

# Statement by IFAD President at the University of Ottawa

Future of World Food Security in the Face of Climate Change

Ladies and Gentlemen.

Thank you for coming to today's dialogue. I am pleased to be in Canada, at a moment when the world is finally waking up to the importance of agriculture – in particular smallholder agriculture – in determining our future. It is heartening to be here because Canada is showing its generosity once again and is adopting a strategic approach in meeting today's big challenges. We at IFAD value Canada as a close and loyal partner.

Right at the start, let me also thank you for Canada's support to rural poor people, the millions of smallholder farmers who struggle every day to make a better life for themselves and their familes.

I am honoured that Chancellor Huguette Labelle is able to be here with us today. This is a clear indication of the importance of the topic we are here to discuss, namely, 'The future of world food security in the face of climate change'.

I am indeed delighted to have this opportunity to share with you my thoughts on this critical topic and to have a chance to hear your views as well. I am also pleased to see Barry Stemshorn, whose experience and views are particularly pertinent and valuable.

#### Lessons from the recent food crisis

Ladies and Gentlemen,

Twenty-five years ago Ethiopia was hit by one of the worst famines in living memory. The world woke up to horrific images on television screens of people wasting away. Today, the rains have once again failed in large parts of Ethiopia and millions of Ethiopians face another major famine. Ethiopia, as you may know, depends almost entirely on rain-fed agriculture to feed itself.

This time, however, the danger of famine is not limited to Ethiopia alone, as large parts of the Horn of Africa and parts of Kenya are also affected by the failure of the rains. Such failures have reportedly become more frequent. International aid agencies, including our sister agency in Rome -- the World Food Program (WFP) -- are again appealing for massive amounts of food aid to stave off another famine.

The current crisis in the Horn of Africa is a stark reminder to all of us that the global food security crisis we witnessed in 2007 and 2008 is far from over. As you may all recall, in those two years the world experienced a sharp contraction in food supplies leading to food price spikes reaching levels not seen since the end of the Second World War. These triggered riots in more than 40 countries and brought down the government in Haiti.

Food import-dependent countries were also shaken, as the crisis not only made food affordability an issue but food availability as well, thus demonstrating the inseparable link between food security and national security.

# Clearly, food security is an integral part of overall security, at both national and global levels.

Food prices have come down from their peaks of 2008 but still remain high. They have however become more volatile, indicating underlying uncertainties. Thus while the crisis in the Horn of Africa represents perhaps the worst face of food insecurity in the world today, we need to remind ourselves that the global food security crisis is far from over. Urgent action is therefore required if other developing regions of the world are to avoid the current fate of countries in Eastern Africa.

As we contemplate the actions we need to take to assure global food security, I believe it is worthwhile to step back for a moment and ask: What major lessons did we learn from the 2007/2008 global food crisis? Clearly, it is essential that we draw the right lessons if we are to avoid repeating the mistakes of the past.

I believe the world community has learnt six important lessons from the recent crisis:

- First. The world can ill afford to under-invest in agriculture as had happened in the last two decades. While the food
  crisis of 2007/2008 was exacerbated by short-term developments -- such as crop failures in major cereal producing
  countries it was fundamentally a reflection of the failure of world supply to keep pace with growing demand, largely
  due to declining or stagnant agricultural productivity in developing countries.
  - This reminds us that food security requires consistent sustained investment in agriculture; it cannot be turned on and off like a tap.
- Second: In today interconnected world, food crises will undoubtedly have an immediate and massive impact on the
  poor in developing countries. Recent estimates indicate that more than 100 million people joined the ranks of the
  hungry -- pushing the total to more than one billion -- as a result of the food and global economic crises of the last
  two years;
- Third: Although the sharp spikes in world food prices hit the urban poor in developing countries -- leading to well
  publicized public protests -- it is poor rural households who often bear the brunt of the crisis, as their income is very
  low and they are often net purchasers of food.
  - Hunger and poverty are inhuman and should never be tolerated.
- Fourth: While increased food production is necessary, it is not sufficient to avert food crises. Food security requires distribution mechanisms that enable equal access to food for all people.
  - It is not enough to increase production and productivity; farmers should be linked to markets -- not necessarily international markets but the last mile to vibrant and competitive local markets.
- Fifth: Global food insecurity can no longer be tackled by food aid alone -- as important as such aid is in crisis conditions -- but by helping developing countries increase their production of food. For most, this translates into increased production by smallholder farmers.
- Sixth: While smallholder farmers need to increase their production to enhance national food security, governments have to create the environment to enable them to do so. The crisis has shown that smallholder farmers often find it difficult to respond to sharp increases in demand and higher food prices in the absence of supporting institutions and appropriate infrastructure.
  - Developing country governments must create the political will and the right policy environment for development.

