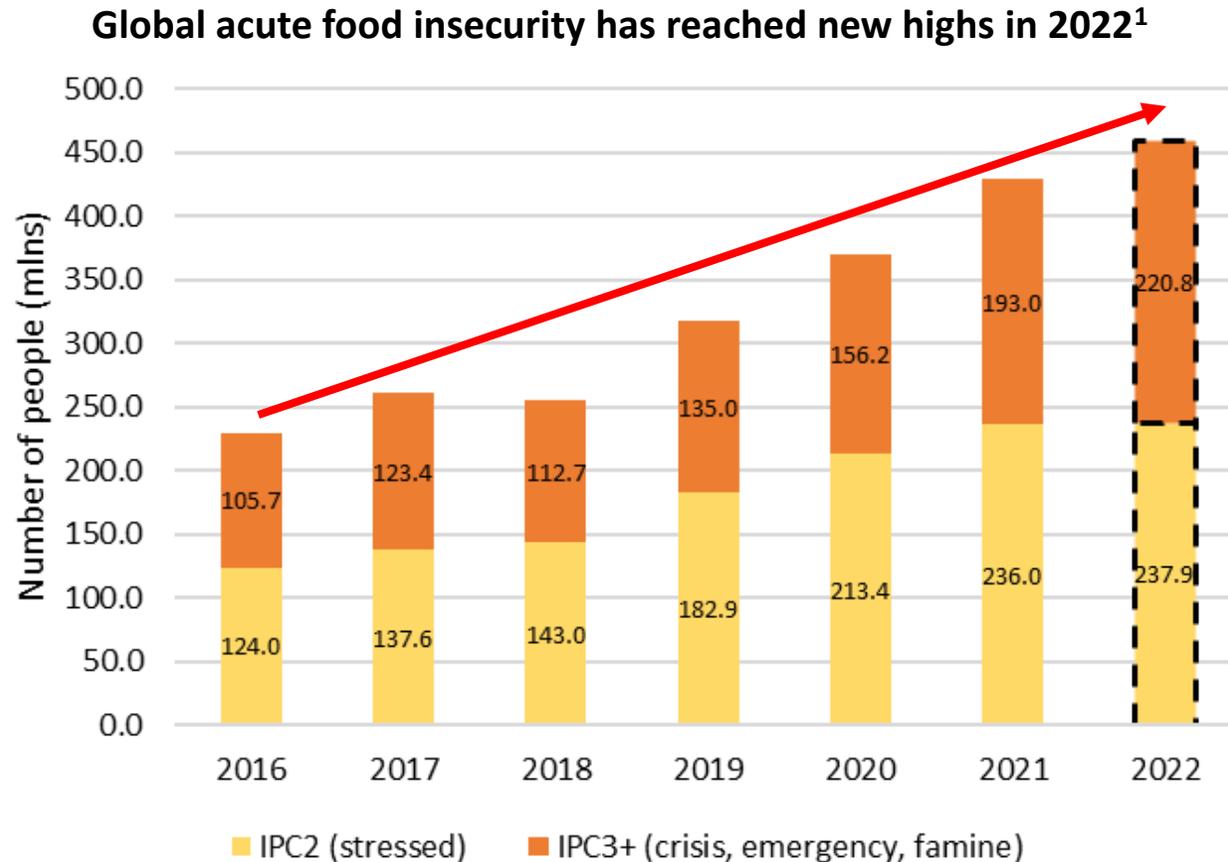




Responding to Rising Food
Insecurity:
A Financing Perspective

Food insecurity has reached new highs in 2022, and projections indicate that it will continue worsening through 2023



 This figure draws on updated acute food insecurity figures available for 45 countries in the 2022 mid-year update of the *Global Report on Food Crises*. Prior year estimates have been included for 8 countries / territories for which updates were not available as of the publication of the mid-year report, namely: Bangladesh, Egypt, Lebanon, Liberia, Libya, Palestine, Rwanda, Syria.

