

2024

# THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD

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



Annual General Assembly (AGA) of the Global Donor Platform  
for Rural Development (GDPRD)  
26 November 2024



## 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.





**Sufficient levels of and equal access to financing is essential to be back on track towards eradicating hunger, food insecurity and malnutrition in all its forms.**

**But how much more financing we need? How can we scale-up financing for food security and nutrition while facing multiple global development challenges? Can we create synergies among different areas, as humanitarian, climate and development finance?**

**Countries most in need of scaling up financing have problems in accessing financing**

**COUNTRIES' ABILITY TO ACCESS FINANCING**



**HIGH ABILITY TO ACCESS FINANCING:**

- Sustainable or low level of debt
- Upper- or lower-middle-income countries

**MODERATE ABILITY TO ACCESS FINANCING:**

- Moderate or sustainable subject to risk of indebtedness
- Lower- or upper-middle-income countries

**LIMITED ABILITY TO ACCESS FINANCING:**

- Countries in debt distress, or with high or unsustainable risk of indebtedness
- Low- or lower-middle-income countries



**PREVALENCE OF UNDERNOURISHMENT (ON AVERAGE)**

**74 PERCENT OF ALL THESE COUNTRIES ARE AFFECTED BY ONE OR MORE MAJOR DRIVERS OF FOOD INSECURITY AND MALNUTRITION**



**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**

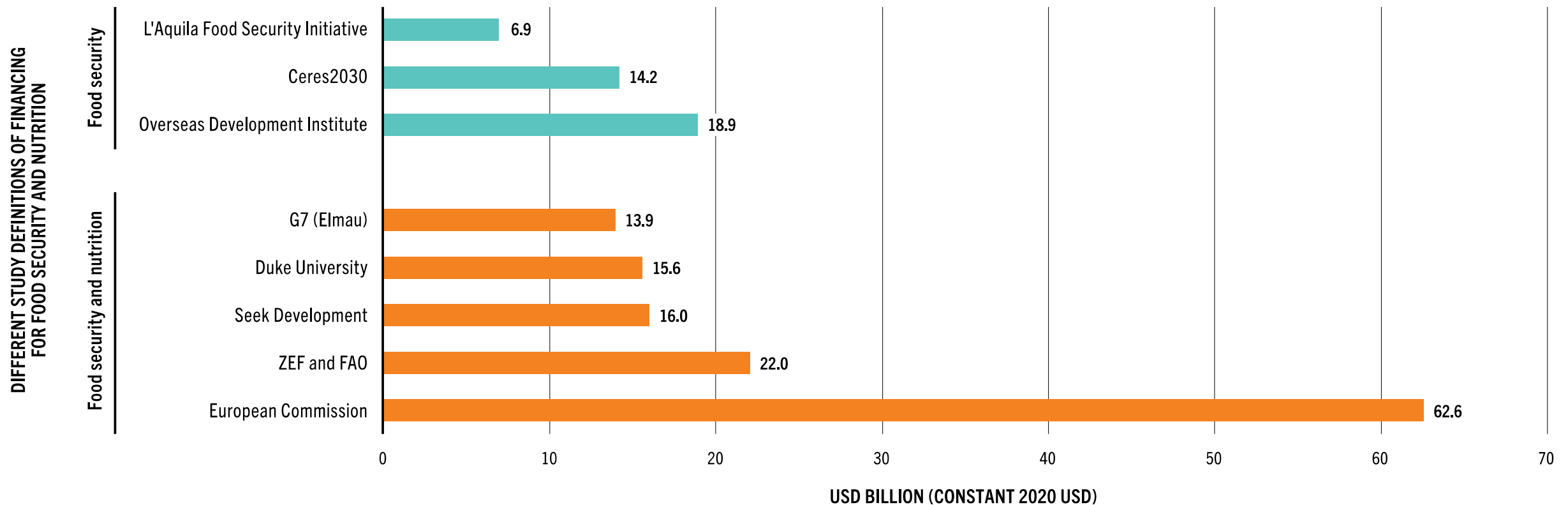
The inclusion of initiatives oriented to create resilience against the major drivers of hunger and all forms of malnutrition recognize the essential role that food security and nutrition initiatives have for the achievement of overall economic, environmental and social agrifood systems transformation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