## Prospects for global food security in the face of current trends and climate change

Ladies and Gentlemen,

In the light of these recent developments what then are the prospects for global food security -- the topic for our dialogue today.

I believe the future of global food security is highly dependent on two important and inter-related factors. The first is the degree to which the public and private sectors will succeed in increasing agricultural productivity through technological change and effective natural resource management.

We need to remember, in this regard, that research is the driver of technological change and that it requires investment in pro-poor agricultural research, science, and technology. I am pleased to note Canada's food security research fund and the support it provides to the CGIAR constitute a basic acknowledgement of this imperative.

The scale of the challenge of increasing food production is reflected in current projections for population growth and the resultant growth in the demand for food. On current trends, the world's population is projected to grow from 6.8 billion to 9.1 billion by 2050. Most of the growth, as can be expected, will take place in developing countries. Feeding 9.1 billion will require that overall global food production grow by 70 percent. Production in the developing countries would need to almost double.

A related challenge and one that will have a major impact on food security is the expected adverse impact of climate

change on raising agricultural production and productivity, particularly on rain-fed agriculture.

Recent studies and projections paint a dire picture, particularly for Africa. Let me cite a few of these projections:

In sub-Saharan Africa, Eastern Asia and South Asia, climate change is expected to affect rains, increase the frequency of droughts and raise average temperatures threatening the availability of fresh water for agricultural production;

In sub-Saharan Africa, arid and semi-arid areas are projected to increase by 60-90 million hectares; and

In Southern Africa, yields from rain-fed agriculture are expected to be reduced up to 50 percent by 2020.

The combined effect of climate change on agriculture is therefore likely to be a loss of stability in production and decline in food production, thus endangering food security. Thus, unless urgent action is taken, climate change is likely to worsen global food security and dramatically increase the number of people facing hunger and malnutrition.

## **Needed Actions**

Ladies and Gentlemen.

# **International Support**

While the prospects for global food security, on current trends, are not promising, I believe that the world can nonetheless effectively tackle the challenge of food insecurity if governments, the private sector, and civil society organizations take the required measures. These must aim, first, to increase agricultural productivity and second, to tackle climate change. Such action is required at both the international and national levels.

At the international level, I believe we have begun to take important steps to lay the groundwork to support low-income countries boost their agricultural productivity and increase their agricultural production.

At the height of the crisis in 2008, the United Nations Secretary General established the High-Level Task Force (HLTF) on food security to coordinate the work of the United Nations Agencies, including the Bretton Woods institutions. The HLTF has produced a Comprehensive Plan of Action and has also helped coordinate the responses of the many organizations taking part.

Other important initiatives that have been launched in the recent past include the European Union's Euro 1 billion facility to support agricultural projects in developing countries, as well as the launch of the *African Agriculture Fund* by France and the African Development Bank. The latter aims too strengthen the management, modernization and organization of agricultural production on the continent by supporting agro-industrial companies and agricultural cooperatives.

An important milestone in the last few months has undoubtedly been the agreement reached by the heads of 40 governments and agencies at the G8 Summit this year on the L'Aquila Food Security Initiative. The leaders pledged US\$20 billion over the next three years to strengthen global food production and food security.

The Initiative recognizes that global food security crucially depends on agricultural development in developing countries, rather than simply on aid. It also lays down a number of fundamental principles on which efforts at increasing agriculture production must necessarily rest. Above all, it has stated that all efforts must be country-owned and country-led.

I am delighted that Canada has taken a major role in the L'Aquila Initiative by pledging \$600 million to support it. Canada has also doubled its contribution to IFAD to US\$75 million over the next three-years for which we are grateful.

And just last week Hon. Beverley J. Oda, Minister of International Cooperation, unveiled CIDA's three-pronged Food Security Strategy. We welcome the fact that Canada's strategy aims at finding practical solutions to increase agricultural productivity, primarily aimed at smallholder farmers. Indeed, it is my hope that Canada will continue to lead the way as it takes over the G8 Presidency next year.

## **National Efforts**

The support of the international community must necessarily rely on national efforts if it is to have any impact. And in this regard, I am pleased that developing countries are beginning to take the needed steps to increase agricultural production

and productivity.

Countries such as India, Brazil, China, and Vietnam have clearly made important strides towards modernizing their agriculture and assuring food security for their peoples. Indeed, they have become major food exporters. In Africa, countries such as Ghana, Rwanda and Tanzania are on similar paths.

In Africa, while governments face enormous challenges, they nonetheless have taken some encouraging steps. In 2003, governments pledged to raise investment in agriculture to at least 10 per cent of national budgets. And while all countries have yet to meet this target, a significant number have, despite the severe fiscal crisis many have faced in the recent past. Agriculture is the foundation of economic growth national stability and improved livelihoods and social wealth.