¹ Adapted from the Global Network Against Food Crises. <http://www.fightfoodcrises.net/>.

² Andree, Bo Pieter Johannes. *Machine Learning Guided Outlook of Global Food Insecurity Consistent with Macroeconomic Forecasts (English)*. Policy Research working paper; no. WPS 10202 Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/099224110112215850/IDU0e396273b08036047c8082f8086f52e55c9ac>.

There is not one but many drivers of the crisis which are currently worsening all aspects of food and nutrition security across the globe

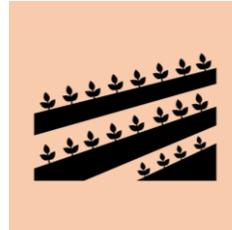
Overview of Global Food and Nutrition Security Crisis Drivers

Food Access



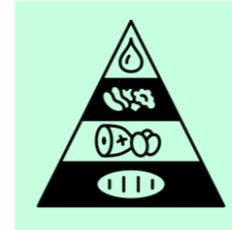
- High domestic food price inflation
- Elevated global commodity prices

Food Availability



- High energy and fertilizer prices
- Adverse trade policies
- Uncertainties of Black Sea Grain Initiative renewal

Food Utilization



- Households with reduced ability to eat healthy/nutritious food
- More children being wasted and stunted

Food Stability



- Uncertainties of the Russia-Ukraine war
- Tightening interest rates / global recession
- Currency depreciations
- Growing debt burdens
- Adverse impacts of climate change

World Bank Food and Nutrition Security Response

FNS Response Themes

1



**Support Production
and Producers**

3



**Support
Vulnerable
Households**

2



**Facilitate increased trade
in food and Ag inputs**

4



**Invest in sustainable
food and nutrition
security**

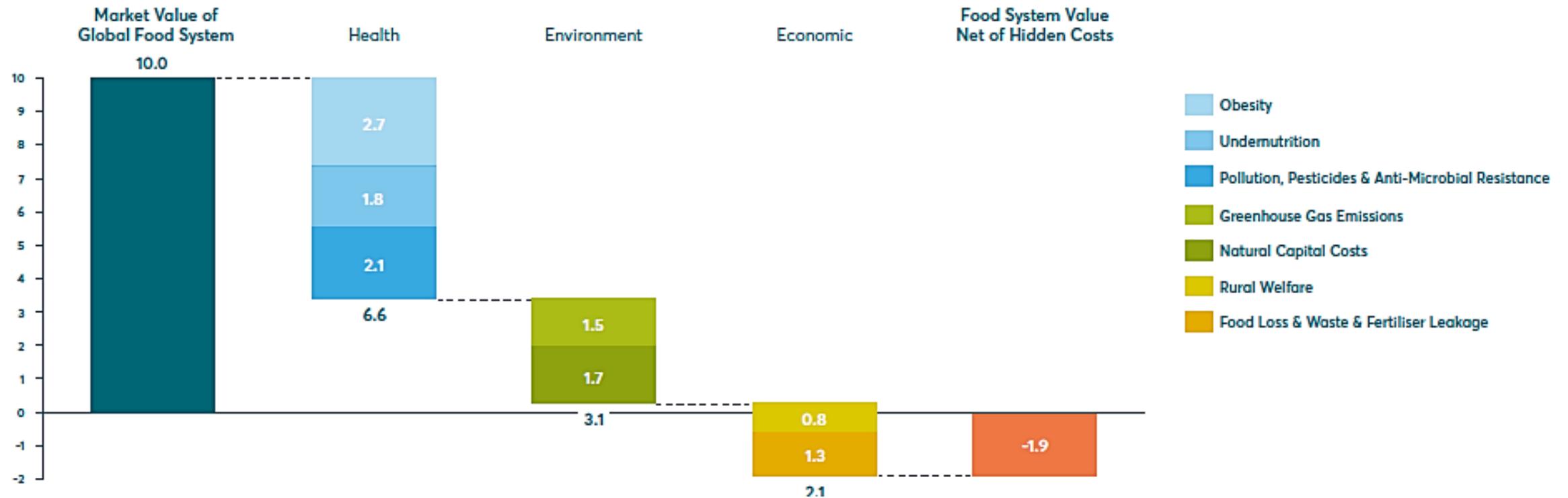
The WB is **mobilizing up to \$30 billion between April 2022 and June 2023** in existing and new projects in areas such as agriculture, nutrition, social protection, water and irrigation.