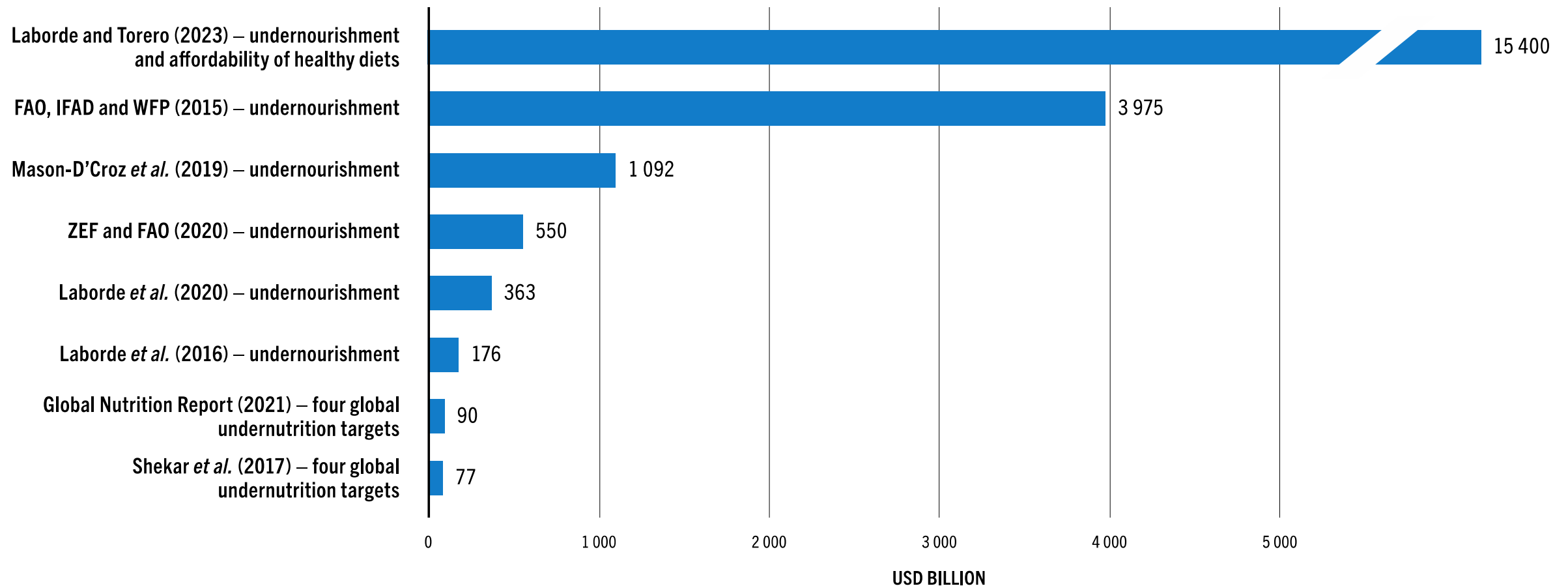
Implementing the new definition in a systematic way faces significant data challenges depending on the considered source of financing. Only 25% of ODA and OFF (about USD 76 billion) targets food insecurity, while international private flows may reach USD 95 billion annually. Public spending varies widely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

