



Global Donor
Platform for
Rural Development



IFAD PODCAST EPISODE 72

Strengthening food systems through development finance

David Laborde

Director of the Agrifood Economics Division (ESA), Food and Agriculture Organization of the United Nations (FAO) interviewed by GDPRD Coordinator Maurizio Navarra.

Maurizio Navarra/GDPRD: David, you led this year's State of Food Security and Nutrition in the World Report known as the SOFI Report, which was dedicated to financing to end hunger, food insecurity and malnutrition in all its forms. What are the three top messages you would like to highlight for our listeners?

David Laborde/FAO: In this 2024 SOFI, we have three key messages.

The first one is pretty simple. When we start to talk about how much we spend on food security and nutrition, we have a quorum of definitions. All around the world people are really concerned by these objectives and want to do more, but what it means exactly varies and therefore we need to simplify the dialogue by having this harmonized definition. And in this year's SOFI, we come with a core definition on food security and nutrition that really focus on food consumption and basic health services, making sure that we assimilate this food properly, and an extended definition that includes the root causes of food insecurity and malnutrition as well as the different pathway to solve them.

The second message is about the fact that, unfortunately, we are not spending near enough. So, to give you a range, even in International Development, we are spending between \$7 and \$70 billion per year to support food security and nutrition when actually, the needs are between \$77 billion up to more than \$700 billion per year. We need to multiply things by 10 now it's going to be a mix of domestic and international aid.

The third message is even with the money we have, we have too much fragmentation. We do not coordinate enough across agencies, across donors, within countries, and at the global level. And so, we waste some resources, but also, we cannot deliver at scale. So, conclusion, we need to talk about the same thing, and we need to agree on the definition, and we need to spend more both on the public and private side, and we need better coordination.

Maurizio: How do these messages translate into action when it comes to financing food security and nutrition?

David: We really have a very nice debate with different actors and stakeholders regarding this definition. The first action is making sure that people are talking about the same thing and agree on what they want to talk about. We also, and through the analysis we do in the SOFI, have this very nice mapping between different needs in different countries because what we see actually is that we have very vulnerable countries that

actually are exposed to a lot of risks, and because they are exposed to a lot of risks, doesn't have access to finance.

So, the idea behind it is that we need to go beyond the idea that there is one silver bullet. Different financial instruments and different financial solution will answer the needs of different countries and we can create this typology of countries and this typology of tools. That's where we can start to innovate. That's what we can start to put in place, some blended finance to get these different actors.

But really, I want to say that you know how we deal with risk in a situation where it has always been risky, but today it's even more risky. We have more pest and disease, with climate change, we have more weather events. And so really that the new challenge of today how we derisk, the agrifood system, in particular the actual production in a way that is inclusive.

Maurizio: What about regional differences in how hunger has evolved over the years.

David: At the global level, we have today 733 million people in chronic hunger and actually we need to go back to 2007, 2008, to see the same level of global hunger. But compared to 2007, 2008, in the aftermath of the financial crisis, we are not recovering at the same speed.

And when we move to the regional level, that is very striking. Because since the end of the COVID pandemic, for instance, we have seen improvement in Latin America when we see a deterioration of the situation still in Africa, in the Middle East, and for example, in the Caribbeans. And we can understand why: because on one hand, you have some specific shock linked to conflicts, linked to extreme events – and that makes the situation worse. But today in Latin America, for instance, you have a lot of social safety nets. You have a lot of active policies that try to protect the most vulnerable. And if you protect the most vulnerable, you have less hunger.

Maurizio: David, do you have a final message for our listeners?

David: So, the SOFI 2024 this year is on finance, and I really think that we should see this in a longer process. So, on one hand, in 2025, we will have the Finance for Development Summit in Spain. We have the Nutrition for Growth Summit, but part of the work that you will see in SOFI also has been inspired by the work that the Global Donor Platform has done on finance, in particular on blended finance. And we hope that a lot of the element that the SOFI is putting on the table can be used by the Global Platform to trigger more action, both in terms of coordination, but also in terms of convergence, you know, on this question of definition. So, we are very happy to build on some efforts of the Global Donor Platform. And we will be even happier if the Global Donor Platform can take some of our lessons and bring it to important events next year.

So mobilizing finance is a necessary part of the solution because we have a lot of needs, especially in some places where there is no local capacity to finance the investments that are needed. And if we do the right investments, we can really put the world on the more sustainable track. We can have a more environmentally friendly way to produce so we can address the climate situation. We can also make sure that we can produce food where we need food and in many cases in Africa, we have natural comparative advantages, but we don't have the finance to make them real and so basically to seize these opportunities.

So redirecting finance on the right action at the right place is really essential to deliver on food security and nutrition outcome.

Maurizio: Many thanks to David Laborde, Director of the Agrifood Economics Division at the Food and Agriculture Organization of the United Nations. Thanks a lot, David.

David: Thanks a lot Maurizio.