The Bigger Picture Is That The Global Food System Is Not Fit For Purpose

A food system that helps deliver by 2030	Vision/ interrelated targets	Currently off track
<p>Healthy economy (inclusive incomes, jobs & livelihoods)</p>	<ul style="list-style-type: none"> • Increase incomes of poor people that work in the food system • Support structural transformation 	<ul style="list-style-type: none"> • 2030 end poverty target unlikely to be met, significant lag in fragile, conflict affected countries
<p>Healthy people (secure and safe food and nutrition)</p>	<ul style="list-style-type: none"> • End hunger and acute food insecurity • Improve health outcomes [lower micronutrient deficiency and obesity, improved food safety, less zoonotic disease, and reduced AMR] 	<ul style="list-style-type: none"> • Increase in hunger since 2015 • 220 million acutely food insecure • 2 billion people micro-nutrient deficient • 2 billion people overweight or obese • Increase in zoonotic diseases • Anti-microbial resistance
<p>Healthy planet (environmentally sustainable practices)</p>	<ul style="list-style-type: none"> • Operate within safe planetary boundaries for sustainable resource use; lower emissions; boost climate resilience 	<ul style="list-style-type: none"> • Land degradation • Water scarcity • Pollution • 25% of global GHG emissions • Biodiversity loss • High loss and waste

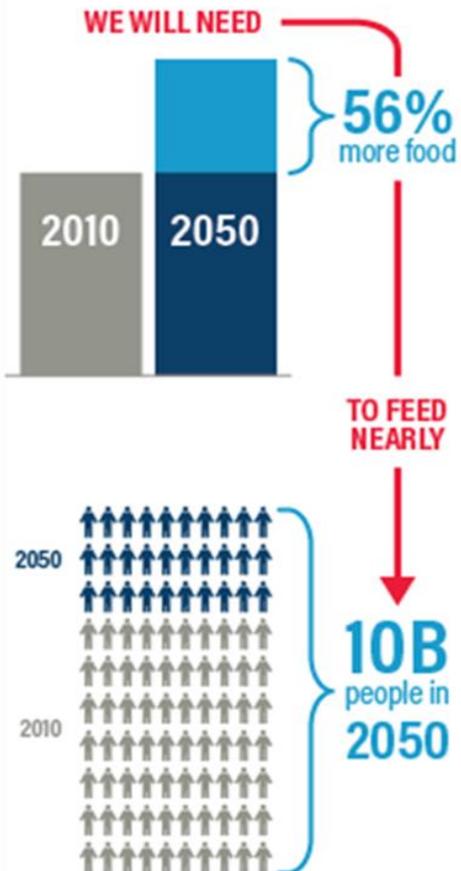
Social Costs Outweigh The Market Value of The Global Food System