## The lack of consistent definition of financial means of implementation Illustration with ODA grants

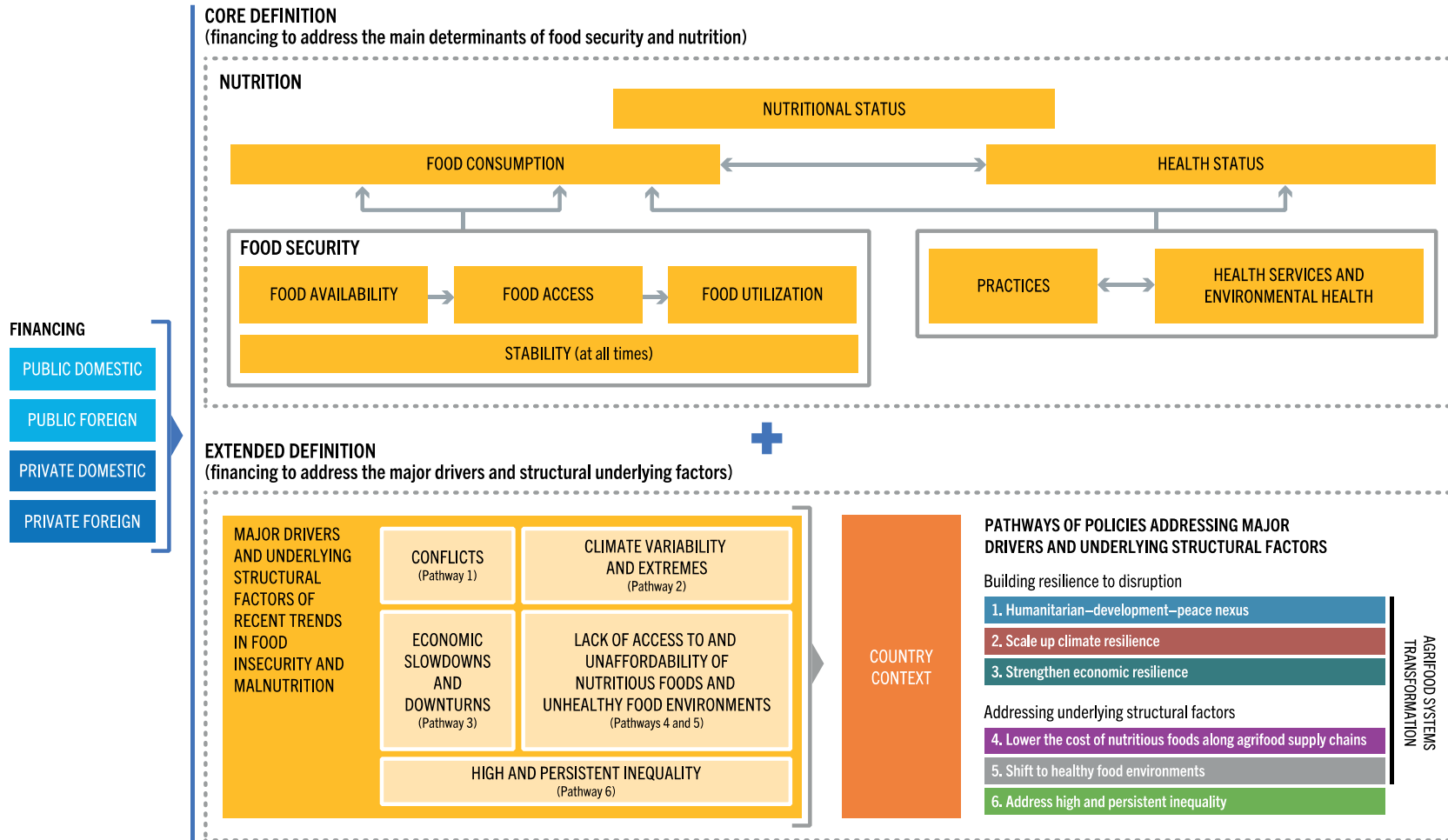
**OFFICIAL DEVELOPMENT ASSISTANCE (ODA) GRANTS FOR LOW- AND MIDDLE-INCOME COUNTRIES ASSOCIATED WITH DIFFERENT DEFINITIONS OF FINANCING FOR FOOD SECURITY AND NUTRITION, 2021**



