Insights on financing for food security and nutrition ahead of the SOFI 2024 launch

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PART 1

Why are we looking at financing when understanding the state of food security and nutrition in the world
The SOFI journey (2017–2023)

After many years, hunger begins to increase.
Nutrition problems arose (overweight and obesity)

Drivers and structural causes are identified

Pathways to address are identified
Hunger at the global level remained relatively unchanged from 2021 to 2022 but is still far above pre-COVID-19-pandemic levels: 122 million more people were facing hunger in 2022 than in 2019.

WORLD PREVALENCE OF UNDERNOURISHMENT AND NUMBER OF UNDERNOURISHED PEOPLE

NOTES: * Projections based on nowcasts for 2022 are illustrated by dotted lines. Bars show lower and upper bounds of the estimated range.

The pandemic provoked a tremendous setback. Projections show 119 million more people facing hunger in 2030 compared to a scenario in which the pandemic had not occurred, and around 23 million more than in a scenario where 2022 events had not happened.

NOTES: * Projected values. The 2020, 2021 and 2022 values are based on the middle of the projected ranges.

Following a sharp increase from 2019 to 2020, the prevalence of moderate or severe food insecurity at the global level remained unchanged for the second year in a row but was still far above pre-pandemic levels.
Globally in 2022 among children under five years of age, an estimated 148.1 million (22.3 percent) were stunted, 45 million (6.8 percent) were wasted, and 37 million (5.6 percent) were overweight.

We are not on track to ending hunger, food insecurity and malnutrition – major drivers and underlying factors are challenging us.

UNDERLYING CAUSES OF POVERTY AND INEQUALITY

- COVID-19 pandemic
- Economic slowdowns and downturns
- Climate variability and extremes
- Conflict
- Cost and affordability of healthy diets
WHAT NEEDS TO BE DONE? SIX PATHWAYS TOWARDS FOOD SYSTEM TRANSFORMATION

Portfolio of policies, investments and legislation for each pathway

**COMBINATION OF TRANSFORMATION PATHWAYS (TPs) DEPENDING ON DRIVERS**

- **TP1** humanitarian-development-peace nexus
- **TP2** scale up climate resilience
- **TP3** strengthen economic resilience
- **TP4** lower the cost of nutritious foods along food supply chains
- **TP5** address poverty and inequality
- **TP6** shift to sustainable consumption patterns

**PORTFOLIO of POLICIES, INVESTMENTS and LEGISLATION**

to transform agrifood systems with resilience to drivers

**COHERENT POLICIES AND INVESTMENTS ACROSS SYSTEMS**

- Agrifood systems
- Environmental systems
- Health systems
- Social protection systems
- Other relevant systems

**ACCELERATORS**

- Governance and institutions
- Technology, data and innovation

PART 2

What can we expect from the SOFI 2024 report that will feed into the discussions on the intersections of donor coordination and finance for food systems and rural development?
More financing will be needed to get on track to meeting SDG Targets of ending hunger and food insecurity (SDG 2.1) and malnutrition in all its forms (SDG 2.1) → SDG 17 (means of implementation)

No coherent picture of the financial resources being spent on FSN, nor on the cost of achieving these targets.
- Multiple definitions of financing for FSN are applied leading to stark differences in estimates of FSN financing.

SOFI 2024 will take a deep dive into: “Financing to end hunger, food insecurity and all forms of malnutrition”:
- current levels and gaps in financing for FSN
- guidance on innovative financing options to address the major drivers of food insecurity and malnutrition

15 July: Special event on the theme (Financing) at the HLPF. New York.

24 July: Launch at the G20 Global Alliance against Hunger and Poverty Task Force Ministerial Meeting. Rio de Janeiro

SOFI will be a key input into the discussions on the intersections of donor coordination and finance for food systems and rural development.
An important step forward is taken, by advancing a definition of financing for food security and nutrition.

Guidance for a common approach and application of the definition, with a mapping of the definition to financial allocations:
- a shift away from the typical sector defined boundaries of agriculture and basic nutrition to the multi-dimensional nature of food insecurity and malnutrition.

Call for a **universal adoption of the new definition of financing for FSN** and for **standardized approach** for applying it to financial data.

New definition applied to public and private financing flows → data constraints keeping us from arriving at the global measurement of financing for FSN identified.
The new definition of financing for FSN in a nutshell

The financing flows are mapped up to interventions that help:

- **Core Definition**
  - Improve food consumption (i.e. food availability, access, utilization and stability)
  - Improve health status (i.e. caring and feeding practices, and health services and environmental health)

- **Extended Definition**
  - Transit through the pathways for addressing the major drivers
    - Address underlying structural factors behind recent increases in hunger, food insecurity and malnutrition
  - Conflict, climate variability and extremes, economic slowdowns and downturns, the unaffordability of healthy diets and unhealthy food environments
  - Persistent and high inequality
What to expect: Key questions addressed in SOFI 2024

- How much of international official flows (ODA and OOF) is supporting FSN? Based on this, can FSN be considered a high priority for donors?
- Are international official flows targeting well the countries where hunger, food insecurity and undernutrition are higher?
- What are the trends of public spending for FSN in low- and middle-income countries?
- How much of both types of flows goes to food consumption and health (core definition) vs to addressing the major drivers of food insecurity and malnutrition (extended definition)?
- What is happening with private flows for FSN? Which of them are trackable/not trackable?
Are countries most in need of more financing easily accessing financing for FSN?

Which are the more adequate financing tools depending on the ability of countries to access financing?
Does the current financing architecture for food security and nutrition support the increase of financing to meet SDG 2.1 and 2.2?

**The financing architecture going forward**

- **SOME KNOWN CHALLENGES OF THE CURRENT FINANCING ARCHITECTURE**
  - FRAGMENTATION
  - LACK OF COORDINATION
  - ABSENCE OF DATA
  - MISALIGNEMENT OF PRIORITIES

**SOFI RECOMMENDATIONS FOR ADDRESSING THE CHALLENGES AND BUILDING A SUPPORTIVE FINANCING ARCHITECTURE FOR FSN**
Thank you