Trillions USD, 2018 prices

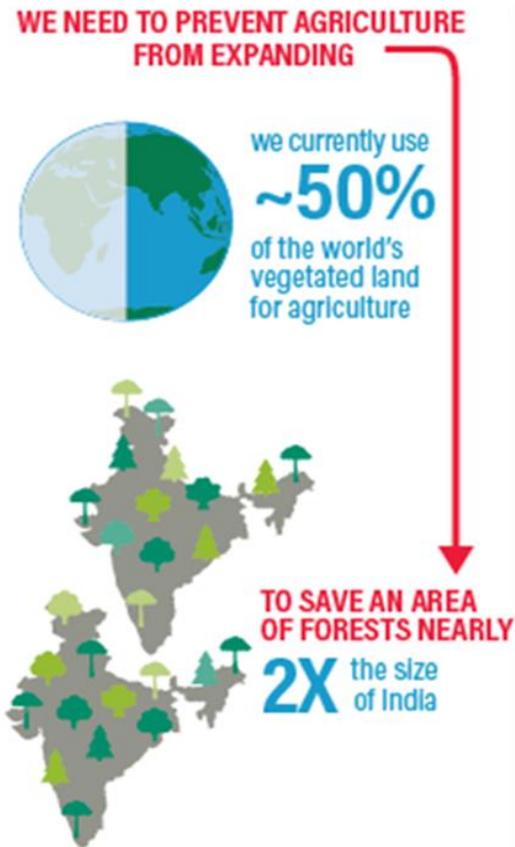


Current And Emerging Challenges Are Massive

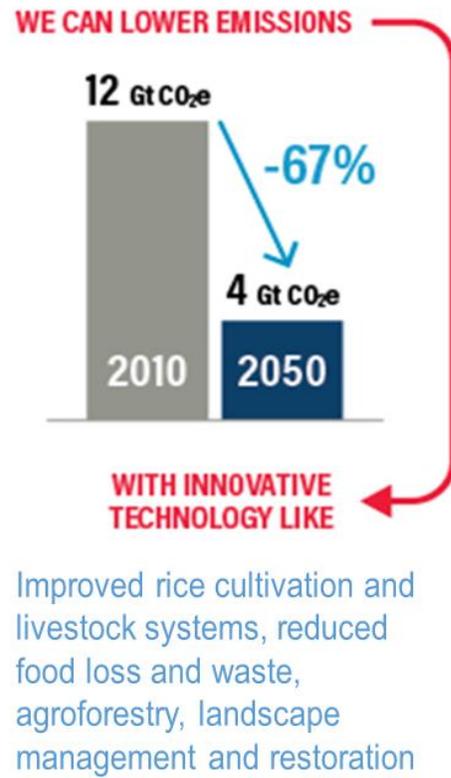
How do we feed 10 billion people...



...without using more land...



... while lowering emissions



... while improving climate resilience and without contributing to further water insecurity