**Assessing financial needs is complex but also depends on the definition and the scope of the interventions considered**



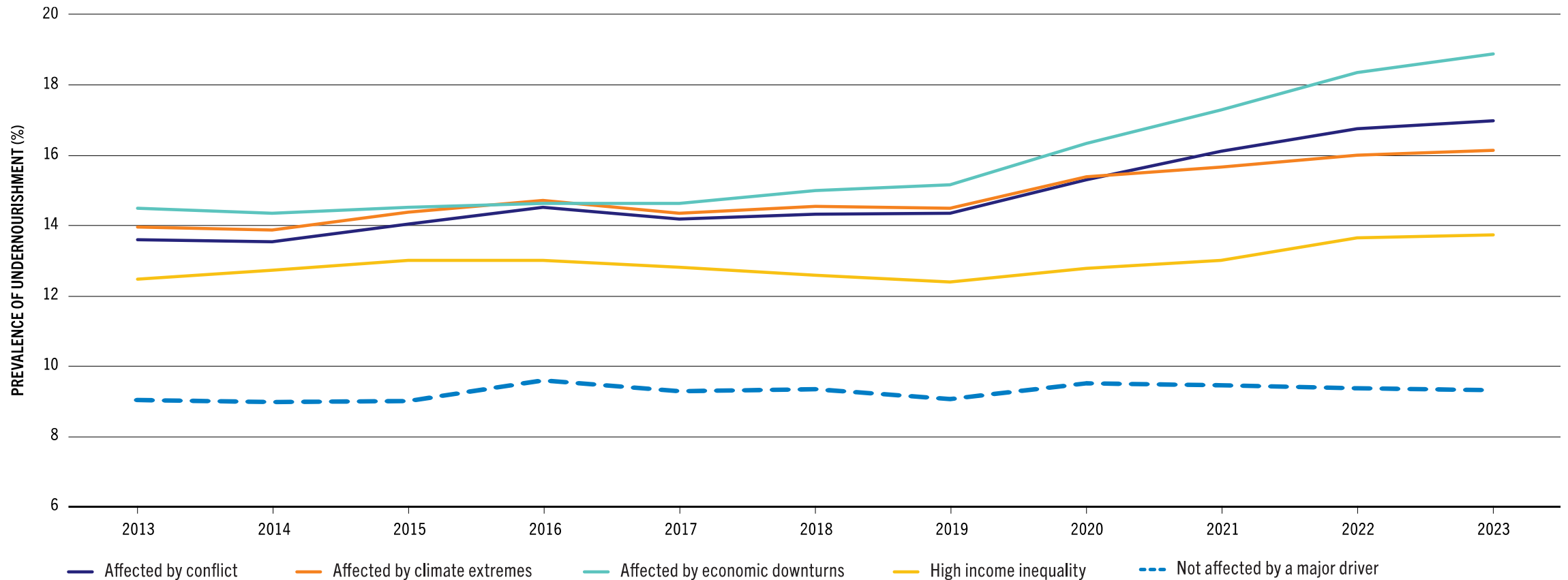
**Towards a new definition of *Financing for Food Security and Nutrition*  
 – for ending hunger and food insecurity (SDG Target 2.1) and all forms of malnutrition (SDG Target 2.2)**