Importantly, a number of countries in Africa have adopted the NEPAD Comprehensive Agricultural Development Program (CAADEP) as the basis for their own national programs. And in such plans, it is also our hope that countries will give high priority to smallholder agriculture, as this sector must inevitably play a critical role in all efforts to improve food security in Africa.

I would like to point out that women farmers make up 60-70 percent of smallholders in the developing world. And empowering women farmers and women's groups is central to agricultural development. This is why I recently accepted the MDG gender torch from the Danish minister for international development, 'to do something extra' to help reach the MDG3 goal.

It is our hope that the L'Aquila Initiative together with such national initiatives will indeed result in a major boost of investments to the agricultural sector reversing the unfortunate trends we have witnessed in the last three decades.

As many of you may know, ODA to agriculture declined from around 18 per cent in the early 1980s to around 3 per cent in recent years. The share of national government budgets devoted to agriculture also declined to less than 10 percent, falling to less than 5 percent in some. Clearly, developing country governments had lost sight of the importance of agriculture as a foundation for economic and social growth, and obviously, for food security.

It is also our hope that the new cooperation to boost agricultural production and productivity in the developing world will indeed lead to greater mutual accountability between the donor community and developing countries.

# **Tackling Climate Change**

While important initiatives are being laid to boost agricultural production and productivity, these must necessarily be complemented by concrete steps to limit climate change if the goals of ensuring global food security are to be met. In this regard, it is our hope that the Copenhagen negotiators will indeed - seal a credible climate deal - one which delivers cuts in emissions and which recognizes the uniqueness of agriculture.

In this regard, it is important to remember that smallholder farmers in developing countries are at the sharp edge of climate change and they are the least equipped to cope. This is particularly the case for rural women, who often shoulder the main responsibility in providing for the food, water and fuel needs of their families.

Smallholder men and women would thus need to be provided with the means to adapt to climate change. They need seeds that are more resistant to drought or to floods and they need cutting-edge agricultural technologies. They need microfinance services to allow them to invest in the future and to help tide them over in the lean times; and they need weather-indexed insurance to protect them from the shocks of climate change.

# Conclusion: IFAD, Smallholder Agriculture and Climate Change

## Ladies and Gentlemen

Before I conclude, permit me to say a few words on the work of IFAD in support of the efforts of low-income countries to improve their food security and cope with the effects of climate change. We believe IFAD's three decades of service in support of the rural poor has yielded valuable lessons and experiences that can be used in the current global effort to enhance food security.

In its three decades of existence, IFAD has provided support to smallholder farmers with the goal of raising their incomes and productivity and thus enhance their food security. Such support has covered a wide variety of interventions including: agricultural research and extension; farmer field schools; farm input supply; forestry; veterinary services; support to

farmers' organizations and cooperatives; as well as support to rural finance institutions.

IFAD has also introduced successful innovations in low income countries, including private-public partnerships in value chain development and in agricultural services, rural finance services and environmental management.

IFAD has also learnt that investment in smallholder agriculture and rural development is the most sustainable safety net for economic growth. We need to recall in this regard that smallholder farms produce 80 per cent of food consumed in the developing world and feeds one third of the world population.

We believe that in the current effort to increase international support to agriculture, the lessons learnt from IFAD projects can be immensely useful in the design of effective programmes and projects. Indeed, we believe that IFAD projects can, in many instances, be scaled up to significantly boost agricultural production and mitigate the impact of climate change.

Successful examples of IFAD food security and environmental management projects include:

The Roots and Tubers project in Benin, Cameroon, Ghana and Nigeria which has enabled 720000 farmers to plan new varieties of cassava and helped these farmers diversify into cassava products;

The Rural Development Project for the Central Region of El Salvador, which has helped some 30,000 farming families boost crop production and diversify incomes; and

The **West Guangxi Poverty-Alleviation Project** in China which has provided 30,000 poor households with nearly 23,000 biodigester tanks for biogas production in 3,100 villages, resulting in a significant drop in methane emissions and in improved household sanitation and health along with increases in income.

While IFAD's projects have had significant impacts on the rural communities that they support, the scale of their operations has unfortunately limited their impact at the national level. With the significant expansion in resources that we hope will be forthcoming under the L'Aquila Initiative and other programmes, it is our hope that the scaling up and replication of successful IFAD projects will indeed result in a significant impact on food security in developing countries.

My last message is to developing countries and their leaders, particularly in Africa. We should always remember that development and economic growth are intrinsic national processes: A palm tree cannot make use of energy from the sun unless it is well-grounded and firmly rooted in its own soil.

I thank you for your attention.

Ottawa, Canada, 27 October 2009

#### In this section

- Lessons from the recent food crisis
- Prospects for global food security in the face of current trends and climate change
- Needed actions
- Tackling Climate Change
- Conclusion: IFAD, Smallholder Agriculture and Climate Change

## Read more

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