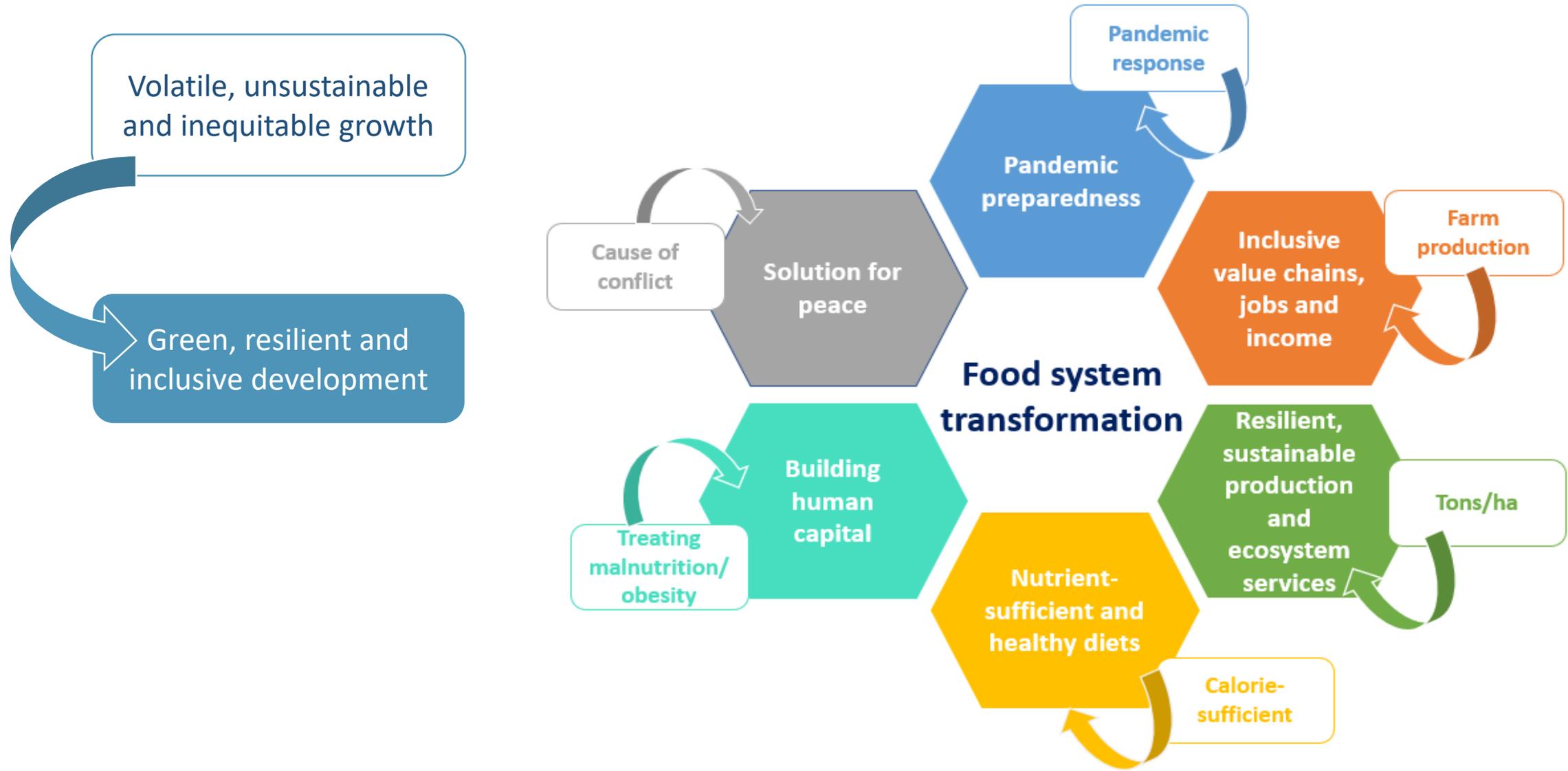
... while improving nutrition and building human capital



...and lifting the poor who work in the food system out of poverty?



The Vision: A Global Food System in Support of Healthy People, Planet, Economy



What does this Vision mean for Farmers?

Farmers need to be resilient and climate smart through 3 revenue streams:

1 FIRST REVENUE STREAM



- **More healthy Food from More Productivity**
 - Climate smart agriculture
 - Diet oriented production – vegetables and proteins versus carbs and fats
 - Less food loss and waste
 - Better market access from remote areas
 - Buffering global supply disruptions

2 SECOND REVENUE STREAM



- **Payment for Environmental Services**
 - Carbon sinks – forests, soils
 - Biodiversity set-asides
 - Pollutant recycling
 - Biosecurity

3 THIRD REVENUE STREAM



- **Renewables and sustainability**
 - Renewable energy for own use and grid – solar, wind, micro-hydro
 - Nutrient recycling – composting, organic matter recovery, efficient chemicals
 - Irrigation – water productivity, lower withdrawals

Food Systems Transformation: How Much Would Need To Be Invested?