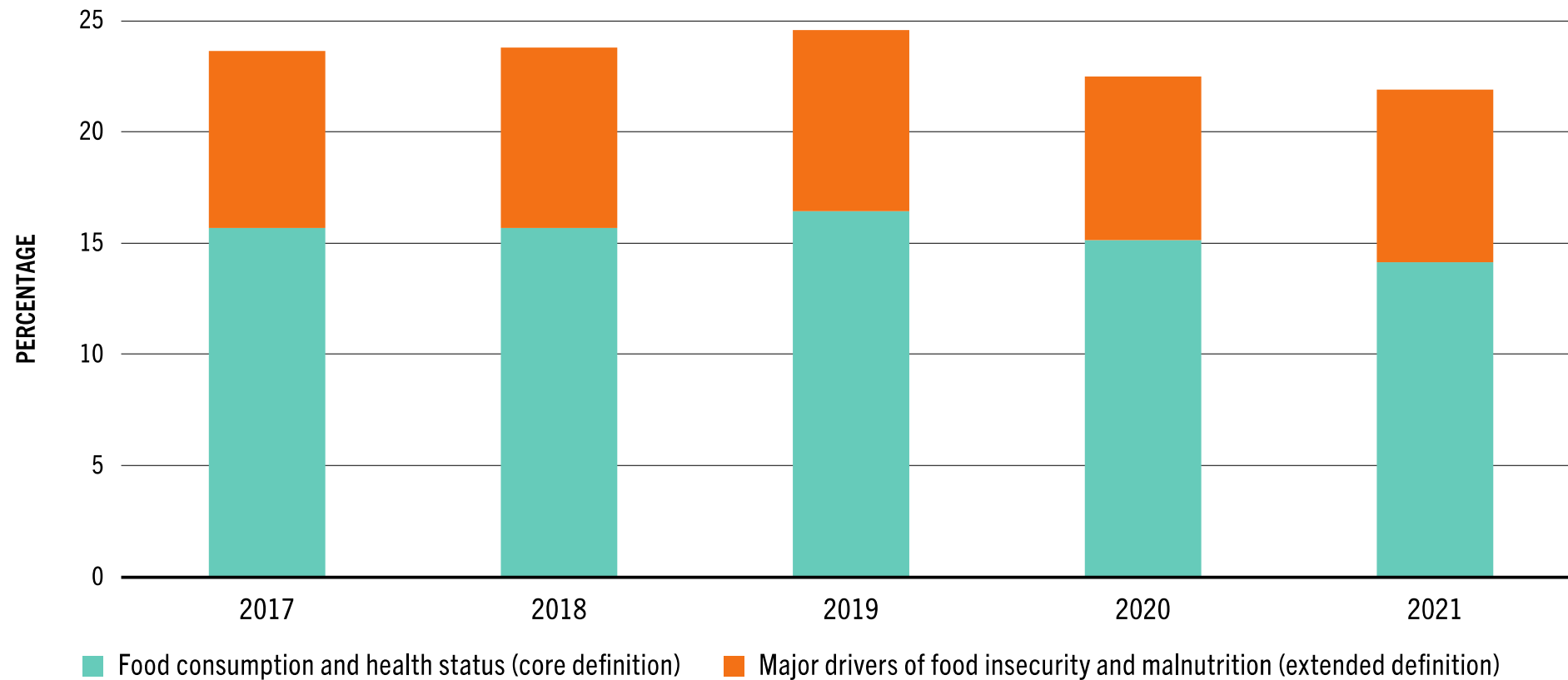
**Why is the extended definition important?  
 The role of key drivers in rising hunger**

**TREND IN THE PREVALENCE OF UNDERNOURISHMENT FOR COUNTRIES AFFECTED BY THE MAJOR DRIVERS  
 AND FACING HIGH INCOME INEQUALITY, 2013–2023**



**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**





## **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.

**Recommended innovative financing instruments for countries,  
 considering their ability to access financial flows**

**A. LIMITED ABILITY TO ACCESS FINANCING**

**CONCESSIONAL FINANCE FOR DE-RISKING  
 PRIVATE FINANCING**

- Grants
- Low- or no-interest loans  
*Combined with technical assistance for effective de-risking*

**REALLOCATING FUNDS FOR FOOD SECURITY  
 AND NUTRITION**

- Debt swaps  
*Debt service reallocated towards food security and nutrition investments*
- Special drawing rights reallocation  
*Increased lending opportunities for low- and middle-income countries*

