics.
- iii) FAO is assisting with the procurement and distribution of seeds and fertilizer in 57 countries.
- iv) IFAD has redirected an amount of \$200 million to support rapid access to smallholder producers to input and related services. Under its ongoing investment programme, IFAD finances food production related activities (crop, livestock, and aquaculture) in 65 countries.
- v) The World Bank has made available \$1.2 billion of rapid financing for expansion of safety nets, agricultural input distribution, financing of critical inputs, and budget support in 12 countries.
- vi) The IMF has provided balance of payments support under its existing instruments. Some countries have been particularly hit by the soaring food prices because they import 60 to 70 % of their food needs and are experiencing a remarkable rise of their import bills.

- **FAO Initiative on Soaring Food Prices – (ISFP): \$1.7 billion.**

FAO is working through the UN system, especially with other Rome-based food agencies, the WFP and IFAD, as well as the World Bank, private institutions and regional organizations and development banks, to form a united front in fighting the effects of soaring food prices on a global and local scale. This initiative does not take place in isolation as already indicated above but is part of a broader initiative and links to the UN Task Force on the Global Food Security Crisis, and fits in with governments existing development programmes. It targets decision makers in developed and developing countries, international finance institutions (IFIs) other UN agencies, Civil Society organizations, regional economic organizations, agricultural research centres, private sector foundations, and the general public.

I hope these comments will contribute to the debate on today's theme of "Working towards food security: the UN system approach"