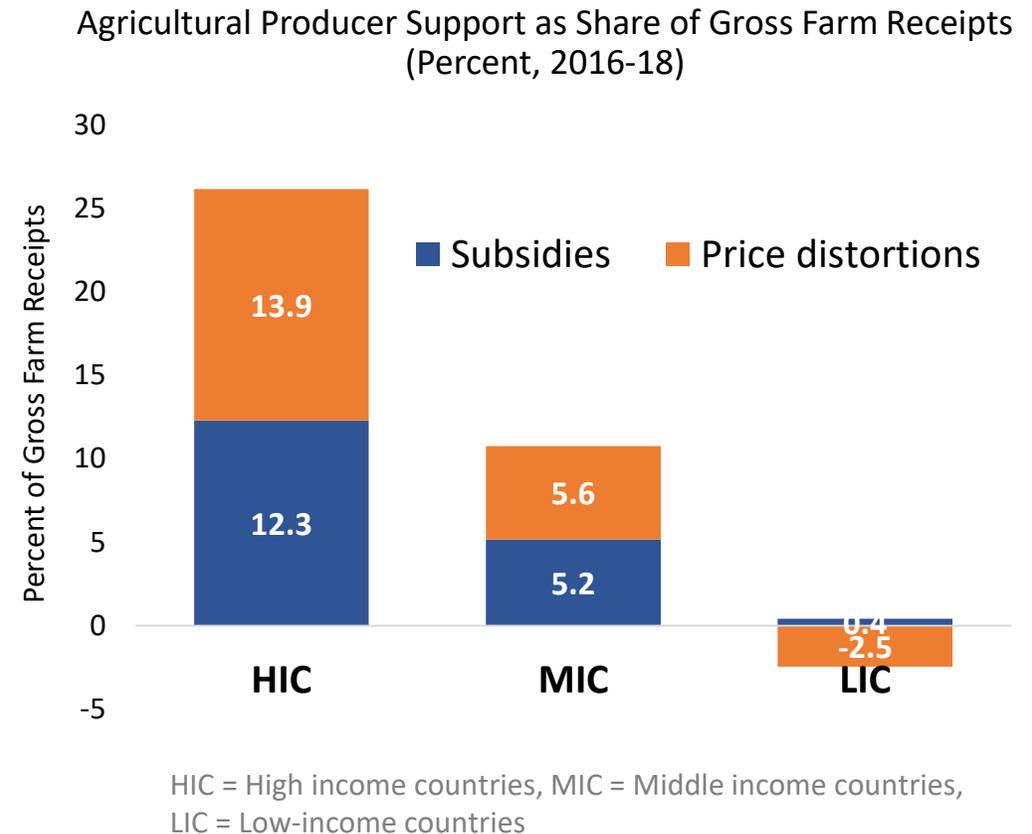
The additional annual investment requirements associated with the ten critical transitions are between **\$300 and \$350 billion** (2018 – 2030).

This is less than **0.5% of GDP**, a **return ratio of more than 15:1** based on the economic prize.



There Is A Major Opportunity to Realign Incentives

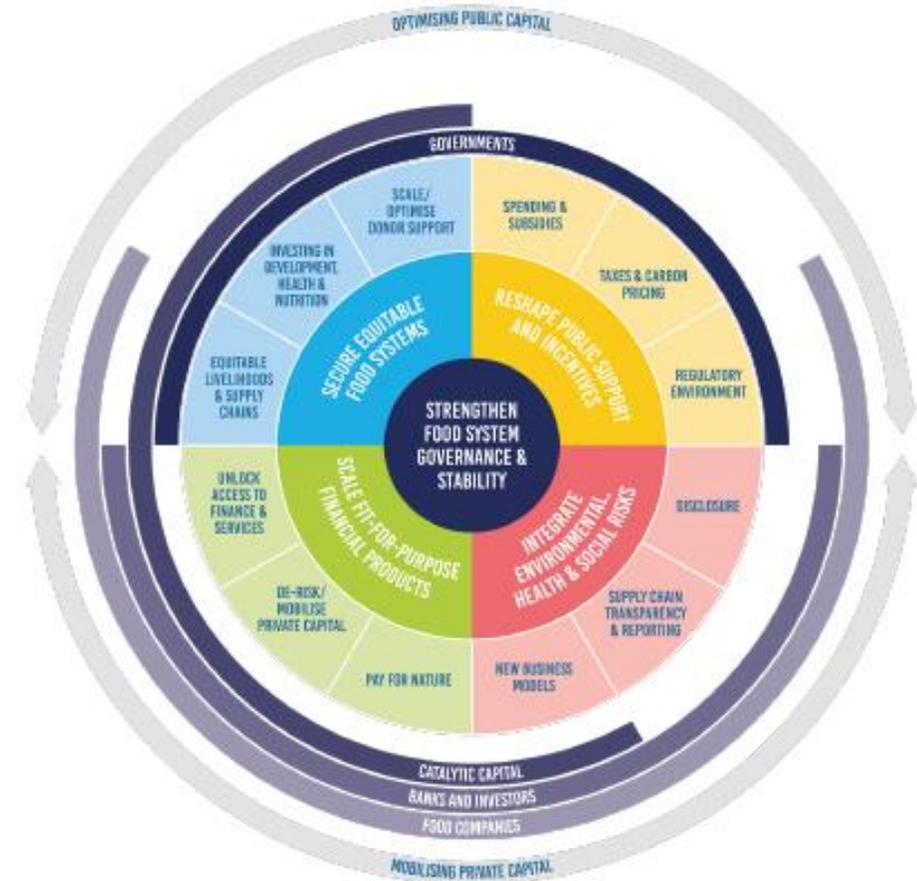
- \$568 billion per year supports agricultural producers in 79 countries
- 65% of support distorts producer incentives (market price support, input and output subsidies)
- Large protection by high-income countries, continued net taxation by low-income countries
- Agriculture and food sector is lagging adoption of ESG standards