**INSURANCE AND GUARANTEES FOR RISK-RESILIENT  
 FOOD SECURITY AND NUTRITION INVESTMENTS**

- Parametric insurance  
*Better management of agricultural risks*
- Risk pools  
*Increased insurance affordability*
- First loss  
*Absorbed losses for high-risk investments*

**B. MODERATE ABILITY TO ACCESS FINANCING**

**INCREASED FUNDING FOR PUBLIC SPENDING**

- Sovereign bonds  
*Linked with contingencies to decrease default risk*
- Health taxes  
*Increased revenues and healthier food environments*

**DE-RISKING FOOD SECURITY AND NUTRITION  
 INVESTMENTS THROUGH BLENDED FINANCE**

- Donors and development finance institutions
- Public sector and development banks
- Philanthropic foundations  
*Strategic placement to further leverage private funding environments*

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- Parametric insurance  
*Better management of agricultural risks*
- Risk pools  
*Increased insurance affordability*
- First loss  
*Absorbed losses for less risky investments*

**C. HIGH ABILITY TO ACCESS FINANCING**

**SCALING UP FINANCING WITH SUSTAINABILITY  
 CONSIDERATIONS**

- Green, social, sustainability and sustainability-linked bonds  
*Increased private financing for development objectives*

**EMBEDDING DEVELOPMENT OBJECTIVES IN INCREASED  
 PRIVATE FINANCING**

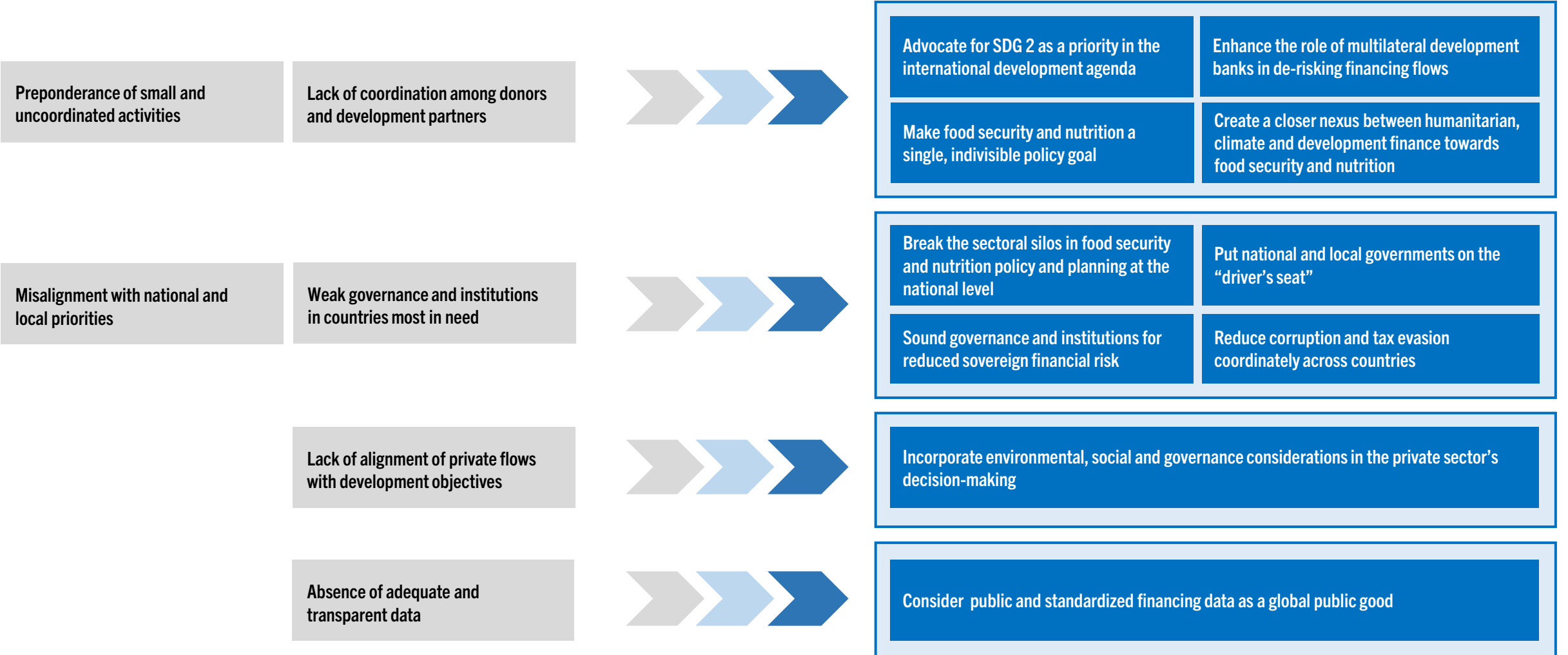
- Results-based funding  
*Mobilized private financing for better development impacts*
- Incubators and accelerators  
*Projects financed in early stages*
- Impact investment funds  
*Public-private finance mobilization*

**INSURANCE AND GUARANTEES FOR RISK-RESILIENT  
 FOOD SECURITY AND NUTRITION INVESTMENTS**

- Parametric insurance  
*Better management of agricultural risks*
- Risk pools  
*Increased insurance affordability*
- First loss  
*Absorbed losses to boost project bankability*



**Addressing limitations of the current financing architecture for an enhanced role of donors and other financial stakeholders and increased financing for food security and nutrition**



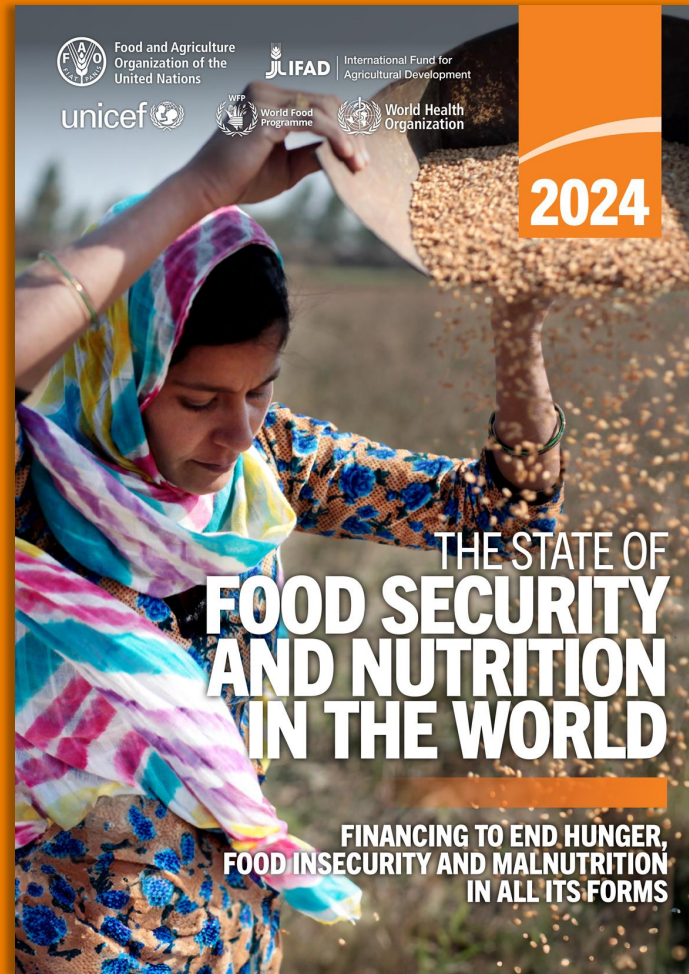
## What are the key implications of SOFI 2024 for donors?

1. Increasing collaboration with FAO to improve and operationalize the harmonized definition of financing for FSN in ODA and OOF.
2. Reorienting donor resources towards de-risking agrifood systems investments.
3. Adopting new practices for enhanced coordination among financial actors.



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# Thank you!

Download the report at:

<https://doi.org/10.4060/cd1254en>