There Is Need For A New Food Systems Architecture: Five Financing Imperatives

1. Reshape public support and incentives
2. Integrate health, environmental and social risks into financial decision-making
3. Scale fit-for-purpose financial products and business models
4. Secure equitable food systems
5. Strengthen food governance and stability

FOOD FINANCE ARCHITECTURE HELPS OPTIMISE PUBLIC CAPITAL AND MOBILISE PRIVATE CAPITAL THROUGH FIVE CORE IMPERATIVE

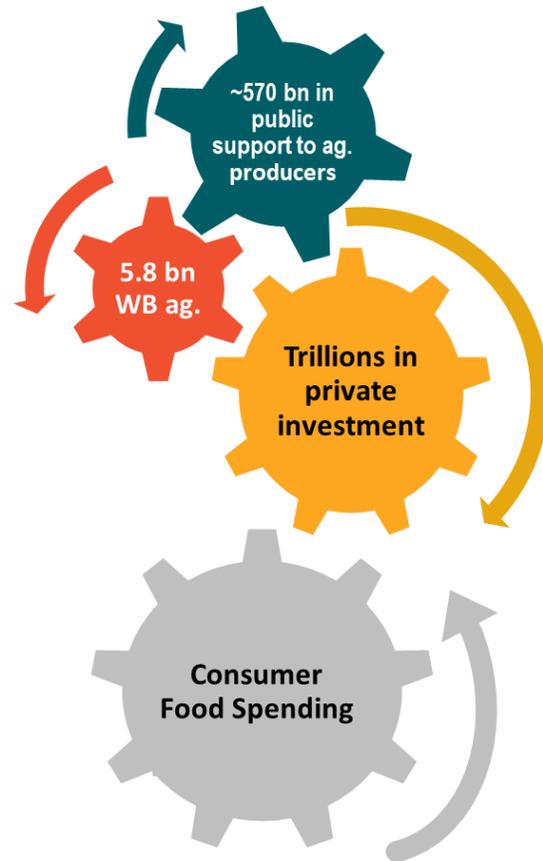


Implementing The Five Imperatives Will Provide Leveraging For Wider Impacts

~\$300-350bn

more per year to 2030 in public and private financing needed for transformation of food and land use systems for healthier people, planet and economy.

Source: Food and Land Use Coalition (FOLU) Global Report 2019



Increasingly use support to:

- ✓ Repurpose policies and public support
- ✓ Crowd-in private investment
- ✓ Leverage the technology ecosystem
- ✓ Leverage external partners
- ✓ Apply an integrated ONEWBG approach: working hand in hand with all Internal partners: SD, EFI, HD, INF, IFC, MIGA, and DEC, TRE.